

Annual Report 2025

Biesse S.p.A.

ANNUAL REPORT AS AT 31 DECEMBER 2025

THE BIESSE GROUP	6
BIESSE GROUP STRUCTURE	6
BIESSE GROUP PROFILE	7
ALTERNATIVE PERFORMANCE INDICATORS	7
FINANCIAL HIGHLIGHTS	8
COMPOSITION OF CORPORATE BODIES	11
DIRECTORS' REPORT ON OPERATIONS	12
GENERAL ECONOMIC OVERVIEW	12
BUSINESS SECTOR REVIEW	14
2025 TREND	16
MAIN EVENTS	18
DIRECTORS' REPORT ON OPERATIONS OF THE BIESSE GROUP	18
INCOME STATEMENT	19
STATEMENT OF FINANCIAL POSITION	21
MAIN RISKS AND UNCERTAINTIES TO WHICH BIESSE S.P.A. AND THE BIESSE GROUP ARE EXPOSED ...	23
CORPORATE GOVERNANCE	28
PERSONNEL RELATIONS	28
RESEARCH AND DEVELOPMENT ACTIVITIES	28
ESSENTIAL INTANGIBLE RESOURCES	29
RECONCILIATION BETWEEN THE PARENT'S EQUITY AND RESULTS AND CONSOLIDATED EQUITY AND RESULTS	30
TRANSACTIONS WITH ASSOCIATES, PARENTS AND THE LATTER'S SUBSIDIARIES	30
OTHER RELATED-PARTY TRANSACTIONS	31
INFORMATION ON SIGNIFICANT COMPANIES OUTSIDE THE EU	32
SHARES IN BIESSE AND/OR ITS SUBSIDIARIES, HELD DIRECTLY OR INDIRECTLY BY MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND THE GENERAL MANAGER, AS WELL AS BY THEIR RESPECTIVE SPOUSES WHERE NOT LEGALLY SEPARATED AND BY THEIR MINOR CHILDREN	32
"ATYPICAL AND/OR UNUSUAL" TRANSACTIONS CARRIED OUT DURING THE YEAR	33
SIGNIFICANT EVENTS AFTER THE REPORTING DATE AND OUTLOOK	33
CONSOLIDATED SUSTAINABILITY STATEMENT	34
ESRS 2 - GENERAL DISCLOSURES	40
ENVIRONMENT	55
TAXONOMY	64
SOCIETY	77
GOVERNANCE	104
LIST OF INFORMATION ITEMS REFERRED TO IN THE CROSS-CUTTING AND THEMATIC PRINCIPLES DERIVED FROM OTHER EU LEGISLATIVE ACTS	110
DIRECTORS' REPORT ON OPERATIONS OF BIESSE S.P.A.	114
RELATED-PARTY TRANSACTIONS	118
OTHER INFORMATION	118
EVENTS AFTER THE REPORTING DATE	118
PROPOSALS TO THE ORDINARY SHAREHOLDERS' MEETING	118
CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025	119

CONSOLIDATED INCOME STATEMENT	119
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	121
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	122
CONSOLIDATED STATEMENT OF CASH FLOWS	123
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	124
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	125
1. GENERAL INFORMATION.....	125
2. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND GENERAL STANDARDS	128
3. MEASUREMENT CRITERIA AND USE OF ESTIMATES.....	129
4. ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA ADOPTED	130
5. ADOPTION OF NEW ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS	142
6. REVENUE AND ANALYSIS BY OPERATING SEGMENT AND GEOGRAPHICAL AREA	144
7. REVENUE	146
8. OTHER INCOME.....	146
9. CONSUMPTION OF RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS.....	147
10. PERSONNEL EXPENSE	147
11. AMORTISATION, DEPRECIATION, IMPAIRMENT AND PROVISIONS	148
12. OTHER OPERATING EXPENSE	148
13. FINANCE INCOME AND EXPENSES AND EXCHANGE RATE GAINS AND LOSSES.....	149
14. BASIC AND DILUTED EARNINGS PER SHARE.....	150
15. PROPERTY, PLANT AND EQUIPMENT	152
16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES	152
17. GOODWILL	153
18. INTANGIBLE ASSETS.....	156
19. OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS	157
20. INVENTORIES	158
21. TRADE RECEIVABLES	158
22. OTHER RECEIVABLES	159
23. CASH AND CASH EQUIVALENTS	160
24. CONSOLIDATED EQUITY	160
25. FINANCIAL LIABILITIES	161
26. EMPLOYEE BENEFITS.....	163
27. INCOME TAXES.....	165
28. PROVISIONS FOR RISKS AND CHARGES	167
29. TRADE PAYABLES	168
30. CONTRACT LIABILITIES	168
31. OTHER CURRENT AND NON-CURRENT PAYABLES.....	168
32. FINANCIAL ASSETS/LIABILITIES FOR DERIVATIVE INSTRUMENTS.....	169
33. FINANCIAL RISK MANAGEMENT	169
34. RELATED-PARTY TRANSACTIONS	173
35. OTHER INFORMATION.....	174
36. EVENTS AFTER THE REPORTING DATE	175
37. ANNEXES	176

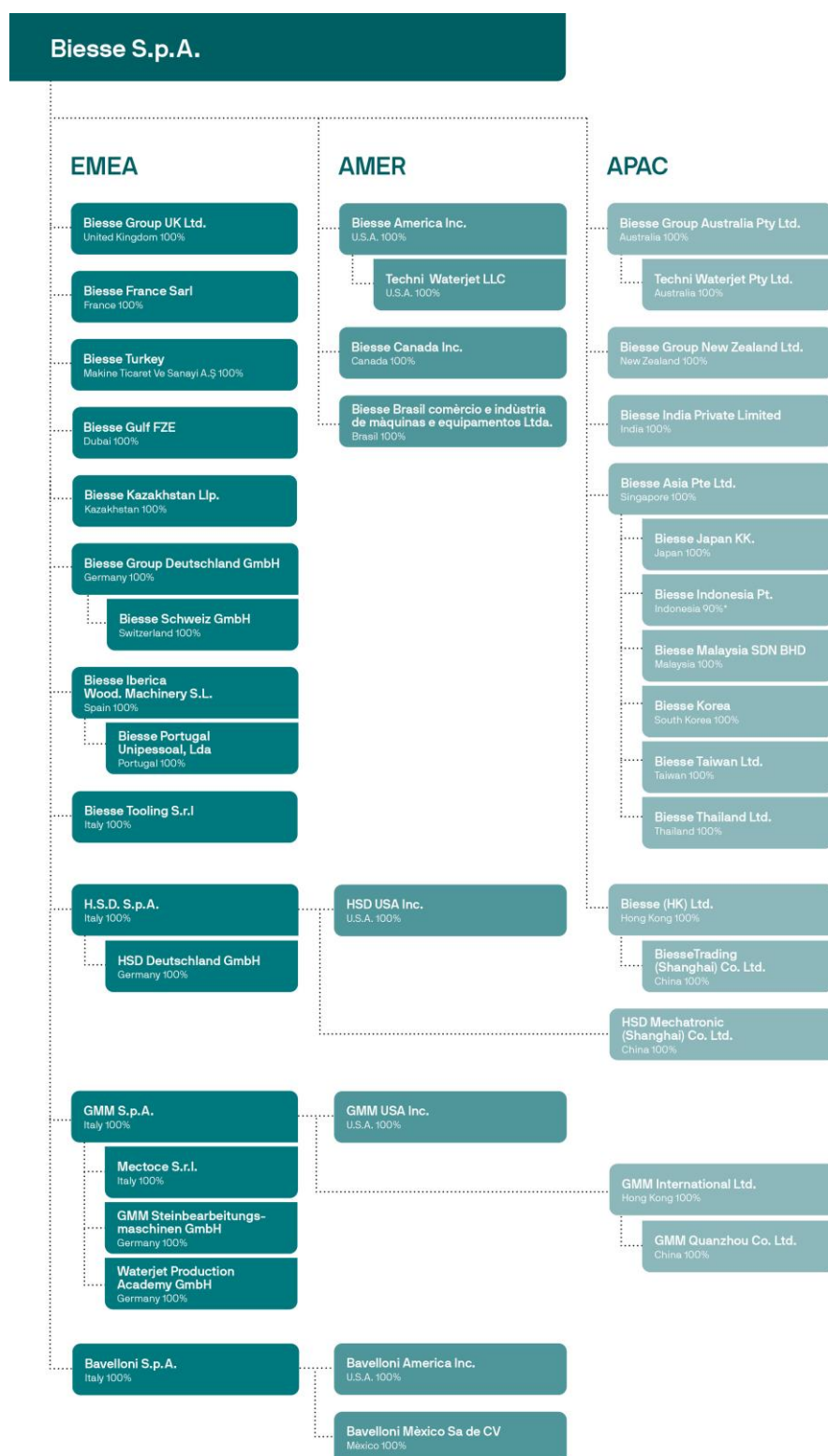
FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025	180
SEPARATE INCOME STATEMENT AS AT 31 DECEMBER 2025	180
SEPARATE STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2025	180
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025	181
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025	182
SEPARATE STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2025	183
SEPARATE STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2025	184
NOTES TO THE FINANCIAL STATEMENTS	185
1. OVERVIEW	185
2. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS	185
3. MEASUREMENT CRITERIA AND USE OF ESTIMATES.....	186
4. ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA ADOPTED	187
5. ADOPTION OF NEW ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS	196
6. REVENUE FROM SALES AND SERVICES AND OTHER OPERATING INCOME	199
7. ANALYSIS BY OPERATING SEGMENT AND GEOGRAPHICAL SEGMENT.....	201
8. CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	201
9. PERSONNEL EXPENSE	202
10. OTHER OPERATING EXPENSE	202
11. PROVISIONS	204
12. IMPAIRMENT LOSSES	204
13. PROFITS/LOSSES OF RELATED COMPANIES	204
14. FINANCE INCOME AND EXPENSE.....	205
15. DIVIDENDS	207
16. TAXES.....	207
17. PROPERTY, PLANT, EQUIPMENT AND OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT	208
18. GOODWILL	209
19. OTHER INTANGIBLE ASSETS	212
20. EQUITY INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	213
21. OTHER NON-CURRENT FINANCIAL ASSETS AND RECEIVABLES.....	215
22. INVENTORIES	215
23. TRADE RECEIVABLES AND CONTRACT ASSETS DUE FROM THIRD PARTIES	216
24. TRADE RECEIVABLES AND CONTRACT ASSETS DUE FROM RELATED PARTIES	217
25. OTHER CURRENT ASSETS DUE FROM THIRD PARTIES	218
26. CURRENT FINANCIAL ASSETS DUE FROM THIRD PARTIES	219
27. CURRENT FINANCIAL ASSETS AND LIABILITIES DUE FROM RELATED PARTIES	219
28. CASH AND CASH EQUIVALENTS	220
29. SHARE CAPITAL AND TREASURY SHARES	221
30. SHARE CAPITAL RESERVES.....	221
31. OTHER RESERVES AND RETAINED EARNINGS	221
32. DIVIDENDS	222
33. POST-EMPLOYMENT BENEFITS.....	222
34. DEFERRED TAX ASSETS AND LIABILITIES	224
35. BANK OVERDRAFTS AND LOANS	224
36. FINANCE LEASE LIABILITIES	225

37. NET FINANCIAL POSITION	225
38. PROVISIONS FOR RISKS AND CHARGES	226
39. TRADE PAYABLES TO THIRD PARTIES	227
40. TRADE PAYABLES TO RELATED PARTIES	227
41. CONTRACT LIABILITIES DUE TO THIRD PARTIES	228
42. CONTRACT LIABILITIES DUE TO RELATED PARTIES	229
43. OTHER LIABILITIES DUE TO THIRD PARTIES	229
44. OTHER CURRENT ASSETS AND LIABILITIES DUE FROM/TO RELATED PARTIES	230
45. INCOME TAX PAYABLES	231
46. FINANCIAL ASSETS AND LIABILITIES FROM DERIVATIVE INSTRUMENTS	231
47. CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES	232
48. RISK MANAGEMENT AND CLASSIFICATION OF FINANCIAL INSTRUMENTS	232
49. TRANSACTIONS NOT INVOLVING CHANGES IN CASH FLOWS AND RECONCILIATION OF CASH FLOWS.....	236
50. ATYPICAL OR UNUSUAL TRANSACTIONS.....	237
51. RELATED-PARTY TRANSACTIONS.....	237
52. OTHER INFORMATION.....	238
53. EVENTS AFTER THE REPORTING DATE	238
54. GOVERNMENT GRANTS PURSUANT TO ART. 1, PARAGRAPHS 125-129 OF LAW NO. 124/2017	239
55. REMUNERATION OF DIRECTORS, GENERAL MANAGERS, MANAGERS WITH STRATEGIC RESPONSIBILITIES AND MEMBERS OF THE BOARD OF STATUTORY AUDITORS	239
56. PROPOSALS TO THE ORDINARY SHAREHOLDERS' MEETING	239
REPORTS	248
REPORT ON THE AUDIT ON THE CONSOLIDATED FINANCIAL STATEMENT	248
REPORT ON THE AUDIT ON THE FINANCIAL STATEMENT.....	256
REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT	265
REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDER'S MEETING	270

THE BIESSE GROUP

BIESSE GROUP STRUCTURE

The following companies belong to the Biesse group and are included in the scope of consolidation:



* Il restante 10% è detenuto direttamente da Biesse Spa

Group structure definitions

“Biesse Group” or “Biesse” or “the Group”: entire group perimeter as depicted above;

“Biesse S.p.A.”: group leader of the Biesse group.

BIESSE GROUP PROFILE

Biesse is an international company that manufactures lines, machinery and components for manufacturing products, enhancing the potential of the wide range of materials processed by its customers. It simplifies the production processes of customers working in the furniture, construction, automotive and aerospace sectors, courtesy of the skill of the people who work in its production sites around the world. Founded in Italy in 1969 and listed on the Italian Stock Exchange, it is driven by an international vocation that manifests itself through a global network consisting of Biesse Material Hubs, multi-material experience centres and showrooms, testing areas and technology demonstrations.

Compared to the consolidated financial statements for the year ended 31 December 2024, the scope of the Biesse Group has changed as a result of the liquidation of the subsidiary Biesse Group Israel Ltd. on 4 February 2025, the subsidiary HSD Mechatronic Korea on 9 July and the subsidiary Bavelloni France Sasu on 31 July.

In addition to the above transactions, the Group's scope of consolidation was further modified by the following transfers: the transfer of 100% of the investment in Biesse Thailand Ltd. (formerly Techni Waterjet Ltd.) from the Australian subsidiary Techni Waterjet Pty Ltd. to the subsidiary Biesse Asia Pte Ltd. Singapore, which took place on 14 March 2025, the transfer of 100% of the shareholding of Techni Waterjet Pty Ltd. from the subsidiary GMM S.p.A. to the subsidiary Biesse Australia Ltd. which took place on 1 July 2025 and the transfer of 100% of the shareholding of Techni Waterjet LLC from the Australian subsidiary Techni Waterjet Pty Ltd. to the subsidiary Biesse America Inc. which also took place on 1 July 2025. It should be noted that these disposal transactions, since they occurred within the Group, have no impact on the consolidated financial statements.

Finally, it should be noted that on 31 October 2025, the subsidiary Bavelloni do Brasil comércio de maquinas LTDA merged with Biesse Brasil comércio e indústria de máquinas e equipamentos Ltda (its affiliate and subsidiary of Biesse S.p.A.), with accounting and tax effect from 1 November 2025. Please note that this merger has no accounting effects on the consolidated financial statements.

ALTERNATIVE PERFORMANCE INDICATORS

Management uses some performance indicators, which are not identified as accounting measures under the IFRS (non-GAAP measures), to better assess the Biesse group's performance. The criterion applied by the Biesse group to set these indicators might not be the same as that adopted by other groups, and the indicators might not be comparable with those set by the latter. These performance indicators, which were set in compliance with the Guidelines on performance indicators issued by ESMA/2015/1415 and adopted by CONSOB with its communication No. 92543 of 3 December 2015, refer to performance in the accounting period covered by this Annual Report on Operations and the previous year used for comparison.

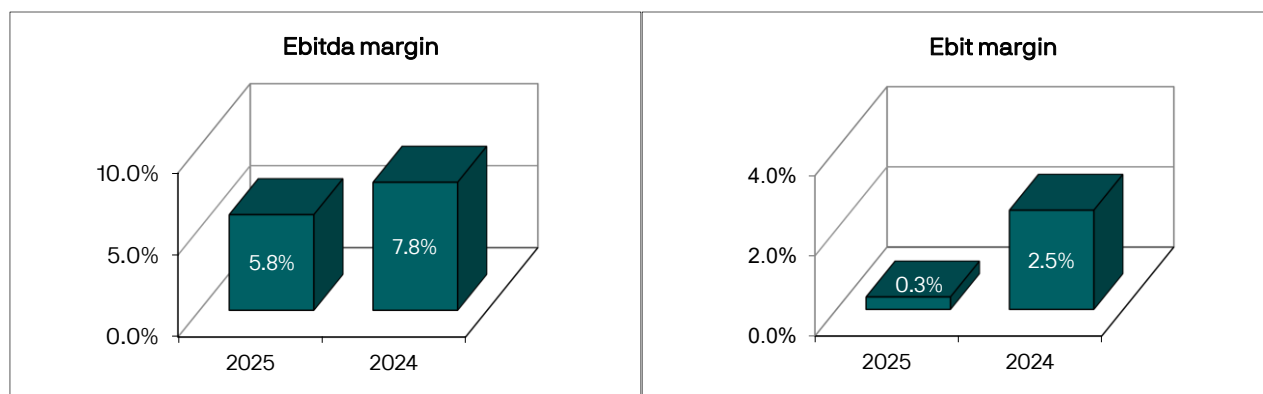
Performance indicators are to be regarded as complementary to and not a substitute for financial data prepared in accordance with IFRS. Hereafter is a description of the main indicators adopted.

- *Adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation)*: this indicator is defined as the Profit (Loss) for the period before income taxes, finance income and expense, exchange rate gains and losses, amortisation of intangible assets, depreciation of property, plant and equipment, impairment losses on fixed assets, allocations to provisions for risks and charges, as well as costs and revenues arising from transactions that Management considers as non-recurring relative to the Biesse group's ordinary operations.
- *Adjusted EBIT (Adjusted Earnings Before Interest and Taxes)*: this indicator is defined as the Profit (Loss) for the year before income taxes, finance income and expense, exchange rate gains and losses, impairment losses on fixed assets, as well as costs and revenues arising from transactions that Management considers as non-recurring relative to the Biesse group's ordinary operations.
- *Operating Profit or EBIT (Earnings Before Interest and Taxes)*: this indicator is defined as Profit (Loss) for the year before income taxes, financial income and expenses, and foreign exchange losses and gains.

- *Net Operating Working Capital:* this indicator is calculated as the total of Inventories, Trade receivables and Contract assets, net of Trade payables and Contract liabilities.
- *Net Invested Capital:* this indicator represents the total of Current and Non-Current Assets, excluding financial assets, net of Current and Non-Current Liabilities, excluding financial liabilities.
- *Net financial position:* this indicator is calculated in compliance with the provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob, which refers to the ESMA Recommendations of 4 March 2021.
- *Net Financial Position excluding IFRS 16:* this indicator is calculated in compliance with the provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob, which refers to the ESMA Recommendations of 4 March 2021 and without considering the effects resulting from the application of IFRS 16.

FINANCIAL HIGHLIGHTS

	31 December 2025	% on sales	31 December 2024	% on sales	Change %
<i>Euro 000's</i>					
Revenue from sales and services	662,482	100.0%	754,698	100.0%	(12.2)%
Ebitda (Gross operating profit) adjusted(1)	38,614	5.8%	58,898	7.8%	(34.4)%
Ebit adjusted (1)	2,054	0.3%	18,673	2.5%	(89.0)%
Ebit (1)	(16,481)	(2.5)%	14,909	2.0%	-
Profit/Loss for the period	(19,570)	(3.0)%	3,750	0.5%	-

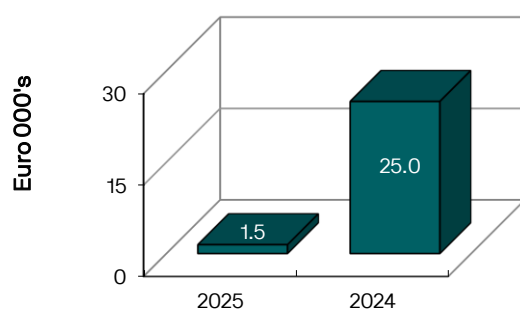


Statement of Financial Position

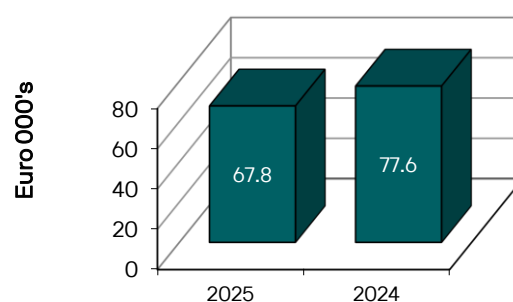
	31 December 2025	31 December 2024
<i>Euro 000's</i>		
Net invested capital (1)	251,002	268,112
Equity	226,352	263,373
Net financial position (1)	(24,649)	(4,739)
Net financial position IFRS16 excluded (1)	1,451	24,969
Net operating working capital (1)	67,759	77,623
Order in take	187,388	255,207

(1) The criteria for determining amounts relating to interim results and aggregate equity and financial data are described in the Directors' Report on Operations and the Notes to the Financial Statements.

Net financial indebtedness IFRS16 excluded

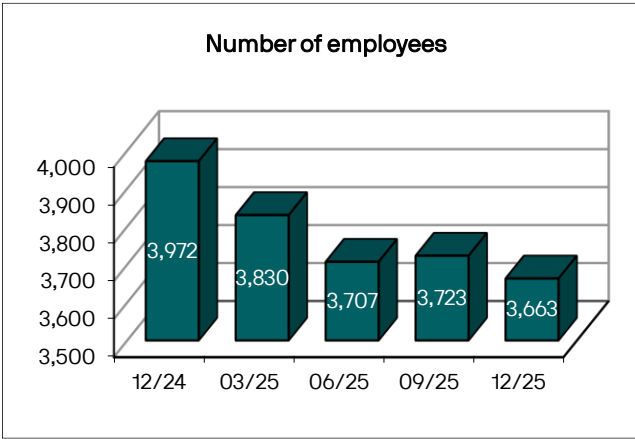


Net operating working capital



Personnel (*)

	31 December 2025	31 December 2024
Number of employees at year end	3,663	3,972



COMPOSITION OF CORPORATE BODIES

Board of Directors

Chairman and Chief Executive Officer	Roberto Selci
Non-executive director	Alessandra Baronciani
Non-executive director	Salvatore Giordano
Lead Independent Director	Rossella Schiavini
Independent Director	Federica Ricceri
Independent Director	Cristina Sgubin
Independent Director	Pier Giorgio Bedogni

Board of Statutory Auditors

Chairman	Paolo De Mitri
Standing Statutory Auditor	Giovanni Ciurlo
Standing Statutory Auditor	Benedetta Pinna
Alternate Statutory Auditor	Silvia Muzi
Alternate Statutory Auditor	Maurizio Gennari

Control, Risks and Sustainability Committee

Rossella Schiavini (Chairman)
Federica Ricceri

Remuneration Committee

Federica Ricceri (Chairman)
Rossella Schiavini

Related-Party Transactions Committee

Rossella Schiavini (Chairman)
Cristina Sgubin

Independent Auditors

Deloitte & Touche S.p.A.

DIRECTORS' REPORT ON OPERATIONS

GENERAL ECONOMIC OVERVIEW

GLOBAL ECONOMIC TREND

The global economy has so far shown good resilience, despite the difficulties caused by tariffs and increased uncertainty. For the third quarter of 2025, the most recent data suggest a slight moderation in international economic activity compared with the second quarter. The global composite Purchasing Managers' Index (PMI) for manufacturing (excluding the euro area) fell slightly from its summer levels to 52.8 in November, signalling a slowdown in economic activity across most major economies. In the United States, the decline in activity in the services sector was partly offset by an improvement in manufacturing, while in China there were declines in both sectors. The national data published for the third quarter broadly confirm the moderate growth forecast in the macroeconomic projections made by Euro system experts. Looking ahead, several positive trends should support the global economy. These include falling oil prices, easing financial conditions, reduced tariffs, particularly between the United States and China, and a slight easing of political uncertainty. Unexpectedly positive economic data from major economies also contributed to a slight improvement in global growth prospects, which nevertheless remain modest compared to their pre-pandemic average, standing at 3.5% in 2025 and then falling to 3.3% in 2026. Experts' projections indicate that global growth will remain subdued in 2027 and 2028. The slightly stronger global growth compared with the previous financial year largely reflects improved growth prospects for the United States and China. In addition to lower tariffs, the growth outlook for the United States has been revised slightly upwards due to stronger-than-expected domestic demand, supported in the short term by positive wealth effects resulting from recent stock market trends and assumptions of higher overall public spending. For China, too, projections for real GDP growth in 2025 and 2026 have been revised slightly upwards, due to stronger-than-previously-estimated export growth and fiscal stimulus that is expected to exceed expectations.

UNITED STATES

In the United States, economic activity slowed down due to the federal government shutdown. The shutdown, which lasted 43 days, not only led to the postponement of the release of key macroeconomic data but also had a negative impact on growth in the fourth quarter of 2025. In 2025, private consumption exceeded expectations, supported by increases in wealth among higher-income households against the backdrop of a strong stock market rally. However, this consumption is expected to slow as the labour market cools and households rebuild their savings, which have fallen to low levels. In the third quarter, private consumption growth was robust, although it stalled in September on a month-on-month basis. Indirect indicators from the private sector point to weak growth in private consumption in October and November, in line with the deterioration in consumer confidence and the weakness of the labour market. The boom in AI-related capital expenditure is bolstering the outlook for private investment. Net trade is expected to make a positive contribution to real GDP growth between 2025 and 2026. The labour market remains weak, despite stronger-than-expected job growth in the private sector in September, as the impact of this unexpected positive trend was offset by downward revisions to employment figures in the same sector for previous months. Private sector data point to very modest employment growth in October and November, whilst high-frequency indicators suggest an increase in redundancies and stagnant employment trends. Growth in hourly wages continues to slow. At the same time, tariffs are affecting consumer inflation in the United States. Tariffs on consumer goods have contributed to inflationary pressures: goods inflation has reached its highest level since April 2023. Tariff-related price rises led to higher inflation in the fourth quarter of 2025. Services inflation continues to follow a slow downward trend, mainly due to the slowdown in housing costs. At the same time, headline inflation measured by private consumption expenditure (PCE) rose slightly (by 0.1 percentage points) to 2.8% in September, whilst core inflation measured by PCE fell (by 0.1 percentage points) to 2.8%. At its December meeting, the Federal Open Market Committee lowered (by 25 basis points) the target range for the federal funds rate, bringing it to 3.50–3.75%.

UNITED KINGDOM

Modest growth for the UK economy in the last quarter of 2025. Private consumption remained weak, but investment in residential construction provided some support. Preliminary data from the PMI survey for November suggest that economic momentum will remain subdued in the fourth quarter of 2025, with a weakening of activity in services and slight improvements in output in the manufacturing sector. In October, overall inflation measured by the CPI fell to 3.6% from 3.8% in September. Core inflation also fell to 3.4%, driven by the services component, which dropped to 4.5%. Wage growth has slowed, but remains high. The autumn budget announced on 26 November envisages an increase in public spending in the coming years, while measures such as the extension of the freeze on personal income tax thresholds are expected to generate additional tax revenue mainly from 2028 onwards.

CHINA

In China, the short-term outlook points to a moderation in expansionary momentum, despite higher-than-expected growth in the third quarter. Domestic demand remains weak, although real GDP rose by 1.1% in the third quarter compared with the previous period, exceeding market expectations. Net exports made a positive contribution, while indicators of domestic demand, such as retail sales and fixed investment, weakened further in relation to limited consumer confidence and the ongoing adjustment in the residential construction sector. According to the PMI survey, manufacturing activity contracted in November, while activity in the services sector weakened, although it remained in expansionary territory. Chinese exports have performed strongly: in November, nominal goods exports grew by 5.8% year-on-year, supported by strong flows to the Association of Southeast Asian Nations, Africa and Europe. These increases more than offset the decline in exports to the United States. The recent trade agreement between the United States and China, which reduces tariffs on Chinese imports, together with the increased fiscal stimulus provided for in China's new five-year plan, should support economic growth over the forecast horizon. However, structural challenges, such as the ongoing correction in the residential property sector, are weighing on consumer confidence and therefore pose risks to the medium-term outlook for consumption. In China, overall consumer inflation rose further in November, while producer deflation continued. In November, overall inflation over twelve months measured by the CPI rose to 0.7% from 0.2% in October, reaching its highest level since February 2024. The increase, in line with market expectations, was mainly driven by food prices, due to limited supply caused by adverse weather conditions. In November, producer price inflation fell slightly, from -2.1% in October to -2.2%, due to lower prices for raw materials and durable consumer goods.

EUROZONE

The euro area economy is showing resilience despite the difficult international environment. Real GDP rose by 0.3% in the third quarter of 2025, exceeding the September projections for the euro area made by ECB experts, after a volatile first half of the year, attributable to the effects of trade frontloading ahead of the US tariff increases and the resulting uncertainty, as well as the impact of sharp swings in Irish data. In the third quarter, growth was driven by domestic demand and inventory accumulation on the expenditure side, with market services, particularly the information and communications sector, contributing in terms of value added, while industry and construction remained stable. Survey data currently point to continued moderate growth momentum in the fourth quarter of 2025, driven by activity in the services sector. The labour market continues to hold up well, but is showing signs of slowing down, with significant differences between countries and sectors. In September and October, the unemployment rate remained stable at 6.4%, close to recent historic lows. Domestic demand should support GDP growth in the short and medium term. Real income growth and the resilience of the labour market should support private consumption, while investment in residential construction is expected to recover from the fourth quarter of 2025 onwards, as suggested by leading indicators. Business investment is also expected to expand, driven by intangible assets, while investment in tangible assets is expected to remain more subdued in the short term. Factors such as rising demand, higher profits, reduced uncertainty, additional defence and infrastructure spending, and improved financing conditions should further support investment and activity expansion in the medium term. This outlook is broadly reflected in the Eurosystem staff macroeconomic projections for the euro area from December 2025, which indicate annual real GDP growth of 1.4% in 2025, 1.2% in 2026, 1.4% in 2027 and 1.4% in 2028. Compared with the September 2025 projections, GDP growth has been revised upwards for the entire projection horizon.

ITALY

After a slight decline in the spring months, Italian GDP returned to slight growth in the summer (0.1% compared to the previous quarter). This was helped by a sharp rise in exports, partly attributable to temporary factors (such as the sale of maritime vessels), against a more moderate increase in imports. Net of the significant reduction in inventories, domestic demand made a positive contribution: Investment in capital goods, intellectual property products and non-residential construction continued to expand, driven in part by tax incentives and other measures related to the National Recovery and Resilience Plan (NRRP). Household consumption grew marginally once again, despite a further increase in real incomes. Concerns about the economic outlook are reflected in the propensity to save, which remains higher than in the period before the pandemic. On the supply side, value added rose in services, with widespread growth across sectors. In the first nine months of the year, the most significant support for growth came from business services, which are benefiting from demand generated by the digital and energy transition. In the third quarter, however, value added contracted in industry in the strict sense, returning to the levels seen at the end of 2024, and in construction, where the decline in the residential sector was only partially offset by increased civil engineering works. Based on estimates by the Bank of Italy, GDP began to expand in the fourth quarter, driven by a further increase in the service sector and a recovery in industry. Consumer confidence indicators point to continued very cautious expectations regarding personal circumstances

and the overall macroeconomic situation, suggesting that private consumption will continue to grow at a moderate pace. The Bank of Italy's assessments suggest a further increase in investments, albeit to a lesser extent than in the previous period; Favourable financial conditions, tax incentives and other measures related to the NRRP contributed to this. Data on foreign trade in goods indicate that foreign demand has made virtually no contribution to growth. According to the macroeconomic projections published by the Bank of Italy in December, GDP would rise by 0.6% in 2025 and grow at the same rate in 2026, accelerating slightly in the two-year period 2027-28.

BUSINESS SECTOR REVIEW

FEDERMACCHINE

After an already difficult 2024, the Italian capital goods manufacturing industry saw a further decline in turnover in 2025. The outlook for 2026 is for conditions to remain largely unchanged, confirming the extent to which the uncertain economic climate is affecting business activity in the sector; the decline in export activity is weighing heavily on the situation. This is, in essence, what emerges from the surveys just carried out by the FEDERMACCHINE Statistics Group, the federation of capital goods manufacturers.

According to preliminary figures, in 2025, turnover in the Italian industry is expected to stand at € 51,840 million, 2.1% lower than in 2024. The result has been affected by the negative feedback received from companies operating in foreign markets. Exports fell to € 34,760 million (-5.4%). In particular, according to the Statistical Group's elaboration from ISTAT data, the main outlet markets of the *Made in Italy* sector, in the period January-September 2025 (latest available data), were: United States (€ 2,384 million, -3.1%); Germany (€ 1,703 million, -7.9%), France (€ 1,153 million, - 4.8%), Spain (€ 752 million, +3.2%), Poland (€ 730 million, +18.8%). Domestic deliveries returned to growth, reaching € 17,080 million (+5.3% compared to the previous year), supported by the recovery in domestic consumption of machinery, which grew to € 27,270 million (+4.8%).

2026 should be stable. According to forecasts, turnover will reach € 51,850 million, which is perfectly in line with the 2025 figure. Exports will remain negative, falling to € 34,550 million (-0.6%). Deliveries by Italian manufacturers are set to see modest growth of 1.3%, reaching € 17,300 million, driven by domestic consumption, which is expected to rise by 1.2% to € 27,600 million.

Bruno Bettelli, president of FEDERMACCHINE, said: *"After years of significant expansion, the Italian capital goods manufacturing industry has recently found itself having to deal with open conflicts, Trump's trade strategy with its constant backtracking on tariffs, the crisis in the automotive sector and in Germany, and the closure and now inaccessibility of certain markets such as Russia and China, which greatly limit what has always been one of our strengths, namely export activity. For this reason, too",* Bruno Bettelli continued, *"there is deep concern about the uncertainty surrounding the EU-Mercosur agreement. The area represents a market of over 270 million consumers, with growing demand for capital goods, industrial solutions, machinery, energy technologies, agro-industry, infrastructure and advanced manufacturing. Giving up this outlet would mean weakening the competitiveness of our companies and leaving room for foreign competitors. For many Italian industrial products, including high-tech goods such as machinery, which are currently penalised by high tariffs, the agreement would allow fairer and more competitive access to the markets of Argentina, Brazil, Paraguay and Uruguay, strengthening exports and creating value along the supply chains.*

Bruno Bettelli concluded, *"As for Italy, the hope is that the competitiveness measures provided for in the 2026 Budget Law will effectively support Italian demand, which, as our data show, has returned to growth. What is important is that the measures are clear, easy to use and can be implemented from the first weeks of the new year, avoiding the constant postponements that we unfortunately experienced with Transition 5.0, which froze demand for too many months. The multi-year nature of the measure and its exclusive application to products made in the EU and goods with non-EU components, provided they are assembled in Europe, if confirmed, are, in our opinion, excellent choices, capable of responding, on the one hand, to the need for companies to plan their activities in the best possible way and, on the other, to the need to strengthen the EU market, our true internal market."*

ACIMALL – ITALIAN WOODWORKING TECHNOLOGY ASSOCIATION

In 2025, the market for machinery and technologies for processing wood and its derivatives reached a production value of € 2,168 million, 10.4% less than in 2024. Domestic sales amounted to € 710 million (down 2% on the previous year); Exports fell (€ 1,458 million, down 13.9%) and imports rose (€ 240 million, up 5.3%). Apparent consumption remained essentially stable at € 950 million (down 0.3%) compared to € 953 million in 2024, while the trade balance stood at € 1,218 billion, a contraction of 16.9% over the previous twelve

months. These are the figures that emerged from the research carried out by the Acimall Research Department, the Confindustria association representing Italian manufacturers of machinery, equipment and tools for woodworking and the furniture industry.

Preliminary data that must be interpreted with reference to a time frame affected by the effects of the pandemic: while 2020, the “year of Covid”, stood at € 1,848 million, down by as much as 18.4% compared to 2019, the following years saw a strong rebound: € 2,530 million in 2021 (up 37%), € 2,646 million in 2022 and € 2,650 million in 2023, an all-time record for the sector. A boom in orders that has effectively fuelled the industry for three years, an unprecedented level of investment that has undoubtedly led to a profound and widespread renewal of the machine fleet. It was therefore inevitable that the following years would be characterised by a 'return to normality': 2024 ended with production totalling € 2,420 million (8.7% less than the record figure for 2023) and, as we have seen, 2025 has effectively confirmed this trend.

“The exceptional surge in investment over recent years was bound to lead to a reversal of the trend this season,” commented Acimall director Dario Corbetta. Unfortunately, this contraction, which I would describe as physiological, has been compounded by other negative factors for our industry, first and foremost the ‘disappearance’ of certain markets (Russia, Belarus and, to some extent, Ukraine) for reasons that we are all sadly aware of. During this period, Chinese production has effectively dominated the Asian continent and made inroads into South America, where Italian and European suppliers nevertheless maintain their positions. Our industry continues to enjoy success in North America, as well as in Europe, and is always keeping a close eye on Africa, which continues to be the great challenge of the future. In this dynamic, the Italian market continues to be a key destination, with a value of around one billion euros, placing it among the most important contexts in global wood technology flows,” added Corbetta. “Our ongoing contacts with companies in the sector reveal positive signs, confirmed by the modest decline in reference values compared to the overall figure (from € 725 million in 2024 to € 710 million in 2025, ed.). Signs that can only be confirmed in 2026, in light of the new incentives reserved for ‘made in Italy’ and ‘made in Europe’ cars launched by the Italian government.”

GIMAV - ASSOCIATION OF ITALIAN MANUFACTURERS AND SUPPLIERS OF MACHINERY, EQUIPMENT AND SPECIAL PRODUCTS FOR GLASS PROCESSING

According to preliminary estimates by GIMAV - association of Italian manufacturers and suppliers of machinery, equipment and special products for glass processing, the sector will close 2025 with an estimated total turnover of approximately € 2,535 million, down 9.2% compared to 2024. These estimates are based on the performance of the first three quarters of 2025 and may be subject to subsequent adjustments once the final figures for the last quarter are available. Specifically, exports are estimated to be around € 1,600 million (-5% compared to 2024), while domestic sales are expected to reach approximately € 880 million, down -8.7% year-on-year. The results reflect a complex international geopolitical and economic context, which has affected the operations of companies and strategic markets for the sector, such as the United States (-14.7% in exports in September), characterised by increasingly intense global competition, including from players such as China (+2.2% in September in imports of machinery made in China). Export figures for emerging markets such as Morocco (+52.1%), the United Arab Emirates (+0.9%), Vietnam (+36.6%) and Indonesia (69.7%) were positive in the third quarter. *“Companies in the sector have been operating in an extremely challenging environment, marked by considerable uncertainty and very aggressive international competition,”* comments GIMAV President Dino Zandonella Necca. *“Despite this, the dynamism and adaptability of businesses remain distinctive features, supported also by initiatives to develop new markets promoted by GIMAV with the support of MAECI and ICE Agency.”* In line with Confindustria's message, GIMAV finally emphasises the need for clear and decisive positions on the part of the European Union in support of European industry, in order to ensure fair competition and protect the competitiveness of the manufacturing system.

CONFINDUSTRIA MARMOMACCHINE

According to figures compiled by Confindustria Marmomacchine, based on ISTAT data, exports of Italian stone-processing machinery and equipment for the period January–October 2025 amounted to € 725 million, down 6.6% compared with the same period of the previous year, when they stood at € 777 million. Exports to Spain (+46.2%), Germany (+49.3%), Poland (+22.3%) and Australia (+48.1%) increased, whilst exports to the United States (-23.3%), France (-20.3%), Canada (-32.2%) and the United Kingdom (-30.2%) fell.

UCIMU – SISTEMI PER PRODURRE (SYSTEMS TO PRODUCE)

In the fourth quarter of 2025, the machine tool order index compiled by the UCIMU-SISTEMI PER PRODURRE Research & Business Culture Centre showed a decrease of 13.6% compared to the period October-December 2024. The absolute value of the index was 68 (base value of 100 in 2021). On the domestic front, orders fell by 2.9% compared to the fourth quarter of 2024, for an absolute value of 56.3. The result for orders received from abroad was even worse, with a decline of 17.1% compared to the same period of the previous year. The absolute value of the index stood at 69.3. On an annual basis, order intake remains positive thanks to the increase recorded in the first three quarters, resulting in a +3.1% increase (67.6 absolute index) compared to the 2024 figure; +38.9% domestic orders (absolute index 55.1); -9.4% foreign orders (absolute index 76.4).

Riccardo Rosa, UCIMU president, said, *"The overall result of orders received for 2025 is in line with that of the last two years and therefore disappointing once again."* Riccardo Rosa added *"With particular reference to the last quarter, it is clear that the slowdown in foreign markets has not been matched by a substantial recovery in the domestic market. On the domestic front, the results show that Plan 5.0 did not work as it should have. Certainly, the measure, together with 4.0, stimulated demand somewhat, but the countless starts and stops made the whole process rather disjointed until its conclusion in December. Now, we are awaiting the implementing decrees for the new measure that will accompany investments in new technologies between now and 2028. Italian companies have high expectations for this measure, especially because of its duration, which allows users to plan their purchases better and therefore also enables a more effective and efficient distribution of our companies' production activities. However, we believe it is essential that the decrees are issued very quickly so that we can operate immediately with clarity, supporting demand at a time when the international scenario is putting a strain on the industrial systems of traditional economies. Looking beyond our borders, the context of great uncertainty caused by geopolitical instability is a factor that heavily affects the results of our companies, which are now denied many business opportunities abroad. Open conflicts, Trump's trade strategy with constant backtracking on tariffs, the crisis in the automotive industry and in Germany, and the closure and now inaccessibility of certain markets such as Russia and China are severely limiting what has always been one of our strengths, namely our export activity."*

"In this regard," said Riccardo Rosa, "we warmly welcome the signing of the free trade agreement between the EU and India, a country with enormous potential for development and growth, potential that Italian manufacturers of machine tools, robots and automation will certainly be able to exploit to the full. On the contrary, we consider the decision to refer the EU-Mercosur agreement to the Court for assessment to be a serious blow to the manufacturing industry and, in particular, to the Italian machine tool industry, which has always paid close attention to emerging markets or markets with fluctuating trends, such as those in the region. Many of these countries, first and foremost Brazil, represent potentially interesting markets for our companies, whose high quality and customised offerings are appreciated by local users. For this reason, action must be taken as soon as possible to implement the agreement, which would also free our sales from many of the customs duties currently in force."

2025 TREND

During the financial year, the international geopolitical and economic context continued to be highly complex, remaining strongly influenced by trade tensions caused by the US administration's strategy with its constant backtracking on tariffs, a situation that fuelled global uncertainty with consequent repercussions on investments not only in the US market, but with a generalised impact on all supply chains on a global scale.

The already uncertain global scenario has been compounded by further critical factors, such as the ongoing conflicts in Ukraine and Palestine, as well as the economic crisis in the automotive sector and in Germany, one of the main markets for European industry. At the same time, the closure and now inaccessibility of certain markets such as Russia, Belarus and, to some extent, Ukraine, have limited commercial opportunities, while intensifying competitive pressure from Asia, particularly for standardised and mid-to-low-end products, has further affected the global competitiveness of businesses.

On the domestic front, the government incentives provided for in the 5.0 transition plan did not generate the expected results, with participation levels lower than forecast, contributing to a slowdown in demand in the manufacturing sector, already penalised by the international dynamics described above.

These factors continued to have a significant impact on the economic environment, leading to a slowdown in exports to strategic markets and confirming the persistence of uncertainty and volatility. The financial markets were also affected by these dynamics, although there was a partial easing of credit conditions in the last few months of the year, aided by monetary policies that were less restrictive than in the recent past.

The global context described above, in which the Biesse Group operates, has had a significant impact on turnover trends since 2024, with further repercussions on turnover trends during the period.

At the end of 2025, the Biesse Group's order book stood at € 187,388 thousand, down 26.6% compared with December 2024 (€ 255,207 thousand); this decline was influenced by the downward trend in new orders recorded during the year. The uncertainty and trade tensions arising from the wait for the definition and introduction of import tariffs on the US market – the second largest market for the Biesse Group – have had a negative impact on order intake for 2025, in addition to the slowdown in turnover also observed in the European market.

In this context, Biesse group's revenue from sales and services in 2025 was € 662,482 thousand, down -12.2% on 2025.

The analysis of turnover by geographic area shows that the decrease is generalised across all areas, EMEA (Europe, Middle East and Africa) -12.6%, AMERICAS -12.6% and APAC (Asia Pacific) -9.7%. The EMEA area remains the Biesse group's reference area, closing with a turnover of € 414,225 thousand, representing 62.5% of the total (€ 473,979 thousand at 31 December 2024, representing 62.8% of the total).

The breakdown of revenues by operating segment remains substantially unchanged (with the Machine-Systems segment accounting for 92.3% of Biesse group revenues), while both segments show a decrease of 12.6% for Machine-Systems and 4.7% for Mechatronics, respectively.

The decline in sales volumes during the period had a significant impact on operating profitability. Adjusted EBITDA, calculated before non-recurring expenses, amounted to € 38.6 million, a decrease of 34.4% compared to the corresponding period of the previous year.

At the same time, operating profit before non-recurring items (Adjusted EBIT) shows a decline, falling from € 18.7 million in 2024 to € 2.1 million in 2025, representing a decrease of € 16.6 million in absolute terms. Despite this reduction, the figures still confirm a positive trend in core operations, which continue to generate operating margins, albeit at lower levels than in the previous financial year.

This trend is primarily due to pressure on volumes and the rather challenging market environment, which have consequently impacted the Group's operating margins.

It should be noted that the Biesse Group's financial results for the period under review were negatively affected by "non-recurring events" amounting to € 18,535 thousand. These effects include non-recurring charges of € 21,415 thousand, mainly attributable to € 5,227 thousand for write-downs, provisions and redundancy incentives related to the reorganisation of production sites in Northern Italy, which involves the closure and downsizing of some plants, and € 3,784 thousand for other redundancy incentives, both future and already paid, and a one-off payment for corporate welfare, € 10,609 thousand for impairment of goodwill relating to the Machinery and Systems CGU. Against these expenses, there were non-recurring income totalling € 2,880 thousand, almost entirely attributable to the release of the corporate restructuring provision for adjustment, amounting to € 2,533 thousand.

In addition to considerations relating to economic performance, it should be noted that the Group's financial performance was also influenced by changes in net operating working capital, which decreased by € 9,864 thousand compared to December 2024. This improvement had a positive impact on cash flows, reflecting management's particular focus on monitoring and managing working capital. The positive cash flow is mainly attributable to the decrease in trade receivables (€ 19,688 thousand) and the increase in trade payables (€ 18,758 thousand), effects only partially offset by the decrease in contractual liabilities (€ 30,153 thousand), influenced by the slowdown in sales and order intake during the period. The reduction in inventories (amounting to € 1,570 thousand) also contributed favourably to the evolution of working capital, further supporting the Group's liquidity dynamics.

The net financial position of the Biesse group at 31 December 2025 was negative for € 24,649 thousand (positive for € 1,451 thousand excluding the effects of IFRS 16), a decrease of € 19,910 thousand compared to the figure at 31 December 2024, when it was negative for € 4,739 thousand (and positive for € 24,969 thousand excluding the effects of IFRS 16). The change is mainly attributable to the purchase of treasury shares, the distribution of dividends during the first half of 2025, the payment of the debt relating to the price adjustment for the acquisition of the GMM Group, non-recurring financial outflows arising from the payment of redundancy incentives and investments made in tangible and intangible fixed assets, only partially offset by the cash flows generated by the movements in net operating working capital discussed above and by the positive results achieved at the operational management level.

Despite the turbulent and complex context described above, the Biesse Group operated throughout the year with managerial flexibility and financial discipline, reviewing processes and cost structures where appropriate, without however compromising the Group's financial strength or future growth.

In consideration of the measures implemented by the Biesse group and of the conditions on the key markets, there are no elements which may impact on the continuity of the business.

MAIN EVENTS

On **14 May 2025**, the Board of Directors of Biesse S.p.A. resolved to withdraw the 2024-2026 Three-Year Plan.

On **12 June 2025**, Biesse S.p.A. announced that Mr Massimo Potenza, non-independent director, has resigned as Chief Executive Officer and general manager to pursue new professional opportunities. The resignation is effective as of 12 June 2025. The Board of Directors of Biesse S.p.A. proceeded to appoint Chairman Roberto Selci as new Chief Executive Officer, granting him the same powers that had been granted to Mr Massimo Potenza.

On **1 August 2025**, the Board of Directors of Biesse S.p.A. approved the merger by incorporation into Biesse of its wholly owned subsidiary, Bavelloni S.p.A., the legal effects of which will take effect from 1 April 2026, whilst the accounting and tax effects will be backdated to 1 January 2026.

DIRECTORS' REPORT ON OPERATIONS OF THE BIESSE GROUP

As indicated in the Notes to the Consolidated Financial Statements, the accounting principles adopted in the consolidated financial statements as at 31 December 2025 are the same as those adopted in the previous year.

INCOME STATEMENT

	31 December 2025	% on sales	31 December 2024	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	662,482	100.0%	754,698	100.0%	(12.2)%
Change in inventories, wip, semi-finished products and finished products	8,939	1.3%	(3,150)	(0.4)%	(383.7)%
Other revenues	7,894	1.2%	7,872	1.0%	0.3%
Value of production	679,316	102.5%	759,420	100.6%	(10.5)%
Raw materials, consumables, supplies and goods	(278,809)	(42.1)%	(300,457)	(39.8)%	(7.2)%
Other operating costs	(136,604)	(20.6)%	(155,235)	(20.6)%	(12.0)%
Personnel expense	(225,288)	(34.0)%	(244,831)	(32.4)%	(8.0)%
Ebitda Adjusted	38,614	5.8%	58,898	7.8%	(34.4)%
Depreciation and amortisation	(35,100)	(5.3)%	(36,628)	(4.9)%	(4.2)%
Provisions	(1,460)	(0.2)%	(3,597)	(0.5)%	(59.4)%
Ebit Adjusted	2,054	0.3%	18,673	2.5%	(89.0)%
Non recurring-items	(18,535)	(2.8)%	(3,765)	(0.5)%	n.a.
Ebit	(16,481)	(2.5)%	14,909	2.0%	n.a.
Net financial income	5,303	0.8%	3,367	0.4%	57.5%
Net financial expenses	(7,616)	(1.1)%	(6,928)	(0.9)%	9.9%
Net exchange rate losses	(1,061)	(0.2)%	(3,378)	(0.4)%	(68.6)%
Pre-tax result	(19,854)	(3.0)%	7,969	1.1%	n.a.
Income taxes	284	0.0%	(4,220)	(0.6)%	n.a.
Result for the year	(19,570)	(3.0)%	3,750	0.5%	n.a.

Please note that interim results set out in the table were not identified as an accounting measure under the International Accounting Standards; therefore, they must not be considered a replacement measure for assessing the Biesse group's performance and result. In addition, please note that the criterion used by the Biesse group to determine interim results may not be consistent with that adopted by other companies and/or groups in the sector and, consequently, these figures may not be comparable.

Revenues for the 2025 financial year amounted to € 662,482 thousand, down 12.2% compared with the figure for the same period in 2024 (revenue of € 754,698 thousand), adversely affected by the sales trend during the period and the resulting decline in volumes.

The breakdown of revenues by operating segment remains substantially unchanged (with the Machine-Systems segment accounting for more than 92.3% of Biesse group revenues), while both segments show a decrease of 12.6% for Machine-Systems and 4.7% for Mechatronics, respectively.

An analysis of turnover by geographic area shows that the decrease affected all areas, EMEA (Europe, Middle East and Africa) -12.6%, America -12.6% and APAC (Asia Pacific) -9.7%. The EMEA area remains the Biesse group's reference area, closing with a turnover of € 414,225 thousand, representing 62.5% of the total.

Breakdown of revenue by operating segment

	31 December	%	31 December	%	Change %
	2025		2024		
<i>Euro 000's</i>					
Machines and Systems Division	611,673	92.3%	699,499	91.7%	(12.6)%
Mechatronics Division	72,879	11.0%	76,465	11.7%	(4.7)%
Inter-segment eliminations	(22,069)	(3.3)%	(21,265)	(3.4)%	3.8%
Total	662,482	100.0%	754,698	100.0%	(12.2)%

Breakdown of revenue by geographical area

	31 December	%	31 December	%	CHANGE %
	2025		2024		2025/2024
<i>Euro 000's</i>					
EMEA	414,225	62.5%	473,979	62.8%	(12.6)%
AMERICAS	157,985	23.8%	180,697	23.9%	(12.6)%
APAC	90,272	13.6%	100,022	13.3%	(9.7)%
Totale	662,482	100.0%	754,698	100.0%	(12.2)%

The **value of production** amounted to € 679,316 thousand, down 10.5% compared to 2024 (€ 759,420 thousand).

Consumption as a percentage of sales net of **changes in inventories** increased by 0.5 p.p. due to the different product mix.

Other operating expenses decreased in absolute terms by € 18,631 thousand, maintaining the same percentage weight as the previous year (20.6%). This phenomenon is entirely attributable to a generalised decrease in the item attributable to service costs, which fell from € 138,561 thousand to € 120,644 thousand, a decrease of 12.9%. The change is mainly due to lower costs for commissions payable and transport on sales (down by € 4,538 thousand), consulting costs (down by € 5,546 thousand), utilities (down € 588 thousand), trade fair and advertising costs (down € 855 thousand) and a € 3,424 thousand decrease in staff travel and transfer costs and € 3,424 thousand in travel and transfer costs for personnel. Costs for insurance services and utilities remained essentially constant compared to the previous year.

Personnel expense at 31 December 2025 amounted to € 225,288 thousand, down € 19,543 thousand compared to 2024 (€ 244,831 thousand), -8.0% on the 2024 financial year, mainly due to wages, salaries and related social security contributions attributable to the decrease in headcount (3,663 employees as at 31 December 2025 compared to 3,972 as at 31 December 2024), as well as the reduction in costs achieved through the implementation of the solidarity measure.

Adjusted EBITDA for 2025 was positive at € 38,614 thousand, while in 2024 it was positive at € 58,898 thousand, down 34.4% as result of the change in revenues and costs mentioned above.

Depreciation and amortisation decreased by 4.2% overall (from € 36,628 thousand at 31 December 2024 to € 35,100 thousand at 31 December 2025): the component relating to tangible fixed assets (including rights of use) down by € 146 thousand (-0.6%), while that relating to intangible fixed assets fell by € 1,382 thousand (-11.3%).

The item **provisions and impairment**, excluding the non-recurring items discussed below, amounts to € 1,460 thousand. This balance reflects the combination of new provisions made during the year and related releases, as well as utilisations in 2025. Specifically, provisions for the year mainly relate to € 2,027 thousand for write-downs of trade receivables, € 701 thousand for write-downs of intangible assets, € 499 thousand for supplementary customer indemnity provisions, and € 616 thousand for legal disputes. The balance of this item also includes the release of provisions made possible by the elimination of the related risks or the redefinition of contingent liabilities. The main releases concerned tax risk provisions for € 170 thousand, product warranty provisions for € 1,312 thousand and provisions for other future charges for € 799 thousand.

Adjusted EBIT was positive at € 2,054 thousand, down € 16,619 from the previous year (at € 18,673 thousand).

EBIT, on the other hand, was negative at € 16,481 thousand, down € 31,390 thousand compared to last year (positive at € 14,909 thousand).

Non-recurring items show a negative value of € 18,535 thousand. These items include non-recurring charges of € 21,415 thousand, mainly attributable to € 4,227 thousand for write-downs, provisions and redundancy incentives related to the reorganisation of production sites in Northern Italy, which involves the closure and downsizing of some plants, and € 3,784 thousand for redundancy incentives, both future and already paid, and a one-off payment for corporate welfare, € 10,609 thousand for impairment of goodwill relating to the Machinery and Systems CGU. Against these expenses, there were non-recurring income totalling € 2,880 thousand, almost entirely attributable to the release of the corporate restructuring provision for adjustment, amounting to € 2,533 thousand.

With reference to **financial operations**, financial expenses of € 2,312, thousand were recorded, down from the December 2024 figure (net expenses of € 3,561 thousand), of which € 5,304 thousand related to interest income and financial income and € 7,616 thousand to interest expense and financial expenses.

Exchange rate risk management resulted in a net loss of € 1,061 thousand, an improvement compared to the € 3,378 thousand loss in the prior-year period.

Pre-tax profit was therefore negative by € 19,854 thousand compared to the positive figure of € 7,969 thousand in 2024.

Taxes are positive, totalling € 284 thousand; this positive balance is determined as result of the following factors: IRES taxes and other deferred taxes (negative for € 5,337 thousand) and IRAP (positive for € 282 thousand); provisions for income taxes of foreign companies (€ 4,195 thousand) and taxes relating to previous years (negative for € 576 thousand).

The tax rate for the financial year, calculated on the basis of the pre-tax loss and adjusted to exclude the tax component relating to previous financial years, differs from the theoretical positive rate of 24%. This trend primarily reflects the impact of permanent differences, as well as the application of a prudent approach to the recognition of deferred tax assets relating to tax losses incurred by certain of the Group's foreign subsidiaries. In accordance with the principle of prudence and current assessments of the prospects for recovery, these deferred tax assets have not been recognised. The effective tax rate for the financial year is therefore influenced by these accounting and valuation factors.

The Biesse group, therefore, recorded a **loss for the year** of € 19,570 thousand.

STATEMENT OF FINANCIAL POSITION

	December 2025	December 2024
<i>Euro 000's</i>		
Intangible assets	108,378	128,775
Property, plant and equipment	135,101	137,923
Financial assets	2,385	2,967
Non-current assets	245,864	269,664
Inventories	175,761	177,331
Trade receivables and contract assets	101,113	120,801
Trade payables	(139,695)	(120,937)
Contract liabilities	(69,419)	(99,572)
Net operating working capital	67,759	77,623
Post-employment benefits	(11,120)	(11,860)
Provision for risk and charges	(26,694)	(33,319)
Other net payables	(44,888)	(47,512)
Net deferred tax assets	20,080	13,516
Other net liabilities	(62,622)	(79,175)
Net invested capital	251,002	268,112
Share capital	27,403	27,403
Profit for the previous year and other reserves	218,519	232,221
Result for the year	(19,570)	3,750
Non-controlling interests	-	-
Equity	226,352	263,373
Bank loans and borrowings and loans and borrowings fr	156,397	208,489
Other financial assets	(62,636)	(22,739)
Cash and cash equivalents	(69,112)	(181,012)
Net financial position	24,649	4,739
Total sources of funding	251,002	268,112

Net invested capital amounted to € 251,002 thousand, down compared to 31 December 2024 (€ 268,112 thousand).

Compared to 31 December 2024, **net fixed assets** decreased by € 23,800 thousand, due to the fact that depreciation and amortisation exceeded new investments for the period and to the impairment of goodwill relating to the Machinery and Systems CGU amounting to € 10,609 thousand.

Net operating working capital decreased by € 9,864 thousand compared to December 2024. This reduction is mainly attributable to the decrease in trade receivables (€ 19,688 thousand) and the increase in trade payables (€ 18,758 thousand), effects only partially offset by the decrease in contractual liabilities (€ 30,153 thousand), influenced by the slowdown in sales and order intake during the period. The reduction in inventories (amounting to € 1,570 thousand) also contributed favourably to the change in working capital.

Equity amounted to € 226,352 thousand (€ 263,373 thousand as at 31 December 2024).

Net financial position

	31st December 2025	30th September 2025	30th June 2025	31st March 2025	31st December 2024
<i>Euro 000's</i>					
Financial assets:	131,748	126,056	126,674	112,047	203,750
<i>Current financial assets</i>	<i>62,636</i>	<i>66,022</i>	<i>79,551</i>	<i>68,673</i>	<i>22,739</i>
<i>Cash and cash equivalents</i>	<i>69,112</i>	<i>60,034</i>	<i>47,123</i>	<i>43,374</i>	<i>181,012</i>
Short-term financial lease payables	(8,588)	(8,849)	(9,222)	(9,844)	(10,139)
Short-term bank loans and borrowings and loans from other financial backers	(44,611)	(54,103)	(29,124)	(7,039)	(78,824)
Short-term net financial position	78,549	63,104	88,329	95,164	114,787
Medium/Long-term financial lease payables	(17,512)	(18,463)	(21,053)	(18,657)	(19,569)
Medium/Long-term bank loans and borrowings	(85,640)	(92,759)	(92,770)	(99,877)	(99,857)
Trade payables and other medium/long-term payables	(46)	(58)	(69)	(89)	(101)
Medium/Long-term net financial position	(103,198)	(111,279)	(113,892)	(118,622)	(119,526)
Total net financial position	(24,649)	(48,175)	(25,564)	(23,459)	(4,739)

In the NFP statement, in application of the provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob which refers to the ESMA Recommendations of 4 March 2021, trade payables due beyond one year have been included.

For the sake of clarity, the fair value of derivatives have also been excluded from financial assets.

The **Net financial position** of the Biesse group at 31 December 2025 was negative for € 24,649 thousand (positive for € 1,451 thousand excluding the effects of IFRS 16), a decrease of € 19,910 thousand compared to the figure at 31 December 2024, when it was negative for € 4,739 thousand (and positive for € 24,969 thousand excluding the effects of IFRS 16). The change is mainly attributable to the purchase of treasury shares, the distribution of dividends during the first half of 2025, the payment of the debt relating to the price adjustment for the acquisition of the GMM Group, non-recurring financial outflows arising from the payment of redundancy incentives and investments made in tangible and intangible fixed assets, only partially offset by the cash flows generated by the movements in net operating working capital previously discussed and by the positive results achieved at the operational management level.

As at the date of approval of this report, the Biesse Group has credit facilities totalling € 235.9 million, of which € 106.6 million remains undrawn, as set out below:

- € 93.6 million of revocable lines with a duration of up to 12 months (not used as at 31 December 2025);
- € 40 million committed with duration within 36 months (utilised for € 27 million as at 31 December 2025);
- € 102.3 million related to long-term loans.

None of the above lines are subject to collateral.

MAIN RISKS AND UNCERTAINTIES TO WHICH BIESSE S.P.A. AND THE BIESSE GROUP ARE EXPOSED

Risk management policy

Effective risk management and the Enterprise Risk Management (ERM) process contribute to a company's sustainable success and maximising its value while complying with applicable regulations.

Biesse has therefore defined an Enterprise Risk Management Policy and a procedure (hereinafter also the "ERM Model" or the "Model"), applicable to Biesse S.p.A. and all the Companies in the Group, to assess and quantify business risks. In particular, the ERM model adopted by Biesse is inspired by the international standards "Enterprise Risk Management - Integrated with Strategy and Performance" (as updated in 2017 by the Committee of Sponsoring Organisation (CoSO) of the Treadway Organisation) and the UNI 31000:2018 Standard, "Risk Management - Principles and guidelines". Furthermore, as part of the risk assessment phase during the ERM process, the implications attributable to environmental, social and governance (so-called ESG) risks are also considered, as required by the indications provided in the guide "Enterprise Risk Management - Applying enterprise risk management to environmental, social and governance-related risks" (Guide prepared by the CoSO in partnership with the World Business Council for Sustainable Development (WBCSD). In particular, the new policy is addressed to the corporate bodies,

employees and associates who operate within the Biesse group and who are involved in various ways in the ERM process.

More specifically, the Enterprise Risk Management process adopted by the Biesse group aims to integrate risk management activities into the organisation's processes and culture, following an approach of gradual implementation and continuous improvement of the process itself. This approach allows: (i) both effective learning of risk management issues by the Board of Directors and Management, (ii) and the adaptation of the Risk Management process to the constantly evolving structure of the organisation.

The main objectives of the ERM are described below:

- ensure greater awareness in making strategic decisions (risk-informed), taking into adequate consideration current and prospective risks, as part of an organised and overall vision;
- promote the dissemination of risk management in business processes, in order to ensure consistency in management methodologies and tools and in risk control;
- develop a common language and spread an adequate risk culture in the Group, according to an integrated approach, also through specific communication and training initiatives that increase awareness of exposure to risks and the ability to manage them;
- acquisition of an integrated view of risks at Group level;
- ensure the performance of activities by coordinating risk owners and other actors involved in the process.

Governance and organisational structure for risk management

From an organisational point of view, the main actors in Biesse's risk management are:

- **The Board of Directors (BoD)** of Biesse S.p.A., with the support of the Control and Risk Committee (CRC), defines the guidelines for the Internal Control and Risk Management System in line with company strategies and evaluates, at least once a year, the adequacy of this system in relation to the characteristics of the business and the risk profile assumed, as well as its effectiveness.
- **The Chief Executive Officer** of Biesse S.p.A., in agreement with the Co-Chief Executive Officer, is responsible for identifying the principal business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and for submitting them periodically to the review of the Board of Directors.
- The **Control and Risk Committee (CRC)** of Biesse S.p.A., in assisting the Board of Directors, examines the content of periodic information relevant to the Internal Control and Risk Management System. In addition, it expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the latter has become aware.
- The **Risk Management function**, which is an integral part of the Finance function, has the task of coordinating the ERM process and systematically supporting, as a methodological watchdog, the Chief Executive Officer in implementing the guidelines defined by the Board of Directors, and the company management (risk owners) in identifying risks, assessing them and drawing up the relevant treatment plans.
- The **Risk Owner** is the person responsible for the process on which the risk impacts, responsible for defining the actions to be taken for the purpose of mitigating the risk itself and its monitoring. In this context, all the main functions of the Biesse group are involved.

Risk Management Process

The Biesse ERM Model provides an integrated and systemic view of activities to achieve improvements in efficiency, effectiveness and cost effectiveness. It involves the following stages:

- **context definition:** analysis of the internal and external context in which the Biesse group operates and its evolution over time. This analysis is carried out in cooperation with the key Organisational Departments/Functions of the Biesse group.
- **risk identification:** identification, description and assessment of risks. To this end, the Risk Management function, together with the Risk Owners, analyses the risk components of activities and processes. The risks identified are classified on the basis of the Group's "Risk Model", as a risk categorisation model, which represents a constant reference point for management, control and integrated risk reporting for the Risk Management function and for the Board of Directors. Biesse's risk model does not have a category of risks classified as ESG, but each risk has been assessed

according to its impact on social, environmental and governance sustainability issues (ESG related).

- **assessment of existing risks and controls:** for each identified risk, the Risk Owner, with the support of the Risk Management function, carries out an assessment based on probability, impact, interconnectivity and speed. The latter two items provide a dynamic view of the risk that supports the identification of its causes, effects and speed of occurrence, also facilitating the optimisation of mitigation actions. Interconnectivity refers to the analysis that identifies, qualifies and quantifies the relationships between risks. Speed refers to the rate of onset or the time it takes for a risk event to occur.
- **risk management:** the Biesse Board of Directors has the task of defining the acceptable level of risk in relation to the factors that have emerged and been analysed. Following the residual risk assessment, the directives to be undertaken are established by implementing the most appropriate measures to minimise risks and maximise opportunities.
- **monitoring and reporting:** The monitoring and reporting phase is designed to ensure the detection and analysis of trends in the main risks that have emerged.

Risk Model

The Risk Model developed by Biesse allows for a common definition of Biesse group risks. It also provides an overview of the main business risks and supports the analysis of the main risks for better understanding.

It proposes a classification of risks on the basis of two main macro-areas:

- External Risks (also including climate change/natural events and energy transition), related to the occurrence of external events that are difficult (or partially) predictable or influenced by Biesse;
- Internal Risks, divided in turn into:
 - **Strategic:** connected to events that may influence strategic guidelines or the organisational and business model adopted by Biesse. This family includes the risks associated with the adopted business model, the reference markets, innovation, investments, sustainability and the management of relationships with stakeholders in general;
 - **Operational:** connected to inefficient and effective processes, with negative consequences on Biesse's value creation. This family includes risks concerning production, product quality, supply chain, business continuity (linked to the unavailability of production sites and their operational continuity), planning and reporting processes and legal aspects;
 - **HR:** this family includes risks related to personnel management;
 - **Financial:** related to the ineffective and efficient management of events that originate from the reference financial markets: market risk, liquidity risk, credit risk;
 - **Compliance:** related to regulatory obligations, whether external, such as legislative obligations (including issues of health, safety at work and the environment), whether internal, such as compliance with the Group's Code of Ethics and the company's procedural system;
 - **ICT:** connected to failures, defects or unplanned events affecting IT resources (e.g. computer systems/applications to support the business) or to deficiencies in physical security measures or cyber attack with negative impacts on the integrity, availability, confidentiality, authenticity and/or continuity of Biesse's services or processes, as well as the violation or imminent threat of violation of business regulations and practices in the field of information security.

The Internal Risk categories in turn are subdivided into further subcategories that allow for a more detailed analysis.

The Risk Management function is responsible for ensuring that the Risk Model is periodically updated.

Biesse's main risks

Below are the Biesse group's top risks that may affect the achievement of the Group's business objectives and results.

Product competitiveness and technological innovation

An inadequate level of product and production process competitiveness, including in terms of innovation, differentiation, performance and integration of advanced technological solutions, could reduce the relevance of the Group's offering in its target markets. Any failure to develop, adopt or promptly integrate technological innovations in Biesse products could limit their functionality, performance and distinctive capabilities, with possible negative effects on the Group's competitive positioning, market share and margins.

Geopolitical Risks

Current international geopolitical tensions represent a source of potential volatility in energy commodity prices and in the related market demand. Considering that the Group operates partially in markets affected by the current conflict situation and is not dependent on suppliers of raw materials located in geographically unstable areas, its direct exposure to such risks is limited.

On the other hand, energy costs are the main channel through which geopolitical events affect inflation, influencing economic growth and the capacity for investment spending. The Group continuously monitors geopolitical developments and their potential impacts in order to contain risk exposure, including in the event of escalation.

In a context characterized by uncertainty and consequent volatility, the Group will continue to regularly assess potential direct effects on its operations, in order to act promptly by implementing the most appropriate measures once the situation becomes less uncertain.

Risks Related to U.S. Tariff Policies

The international geopolitical environment continues to be significantly affected by ongoing trade tensions arising from tariffs imposed by the United States. This situation fuels global uncertainty, with consequent impacts on investment not only in the U.S. market but across global value chains.

The Company continuously monitors developments in international trade policies, with particular attention to the imposition of U.S. tariffs, which represent a risk for the production and commercialization of investment goods.

To this end, the Company adopts mitigation measures aimed at preserving business continuity, including the revision of pricing strategies and ongoing dialogue with key commercial partners.

Risks related to the level of competitiveness and cyclical nature of the industry

Demand is cyclical and depends on general economic conditions, end customers' propensity to consume, credit availability, and any government stimulus measures. A negative trend in demand, or the Group's inability to adapt effectively to external market conditions, could have a significant negative impact on the Group's business prospects as well as on its results and financial position.

All of the Group's revenues substantially come from the mechanical tool sector, which is a competitive industry. The Biesse group competes in Europe, North America and in the Asia Pacific region with other major international players. These markets are all highly competitive in terms of product quality, innovation, price and customer service.

Transformation of the current customer care model

The current customer care model, still too closely linked to a central control model, is no longer adequate to maintain an effective relationship with customers distributed worldwide, to take care of their needs throughout the customer journey, also given the lack of an omnichannel approach to service delivery. However, during the transition phase, this could cause operational disruptions and inefficiencies, with the risk of a temporary impact on the quality of after-sales services offered.

Competitive pressure and entry of new operators

The Group operates in a context characterised both by the growing presence of low-end competitors and new entrants, offering solutions at lower prices and with less technological content, and by competition with established *players* of comparable size and capacity to Biesse. These operators could intensify their strategies through aggressive pricing policies, the introduction of new products, and technological, qualitative or performance improvements. This scenario could lead to increased pressure on prices, a

reduction in market share and a potential negative impact on the Group's margins and competitive positioning.

Downsized sales trends

Risk associated with the slowdown in order intake manifested in certain geographical areas in which the Biesse group operates. This downsizing could impact the company's financial targets.

Skills and expertise in the Services area

Inadequate staffing levels or skills gaps in the Services area could compromise the effectiveness and timeliness of technical interventions, with possible repercussions on customer satisfaction and the reputation of Biesse Services. This situation could also lead to operational inefficiencies and a negative impact on the area's economic results.

Loss of key resources and distinctive skills

The gradual loss or excessive concentration of distinctive technical skills (Sales, Services and Product) in a limited number of key resources, in the absence of adequate succession planning, backup and structured knowledge sharing mechanisms, could affect operational continuity and the Group's ability to maintain high competitive standards in the medium to long term.

Competitive lock-in

Risk linked to the possible interruption or termination of the relationship with some of the most important business partners, negatively affecting the Group's business with consequences on sales and economic results, i.e. an inadequate management of new strategic partnerships between Biesse and the dealers and/or insufficient/failure to monitor the activities of the latter could result in an ineffective distribution strategy.

Customer relationships

Inattentive monitoring of the markets in which the Group operates and untimely responses to customer needs could lead to a reduction in competitiveness, with a relative impact on production volumes and/or lower profitable prices or jeopardise future business opportunities.

Risks relating to climate change

Risks associated with climate change result from dynamic interactions between climate hazards, exposure and vulnerability of human societies, species or ecosystems involved (IPCC, AR6 Synthesis Report, 2022). These risks fall into two main categories:

- Physical risks, linked to the concrete effects of climate change, which are in turn divided into chronic risks, i.e. associated with structural and persistent changes in climatic conditions, and acute risks, linked to extreme events of high intensity;
- transition risks associated with moving towards a low-carbon economy (TCFD, Final Report, 2017).

As already mentioned in the previous section (SBM-3), for the assessment of physical risks, the Group considered different climate scenarios developed by the IPCC, (i.e. RCP 2.6, 4.5 and 8.5) using dedicated software, while for transition risks, different scenario analyses prepared by NGFS and IEA were used. Where the software did not have accurate data, the Group used analyses and reports from national institutes such as ISPRA or the competent government bodies in the countries where Biesse operates. The company also consulted the stakeholders defined in ESRS 2 in order to assess the appropriateness of these risks in the business context.

Through this analysis, it was possible to assess the applicability of these scenarios with respect to its own activities, the geographical context in which it operates and the characteristics of the manufacturing sector. This approach enabled the identification of potential risks and emerging opportunities, providing the basis for strategic planning.

Risks associated with the organisation of the Biesse's sales force

The organisation of the sales force is crucial to Biesse's business success, with a direct impact on company performance. A sales network that is not aligned with the Biesse group's strategic guidelines, combined with deficiencies in technical skills or a lack of focus on overall results, could prevent adequate support for planned growth objectives. Furthermore, the weakness of the sales network could hinder the transition to a multi-material approach (Wood, Glass, Stone, Material and Metal), limiting the team's ability to effectively support the company's overall strategy.

Strategy

This is the risk deriving from exposure to changes in profitability with respect to volume volatility or to changes in customer behaviour (business risk), as well as the risk of a decline in profits or capital deriving from business discontinuities linked to new strategic choices adopted, from wrong business decisions or from inadequate implementation of decisions.

Plant flexibility and multi-plant management

Limited production flexibility, rigidity in the supply chain and operational complexity resulting from the production of the same model in multiple plants could reduce the ability to respond to fluctuations in demand. This scenario could lead to operational inefficiencies and have a negative impact on the Group's financial results and overall performance.

CORPORATE GOVERNANCE

The Corporate Governance system of Biesse S.p.A. complies with the principles set out in the Corporate Governance Code for Listed Companies and the international best practices. The Board of Directors approved on 13 March 2026 the Corporate Governance and Ownership Structure Report pursuant to Art. 123-bis TUF, of the Consolidated Law on Finance, for financial year 2025.

Said Report is published on the Company's website www.biesse.com in the "Governance and Investors" subsection "Corporate Governance - Corporate Governance Reports" and constitutes a reference for legal purposes.

Biesse S.p.A.'s model of management and control is a traditional model (as provided in Italian Law), which calls for Shareholders' Meetings, a Board of Directors, a Board of Statutory Auditors and Independent Auditors. The corporate bodies are appointed by the Shareholders' Meeting and hold office for three years. The representation of Independent Directors, as defined in the Code, and their role in both the Board and the Company's Committees (Internal Control, Risk Management and Sustainability Committee, Related-Party Transactions Committee, Remuneration Committee), are fit for ensuring the interests of all shareholders are balanced and all sides of a discussion are freely aired in the meetings of the Board of Directors.

PERSONNEL RELATIONS

During 2025, the Group's organisational transformation marked a decisive return to the principles that have historically underpinned the company's success. Starting in the second half of the year, there was a growing desire to strengthen the relaunch project by returning to the Group's cultural and organisational foundations, enhancing its identity in an evolutionary perspective.

The focus was once again placed on the centrality of people, their active involvement and the strengthening of their sense of belonging, recognised as essential levers for accompanying strategic and organisational evolution.

The new Business Plan was developed taking into account not only business objectives, but also the need to leverage proximity to areas where distinctive skills and expertise are available, promoting greater integration between global dimensions and local roots.

At the same time, a review of the Group's values was launched, aimed at bringing the new cultural guidelines into line with those that formed the foundations of the company: people-centred approach, involvement, participation, discipline and responsibility.

Today, these principles represent not only a heritage of identity, but also a practical guide for the path to recovery and sustainable growth over time.

RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development activities in 2025 mainly include those for technological updating and the regular renewal of standard products. Instead, they do not include expenses for development to order by specific customers, or costs for customising standard products, expenses which are included in the cost of sales and thus invoiced to the customers themselves. The extent of this commitment shows, in concrete terms, the strong orientation to stand as a supplier of solutions, and not just of products, which has always been a feature of the Biesse group, and which over the years has led it to a position of strong leadership on the market.

ESSENTIAL INTANGIBLE RESOURCES

In the process of creating value, the Biesse Group recognises intellectual capital, human capital and social and relational capital as essential intangible assets. Intellectual capital contributes to developing the Group's distinctive characteristics and generating value across the board with respect to human capital and social-relational capital. Product innovation has always been a driver of growth, enabling the Group to consolidate its leadership position in its target market.

With regard to human capital, its quality is crucial for the growth of the Biesse Group and for fuelling value creation over time. People, with their wealth of knowledge, developed and consolidated skills, managerial abilities, commitment, loyalty and sense of belonging, are a central element of all company activities: a heritage to be protected, promoted and guaranteed full respect for rights.

Social-relational capital has also enabled the Group to gradually expand its market share and establish itself as a global *player* in its sector, thanks to the quality of the relationships it has built over time.

In recent years, some of these distinctive factors have gradually weakened in terms of intensity, cohesion and internal perception. For this reason, as part of the process of evolution and strengthening launched in 2025, the Group has set itself the goal of enhancing and increasing these intangible resources, fully restoring their original meaning and consolidating their strategic role as an essential prerequisite for the creation of solid and lasting value over time.

RECONCILIATION BETWEEN THE PARENT'S EQUITY AND RESULTS AND CONSOLIDATED EQUITY AND RESULTS

In compliance with Consob Communication No. DEM/6064293 of 28 July 2006, a schedule showing the reconciliation of the Parent's equity and results for the year with the consolidated equity and results for the year is shown below.

	Equity 31/12/2025	Result for 2025	Equity 31/12/2024	Result for 2024
<i>Euro 000's</i>				
Equity and profit for the year of the parent	204,989	1,394	210,285	6,630
Elimination of carrying amount of consolidated equity investments:				
Difference between carrying amount and amount of equity held	34,424		65,959	
Pro-quota results contributed by investees		(9,661)		13,898
Derecognition of impairment losses/reversal of impairment losses on equity investments		12,300		3,128
Dividends		(23,413)		(24,041)
Elimination of the effects of transactions between consolidated companies:				
Intercompany losses included in closing inventories	(12,469)	(190)	(12,279)	4,134
Intercompany losses on non-current assets	(591)		(591)	
Equity and profit of the year attributable to owners of the parent	226,352	(19,570)	263,374	3,750
Non-controlling interests	-	-	-	-
Total equity	226,352	(19,570)	263,374	3,750

TRANSACTIONS WITH ASSOCIATES, PARENTS AND THE LATTER'S SUBSIDIARIES

With reference to relations with the parent company Bi.Fin. S.r.l. the following details are noted:

	Revenues		Costs	
	For Year ended 31/12/2025	For Year ended 31/12/2024	For Year ended 31/12/2025	For Year ended 31/12/2024
<i>Euro 000's</i>				
Parent	1	1	-	1
Bi. Fin. S.r.l.	1	1	-	1

	Receivables		Payables	
	For Year ended 31/12/2025	For Year ended 31/12/2024	For Year ended 31/12/2025	For Year ended 31/12/2024
<i>Euro 000's</i>				
Parent	-	-	-	44
Bi. Fin. S.r.l.	-	-	-	44

It is hereby declared that, pursuant to Art. 2.6.2., paragraph 13 of the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A., all of the conditions set forth in Art. 37 of Consob Regulation No. 16191/2007 have been complied with.

OTHER RELATED-PARTY TRANSACTIONS

The following have been identified as related parties: the Board of Directors, the Board of Statutory Auditors, SEMAR S.r.l. and managers with strategic responsibilities.

During the year, transactions with the parties were as follows:

	Revenues		Costs	
	For Year ended 31/12/2025	For Year ended 31/12/2024	For Year ended 31/12/2025	For Year ended 31/12/2024
<i>Euro 000's</i>				
Parent	1	1	-	1
Bi. Fin. S.r.l.	1	1	-	1
Other related companies	-	-	2,262	863
Se. Mar. S.r.l.	-	-	2,262	863
Members of the Board of Directors	-	-	2,498	3,684
Members of the Board of Statutory Auditors	-	-	262	189
Members of the Board of Statutory Auditors	-	-	262	189
Executives with strategic functions	-	-	1,649	1,873
Total	1	1	6,670	6,610

	Receivables		Payables	
	For Year ended 31/12/2025	For Year ended 31/12/2024	For Year ended 31/12/2025	For Year ended 31/12/2024
<i>Euro 000's</i>				
Parent	-	-	-	44
Bi. Fin. S.r.l.	-	-	-	44
Other related companies	15	-	909	317
Se. Mar. S.r.l.	15	-	909	317
Other	-	-	-	-
Members of the Board of Directors	-	-	185	73
Members of the Board of Directors	-	-	185	73
Members of the Board of Statutory Auditors	-	-	40	71
Members of the Board of Statutory Auditors	-	-	40	71
Total	15	-	1,134	505

The transactions disclosed above, which are mainly of a financial nature, were carried out under terms and conditions that were not different from those that would theoretically be applied in arm's length transactions.

BIESSE SPA'S OFFICES AND LOCAL BRANCHES

The venues where the company carries out its activities are indicated below:

Via dell'Economia SN Pesaro (PU) - Italy
Piazzale Alfio de Simoni SN Pesaro (PU) - Italy
Via della Tecnologia SN Pesaro (PU) - Italy
Via dell'Economia, 40 Pesaro (PU) - Italy
Via G. Natta, 16 Lentate sul Seveso (MB)
Strada Gragnana, 17/O Piacenza (PC) - Italy
Via Marcello Malpighi, 8 Lugo (RA) - Italy
Via Chitarrara, 910 Montescudo-Monte Colombo (RN) - Italy
Strada Piossasco, 46 Volvera (TO) - Italy

The Company has a branch office in Dubai (United Arab Emirates) Port Said, Deira.

INFORMATION ON SIGNIFICANT COMPANIES OUTSIDE THE EU

Biesse S.p.A. controls, either directly or indirectly, some companies established and regulated by the law of States outside the European Union ("Significant Companies outside the EU" as defined by Consob Regulation No. 16191 of 29 October 2007 as amended).

With reference to these companies, it should be noted that:

- all Significant Companies outside the EU prepare an accounting statement for the purpose of drawing up the Consolidated Financial Statements; the balance sheet and income statement of these companies are made available to the shareholders of Biesse S.p.A. in the times and in the manner provided for by the relevant regulations;
- Biesse S.p.A. obtained the articles of association as well as the composition and powers of the corporate bodies of the Significant Companies outside the EU;
- the Significant Companies outside the EU:
 - provide the independent auditors of the parent with the information required for auditing the annual and interim financial statements of the parent itself;
 - have an administrative and accounting system fit for submitting on a regular basis to the Management and the independent auditors of Biesse S.p.A. the data related to performance, financial position and cash flows required for preparing the Consolidated Financial Statements.

SHARES IN BIESSE AND/OR ITS SUBSIDIARIES, HELD DIRECTLY OR INDIRECTLY BY MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND THE GENERAL MANAGER, AS WELL AS BY THEIR RESPECTIVE SPOUSES WHERE NOT LEGALLY SEPARATED AND BY THEIR MINOR CHILDREN

	No. of shares held directly and indirectly at 31/12/2024	No. Of shares sold in 2025	No. Of shares purchased in 2024	No. of shares held directly and indirectly at 31/12/2025	% of share capital
Roberto Selci Chairman	0			0	0.00%
Salvatore Giordano Non-Executive Director	1,300			1,300	0.00%
Alessandra Baronciani Non-Executive Director	0			0	0.00%
Rossella Schiavini (Lead independent Director)	0			0	0.00%
Pier Giorgio Bedogni (Lead independent Director)	0			0	0.00%
Federica Ricceri Independent Director	0			0	0.00%
Cristina Sgubin Independent Director	0			0	0.00%
Paolo De Mitri Chairman of the Board of Statutory Auditors	0			0	0.00%
Giovanni Ciurlo Member of the Board of Statutory Auditors	0			0	0.00%
Benedetta Pinna Member of the Board of Statutory Auditors	0			0	0.00%

“ATYPICAL AND/OR UNUSUAL” TRANSACTIONS CARRIED OUT DURING THE YEAR

In 2025, there were no such transactions.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE AND OUTLOOK

On **26 February 2026**, the deed of merger by incorporation of the wholly-owned subsidiary Bavelloni S.p.A. into Biesse S.p.A. was signed. The legal effects of the merger will take effect from 1 April 2026, while the accounting and tax effects will be backdated to 1 January 2026.

As is well known, on **28 February 2026**, the ongoing conflict between the United States, Israel and Iran erupted, triggered by joint US-Israeli attacks targeting the Iranian leadership, which rapidly sparked a wide-ranging regional escalation involving Gulf states and armed groups, thereby exacerbating instability in the Middle East. This situation has had significant repercussions on the global stage, including a sharp rise in oil and gas prices, with concerns over the security of energy supply routes – particularly due to threats to the Strait of Hormuz – contributing to a climate of uncertainty that is affecting international markets and supply chains. This situation has also led to extreme volatility in the equity markets, with a deterioration in investor *sentiment* and a rise in the key indicators of systemic risk.

For the Biesse Group, which operates in the Middle East through its sales office in Dubai, the UAE market accounts for around 1.5% of its turnover. Nevertheless, the impact of the geopolitical tensions described above is likely to affect the business outlook, leading to a downward revision of performance forecasts. The company's management is closely monitoring developments and is committed to ensuring business continuity.

Outlook for 2026

Although the latter part of 2025 was characterised by encouraging positive signs, there are still equally evident elements of uncertainty and unpredictability that make it difficult to interpret the immediate future. On the geopolitical front, current developments and the nature of ongoing conflicts cannot fail to have a direct impact on the relevant sectors and on the cost of production inputs; the recovery still appears fragile and fraught with uncertainties that remain to be resolved.

The Biesse Group's strong export orientation (approximately 84% of revenues) leads us to carefully evaluate the various international scenarios and their developments. We appreciate and welcome with confidence the business support policies that some governments have already approved in various forms and types. We note that the European Central Bank confirms that the Eurozone economy is more resilient than expected and outlines positive prospects in the macroeconomic sphere. Trade associations representing our industry have highlighted that 2025 was marked by a contraction in the reference market, both in Italy and abroad, but with signs of improvement already visible from 2026 onwards, provided that this is driven by a substantial improvement in confidence and the resolution of ongoing conflicts. It therefore seems that the fate of investments in durable goods, and with it that of the mechanical engineering industry, will depend in particular on the level of confidence.

Despite the global context described above, the Biesse Group intends to pursue its new strategic priorities with determination, focusing on restoring its leadership in service, strengthening its commercial skills and accelerating product development by leveraging the synergies deriving from multi-materiality, enabling factors for the achievement of its 2026-2028 objectives.

The strategic approach contained in the Group's new three-year plan for 2026-2028 focuses on the following projects:

- **Product innovation** with roadmaps geared towards selective expansion and streamlining the complexity of the product portfolio;
- **Strengthening global commercial coordination** and focusing on priority markets for growth and market share recovery;
- **Strengthening of service** as a structural lever for customer loyalty, guaranteeing excellence in delivery and recurring revenues;
- **Operational flexibility** and enhancement of the multi-country industrial platform, with Italian sites specialising in customisation and technology;
- **Organisational model for business units** focused on execution and with clear operational ownership. Cross-functional roles that define common standards, tools, and methodologies;
- **People at the centre** through the establishment of the Biesse Training Academy and the systematic enhancement of technical and managerial skills to support business development.

CONSOLIDATED SUSTAINABILITY STATEMENT

The Biesse Group's Consolidated Sustainability Statement for the year 2025 has been prepared in accordance with Italian Legislative Decree No. 125 of 6 September 2024, which implements Directive 2022/2464/EU on corporate sustainability reporting into national law, and in accordance with the European Sustainability Reporting Standards (ESRS), as set out in Delegated Regulation (EU) 2023/2772. Each chapter includes a section on significant impacts, risks and opportunities, followed by an analysis of the policies, objectives and actions taken by the Group.

CONTENTS

General Disclosures	41
Environment	56
E1- Climate change	560
Taxonomy	65
E2 - Pollution	69
E5- Circular economy	72
Society	78
S1 Own workforce	78
S2- Workers in the value chain	91
S3- Affected communities	96
S4- Consumers and end-users	100
Governance	105
G1- Business conduct	105
Annex 1	111
List of information items referred to in cross-cutting and thematic principles derived from other EU legislative acts	

TABLE OF CONTENTS - DISCLOSURE REQUIREMENTS

The following table of contents lists the reporting requirements in the ESRS standards and relevant to Biesse, which guided the preparation of the Consolidated Sustainability Statement.

ESRS 2 - General disclosures

BP-1	General basis for preparation of sustainability statements	41
BP-2	Disclosures in relation to specific circumstances	41
GOV-1	The role of the administrative, management and supervisory bodies	43
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	43
GOV-3	Integration of sustainability-related performance in incentive schemes	45
GOV-4	Statement on due diligence	45
GOV-5	Risk management and internal controls on sustainability reporting	45
SBM-1	Strategy, business model and value chain	46
SBM-2	Interests and views of stakeholders	49
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	52
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	53
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement 4.2	54
MDR-P	Disclosure requirements – Policies adopted to address sustainability issues	Information described in each standard
MDR-A	Disclosure requirements – Initiatives and resources relating to sustainability issues	Information described in each standard
MDR-M	Disclosure requirements – Metrics relating to sustainability issues	Information described in each standard
MDR-T	Reporting requirements – Monitoring the effectiveness of policies and actions through targets	Information described in each standard

ESRS E1- Climate change

GOV-3	Integration of sustainability-related performance in incentive schemes	56
E1-1	Transition plan for climate change mitigation	58
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	58
E1-2	Policies related to climate change mitigation and adaptation	59
E1-3	Actions and resources in relation to climate change policies	59
E1-4	Climate change mitigation objectives	60
E1-5	Energy consumption and mix	61
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	62
Taxonomy		65

ESRS E2 - Pollution

IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	69
SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	69
E2-1	Pollution-related policies	69
E2-2	Pollution-related actions and resources	70
E2-3	Pollution-related objectives	70
E2-4	Air, water and soil pollution	71

ESRS E5- Circular Economy

IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	72
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72
E5-1	Resource use and circular economy policies	73
E5-2	Actions and resources in relation to resource use and circular economy	73
E5-3	Resource use and circular economy policies	748
E5-4	Incoming resource flows	74
E5-5	Resource outflows	75

ESRS S1 - Own workforce

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	78
S1-1	Policies related to own workforce	80
S1-2	Processes for engaging with own workers and workers' representatives about impacts	81
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	81
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	82
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	82
S1-6	Characteristics of the undertaking's employees	83
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	84
S1-8	Collective bargaining coverage and social dialogue	84
S1-9	Diversity metrics	85
S1-10	Adequate wages	89
S1-11	Social protection	87
S1-12	Persons with disabilities	88
S1-13	Training and skills development metrics	88
S1-14	Health and safety metrics	89
S1-15	Work-life balance metrics	89
S1-16	Remuneration metrics (pay gap and total remuneration)	89
S1-17	Incidents, complaints and severe human rights impacts	90

ESRS S2 – Workers in the value chain

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	91
S2-1	Policies related to value chain workers	92
S2-2	Processes for engaging with value chain workers about impacts	93
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	93

S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	94
------	--	----

S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	94
------	--	----

ESRS S3 – Affected communities

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	96
S3-1	Policies related to affected communities	97
S3-2	Processes for engaging with affected communities about impacts	97
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	97
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	97
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	99

ESRS S4 – Consumers and end-users

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	100
S4-1	Policies related to consumers and end-users	102
S4-2	Processes for engaging with consumers and end-users about impacts	102
S4-3	Processes to remediate negative impacts and channels enabling consumers and end-users to raise concerns	102
S4-4	Actions on material impacts for consumers and end-users and effectiveness of these actions	103
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	104

ESRS G1 – Business conduct

GOV-1	The role of the administrative, management and supervisory bodies	105
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	106

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	105
G1-1	Corporate culture and business conduct policies	106
G1-2	Supplier relationship management	108
G1-3	Prevention and detection of corruption and bribery	108
G1-4	Established cases of corruption and bribery	109
G1-6	Payment practices	109

ESRS 2 - GENERAL DISCLOSURES

BP-1: General basis for preparation of sustainability statements

This Consolidated Sustainability Statement has been prepared on a consolidated basis. Its scope of consolidation is the same as that adopted by the Annual Financial Report.

In accordance with EU Delegated Regulation 2025/1416 (the so-called Quick-fix), the Group has also made use of the phase-in provisions in accordance with Annex C of ESRS 1 for ESRS S1-7 para. 55 b) and c) for the 2025 financial year, ESRS S1-14 para. 88 e) only for non-employees and for the expected financial effects (ESRS E1-9, E2-6, E3-5, E4-6, E5-6).

Consolidated Sustainability Statement covers the value chain both upstream and downstream to the extent that it was possible to use direct data¹, as well as indirect data². Furthermore, as required, in the Double Materiality analysis process, both suppliers and key customers were involved in identifying the Impacts, Risks and Opportunities (IRO) that Biesse and its value chain generate.

For the sake of completeness, it should be noted that, where policies, actions and related objectives also involve the value chain, this extension is explicitly indicated in the Reporting. In such cases, the scope of application of the initiatives is clarified, specifying the involvement of suppliers, business partners and other relevant parties along the value chain.

Regarding metrics, in addition to indicators directly related to business activities, those relating to the value chain were also reported. In particular, Scope 3 greenhouse gas emissions are reported in accordance with the relevant standards.

The company did not make use of the option to omit information on intellectual property, know-how or innovation results. In addition, Biesse is not subject to the exemption from disclosure of information concerning upcoming developments or matters under negotiation pursuant to Articles 19bis (3) and 29bis (3) of Directive 2013/34/EU.

BP-2: Disclosures in relation to specific circumstances

Definition of short, medium and long term time horizons

This Consolidated Sustainability Statement uses the same time horizons as defined by ESRS 1, as follows:

- Short-term: the period adopted by the company as the reference period for its financial statements (i.e. one year from the reference period of this document);
- Medium-term: up to five years after the end of the short-term reference period;
- Long-term: more than five years.

These timeframes are consistent with the company's planning tools and serve as a reference for defining objectives, targets and related strategic actions in the field of sustainability.

Value chain estimation

To identify and assess Environmental, Social and Governance (ESG) impacts, risks and opportunities related to the value chain, both upstream and downstream, Biesse used industry average data on direct, indirect and customer suppliers. The materiality of impacts, risks and opportunities was determined by assessing Biesse's influence on these sectors, based on the size of the orders placed and comparison with those from other industries.

For the purpose of identifying possible IROs related to the value chain, the company used estimates and metrics based on direct and indirect sources. In particular, the structure of the value chain was reconstructed using theoretical models proposed in the literature in order to obtain a more precise and detailed view of the different steps and actors involved. Both suppliers and customers with whom Biesse does business directly were considered, as well as indirect suppliers, i.e. those located further down the value chain (beyond *Tier 1*). For the latter, Biesse has identified them in a logical-inductive manner, considering the activity carried out by direct suppliers and the materials supplied by them. Starting with the identification of direct and indirect suppliers and customers, the IROs related to them were identified in relation to sustainability issues.

In addition, to determine the impact, the sustainability statements of direct and indirect suppliers and customers, where available, were also examined. Based on the estimated reconstruction of the value chain, industry averages were used as metrics to better understand the performance and dynamics of each segment of the supply chain. The level of accuracy of estimates for indirect suppliers may be limited, since,

¹ Direct data: from strategic customers and suppliers, i.e. those with whom Biesse has an ongoing relationship in terms of orders.

² Indirect data: data from estimates and analyses of available documents regarding the various actors in the supply chain. This analysis was conducted with reference to the suppliers of raw materials (steel and aluminium) that constitute some of the main materials used by Biesse. In this regard, the Group's supply chain was reconstructed up to the raw material extraction stage.

although information on the sectors to which they belong is available, it is not possible to identify with certainty the individual suppliers involved. Therefore, estimates are primarily based on the general characteristics of the sector and information from available sustainability statements, recognising that there may be some uncertainties associated with this methodology. As far as direct suppliers are concerned, the estimation is more accurate, since direct checks were carried out in the field. However, here too, the estimates are based on available data and information, and therefore there may be margins of uncertainty, even if these are small compared to those for indirect suppliers.

Where available, estimates were also used for customers, but the input data were more accurate, as specific customers were identified and their sustainability statements were analysed. Although these are still estimates, the analysis of the sustainability statements has made it possible to obtain more precise information than that available for indirect suppliers, thus reducing the margins of uncertainty.

The company is also committed to progressively improving its measurement systems, with the aim of making the quantification of incoming materials increasingly accurate and refining the methods used to calculate Scope 3 emissions, thereby strengthening the completeness and reliability of its Reporting over time. The Double Materiality analysis is also the result of a more detailed analysis carried out in 2025.

Sources of estimation and outcome uncertainty

In preparing the Consolidated Sustainability Statement, the Group has used certain estimates and indirect data. The estimates are based on the best information available at the date of publication and, in order to ensure the reliability of the information reported, nationally and internationally recognised calculation standards have been adopted, as well as specific sectoral approaches, in order to limit the risk of inaccuracy. The estimates used to quantify the data mainly refer to Scope 3 greenhouse gas (GHG) emissions, which, by their nature, are subject to a higher level of uncertainty than Scope 1 and Scope 2 emissions, as they are based on data provided by third parties and methodological assumptions.

With regard to Scope 1 and Scope 2 emissions, estimates were used only in specific cases, particularly for sites in the start-up phase, for which complete final data were not yet available, and to determine the share of nuclear energy included in national energy mixes. These data come partly from company information systems and partly from estimates based on existing data. In each case, an appropriate indication is provided in the margin of each figure, included in the relevant section, to ensure transparency and clarity on the sources and methods used. Further estimates refer to analyses carried out when conducting materiality analyses, when identifying IROs related to the value chain.

The cause of the measurement uncertainties mentioned above stems from the lack of data from the upstream and downstream parts of the value chain, particularly with regard to indirect suppliers. Quantitative metrics and monetary amounts subject to a high degree of measurement uncertainty include, in particular, estimates relating to indirect emissions (Scope 3), recurring costs for environmental management and monitoring, hours worked for foreign companies, and data on the weights of input materials where these are not available in the management accounts.

Moreover, forward-looking information contained within the financial statements, by its very nature, is subject to a certain degree of uncertainty, as it is based on assumptions and forecasts about future events that may change significantly. At the time of preparing the 2025 financial statements, only minor changes were made compared with previous financial years; these were due to methodological refinements or, in the case of Scope 3, to the addition of the 'use of sold products' category, as this is a category of relevance to the company. Any changes are reported in the notes to the individual disclosure requirements. For further details, please refer to the chapters on the individual topics. In addition, it should be noted that the restatement of Scope 3, Category 1 data relating to the purchase of goods and services³ and data on incoming resource flows is due to greater accuracy in the underlying data concerning the weight of raw materials and semi-finished products. For further details, please refer to chapters ESRS E1 and E5.

Information from other regulations or generally accepted sustainability reporting standards and templates included in the Consolidated Sustainability Statement

The company used the UNI EN ISO 14064-1:2019 standard for the quantification and reporting of greenhouse gas emissions. The type of greenhouse gases as well as their quantification, in accordance with UNI EN ISO 14064-1:2019, was verified by an accredited external party, which also issued the relevant certificate of conformity.

Incorporation by reference

The table below lists the disclosure requirements of the ESRS, which are dealt with in the Annual Financial Report, with an indication of the corresponding section.

³ The restatement of the data relates to the tables "Scope 1, 2 and 3 gross GHG emissions" in chapter ESRS E1 and "Incoming resource flows" in chapter ESRS E5.

Table 1. References to other sections of the Financial Report

ESRS principle	ESRS topic	Disclosure Requirement	Paragraph	Information to be Reported	Reference to other sections of the Financial Report
ESRS 2	General disclosures	SBM-1: Strategy, business model and value chain	40, (a) i R.A. 12-13	Description of significant groups of products and/or services offered, including changes made during the reporting period	Biesse Group Profile Explanatory notes to the Consolidated Financial Statements (Note 6)
ESRS 2	General disclosures	[SBM-1] Strategy, business model and value chain	40, a) ii R.A. 13-14	Description of significant customer groups and/or markets, including changes during the reporting period	Notes to the Consolidated Financial Statements (Note 6)

GOV-1: The role of the administrative, management and supervisory bodies

Biesse's Board of Directors (BoD) consists of seven members, one of whom is an executive director and six of whom are non-executive directors; The latter represent approximately 85.7% of the total members. There is no employee representation on administrative, management and supervisory bodies. The governing body is composed of administrators with the professional skills, experience and expertise necessary for the tasks assigned to them, including those related to sustainable development. The members boast diverse and complementary skills, gained in the strategic, financial, legal, management and risk management fields, as well as specific knowledge in ESG matters. This diversity of professional profiles enables the governing body to effectively oversee issues relevant to the organisation, ensuring an integrated and long-term approach to strategy definition and the supervision of related objectives.

Table 2. Percentage of members of the administrative, management and supervisory bodies by gender

Administrative, management and supervisory bodies	% Women	% Men
Board of Directors	57%	43%
Control, Risks and Sustainability Committee	100%	0%
Remuneration Committee	100%	0%
Related-Party Transactions Committee	100%	0%
Board of Statutory Auditors	33%	67%

The average ratio between male and female members of the BoD is 0.75 because the number of women is higher.

Independent members account for 57% of the BoD.

The bodies in charge of overseeing impacts, risks and opportunities are: the BoD, the Control, Risk and Sustainability Committee (CCRS) and the Board of Statutory Auditors. The responsibilities of the BoD and the CCRS regarding IROs are set out in the Group's Sustainability policy and in the Corporate Governance Report. Furthermore, an active role in identifying impacts, risks and opportunities is played by the ESG function, coordinated by an ESG Manager, with regard to ESG issues, and by a Risk Manager. The latter figure is also responsible for integrating the risk management process within the organisation.

Periodically, each member of the Company's ⁴Senior Management identifies the impacts, risks and opportunities relevant to their area of responsibility and shares them with the ESG and Risk departments,

⁴ Senior Management refers to the directors reporting to the CEO

each for their respective areas of competence. Senior Management periodically monitors impacts, risks and opportunities, identifying, during regular meetings, possible strategies to address them. Furthermore, Senior Management is informed about the identification of further IROs during specific stakeholder involvement sessions.

In particular, with reference to risks, Biesse has defined an Enterprise Risk Management Policy and a Procedure (hereinafter also referred to as the ERM Model) to identify, measure, manage and monitor the main risks that may compromise the ability to implement strategies and achieve corporate objectives. In particular, the model adopted by Biesse is inspired by the international standards "Enterprise Risk Management – Integrated with Strategy and Performance" and the UNI 31000:2018 Standard. Moreover, as part of the risk assessment phase during the Enterprise Risk Management (ERM) process, the implications related to environmental, social, and governance (ESG) risks were also taken into consideration, based on the guidelines provided in the guide "Enterprise Risk Management – Applying enterprise risk management to environmental, social and governance-related risks. The new model applies to Biesse S.p.A. and all companies within the Group. In particular, the policy is addressed to the corporate bodies, employees and associates who operate within the Group and who are involved in various ways in the ERM process.

More specifically, the ERM process adopted by the Biesse Group aims to integrate risk management activities into the organisation's processes and culture, following an approach of gradual implementation and continuous improvement of the process itself.

The CCRS, which liaises periodically with the ESG Manager, is responsible for monitoring the correct and adequate implementation of the process for identifying impacts, risks and opportunities.

At the top of the ESG governance structure are the BoD, within which the CCRS is established, and the Board of Statutory Auditors. They report directly to the shareholders' meeting. Members of Senior Management are hierarchically subordinate to the BoD.

Each function, according to its competencies, is responsible for managing impacts, risks and opportunities that are considered significant. This is possible thanks to a process-organised structure with procedures governing the roles, responsibilities, functions and actions to be implemented also in the area of IRO concerning sustainability.

The CCRS has the task of overseeing sustainability issues, relating to the management of the company's impacts and risks on the environment and people, connected to the company's operations and its dynamics. The BoD, the CCRS and the Board of Statutory Auditors oversee the development of the company's Strategic Plan and its associated targets through regular meetings. The Plan integrates the material impacts, risks and opportunities within the strategic projects, which contain the actions for its successful implementation, as well as the progress made in its achievement.

The members of the BoD, the Corporate Governance Committee and the Board of Statutory Auditors possess appropriate and complementary expertise in matters relating to sustainable development. Some of them are university professors specialising in sustainability issues, contributing to academic research on these topics. Others, on the other hand, sit on the boards of other companies, where they play strategic roles, thus bringing a broad, multidisciplinary perspective to the company's decision-making process.

In addition, if necessary, the company ensures adequate training for any needs by making use of training updates through external and internal experts.

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

The CCRS is the body, established within the BoD, tasked with overseeing the process of managing impacts, risks and opportunities, liaising with the ESG Manager on a half-yearly basis. It is the duty of senior management, through regular meetings, to ensure that adequate business processes and procedures are in place to identify possible IROs and to assess the effectiveness of policies, actions and metrics adopted to address them.

The Biesse CCRS expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the BoD relating to the management of risks arising from prejudicial events of which the latter has become aware. In addition, the CCRS monitors the development of business risks and their updating on a quarterly basis in order to assess whether they could jeopardise the proper execution of strategic projects. In fact, they represent the implementation of the company's strategy and related policies. On 14 May 2025, the BoD of Biesse S.p.A. resolved to withdraw the 2024-2026 Three-Year Plan, which also includes the Sustainability Plan, reserving the right to adopt a new plan in the future. As described in more detail in section SBM-1, the ESG strategic objectives already set have been confirmed for 2025. For the three-year period 2026–2028, new sustainability targets have been introduced and incorporated into the new Strategic Plan.

In the 2025 financial year, the CCRS approved the material issues arising from IROs, which will be reported in this document under each chapter. Senior Management also supervised and verified the adequacy and completeness of all identified IROs. In addition, the Group has implemented a number of policies to mitigate these impacts

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

For the year 2025, the Company has again included a sustainability target, called the CSR Index, in the short-term incentive scheme for members of senior management and managers reporting to them. The latter is calculated as the percentage reduction in tonnes of CO₂ equivalent (Scope 1 and 2) compared with the base year 2019. However, no incentive schemes are envisaged for the administrative and control bodies (Board of Directors, Board Committees and Board of Statutory Auditors).

The gross annual remuneration of Senior Management consists of a fixed component and a variable component linked to the achievement of specific performance targets, including non-financial targets. In particular, for those who are also identified as executives with strategic responsibilities, the variable component of remuneration includes both short-term and medium- to long-term incentives. Short-term incentives are subject to the achievement of company objectives defined annually, while medium- to long-term incentives are valid for three years.

The Remuneration policy stipulates that the objective related to the CSR Index is measured on the basis of a minimum, target and maximum level of performance. If the minimum level is not reached, the target-related bonus share is zero. If the target is reached for a value between the minimum level and the target, or between the latter and the maximum level, the bonus is calculated by linear interpolation. If the maximum level is reached or exceeded, the bonus is equal to the maximum value of the percentage set for that level. The share of short-term variable remuneration that depends on the level of achievement of the CSR Index is 10% of the total variable remuneration.

The CSR Index-related targets of the Senior Management are proposed by the Remuneration Committee, approved by the BoD and subsequently measured by the Committee. This decision is taken on an annual basis.

GOV-4: Statement on due diligence

The Group has adopted a sustainability due diligence process in line with the requirements of the standards described below.

- ESG objectives are integrated into the Three-Year Plan and strategic projects, with the involvement of senior management and the relevant corporate departments (see ESRS sections E1 and ESRS G1).
- The Group conducts a structured materiality analysis aimed at identifying and assessing the actual and potential impacts, as well as the risks and opportunities associated with environmental, social and governance issues, throughout the entire value chain.
- Based on the results of the IRO analysis, the Group defines and implements prevention and mitigation measures, including policies, operating procedures and specific initiatives (e.g., ESG criteria in the qualification and monitoring processes of first-tier suppliers – ESRS G1 and S2).
- The effectiveness of the measures adopted is monitored periodically through performance indicators, internal reporting systems and control mechanisms, in order to ensure continuous improvement and the adequacy of the safeguards adopted.
- The results of the due diligence process are communicated through this Consolidated Sustainability Statement, which describes policies, actions, objectives and results achieved in relation to material issues.

GOV-5: Risk management and internal controls on Consolidated Sustainability Statement

The Internal Control and Risk Management System of the Biesse Group (SCI_{GR}) complies with the principles contained in the Corporate Governance Code promoted by Borsa Italiana and, more generally, with the best practices on the subject, existing at national and international level. The SCI_{GR}, as an integral part of business activity, therefore involves and applies to the entire organisational structure of Biesse⁵. This SCI_{GR} also gradually integrates the risks and controls relevant to Consolidated Sustainability Statement from 2024 onwards. The SCI_{GR} identifies the roles and responsibilities of the actors involved in its definition and proper preparation and implementation.

⁵ Organisational structure means: Biesse S.p.A. and its subsidiaries, including the governing and supervisory bodies, management at all levels and company personnel.

During 2025, preliminary analyses were carried out in relation to the 2024 financial year to assess the adequacy of the design and the applicability of the controls identified. Starting from future financial years, the Company intends to complete and formalise the identified controls in order to strengthen the reliability, traceability and quality of the information reported, as well as to extend their scope of application in line with current regulatory requirements.

Taking into account the characteristics of the activities performed by the Company and its subsidiaries, risks are identified on the basis of the following criteria:

- Nature of the risk, with particular reference to risks related to the Sustainability Plan, as well as those related to compliance with internal and external rules and regulations;
- Significant likelihood of the risk occurring;
- Company's ability to reduce the impact of risk on its operations;
- Significant entity of risk.

The risks identified by the Group in relation to the reporting process, although considered to be limited overall, mainly concern two areas. Firstly, the possible presence of margins of uncertainty linked to the use of estimates and methodological assumptions, which could affect the accuracy of certain indicators, particularly in areas where data depend on external factors or on information provided along the value chain. Secondly, the need for a progressive strengthening of procedures and tools to support Double Materiality analysis, in order to ensure an increasingly structured and traceable process that is consistent with the evolution of best practices and applicable regulatory requirements. A further risk profile is represented by the potential misalignment between the information included in the Consolidated Sustainability Statement and that reported in other corporate documentation intended for the market and investors, with possible impacts in terms of consistency, comparability and overall reliability of the information. These risks are mitigated by the adoption of a centralised system for data collection and consolidation, as well as by internal control measures aimed at ensuring the consistency and alignment of information disclosed to the market.

Furthermore, the company integrates the findings of the assessment of the internal controls by following a process that includes:

- Gap analysis: comparison of the results of the risk assessment with the effectiveness of the existing controls to identify possible areas for improvement;
- Adoption of corrective actions: implementation of specific actions to strengthen controls where risks are not adequately mitigated;
- Alignment of company procedures: updating procedures to ensure that they adequately respond to emerging risks and that controls are effective.

Furthermore, the BoD, in addition to what is verified within the SCIGR, at least at the time of the approval of the half-yearly and annual consolidated financial statements:

- examines what significant business risks have been brought to its attention by the CEO and assesses how they have been identified, assessed and managed. To this end, particular attention is paid to examining changes in the nature and extent of risks during the last reporting year and assessing the Group's response to these changes;
- assesses the effectiveness and adequacy of the Company's SCIGR as well as that of its strategically important subsidiaries in addressing these risks, paying particular attention to any inefficiencies that have been reported;
- considers what actions have been taken, or should be taken in a timely manner, to rectify these deficiencies;
- prepare any additional policies, processes and behavioural rules that enable the Group to react appropriately to new or inadequately managed risk situations.

SBM-1: Strategy, business model and value chain

Data on the workforce⁶ can be found in ESRS S1, paragraph S1-6.

As shown in the table of references to the other sections of the Financial Report, for information on the type of products and services offered and customers, please refer to the section "Biesse Group Profile" in the Management Report and to the section entitled "Notes to the Consolidated Financial Statements" (Note 6).

⁶ The workforce data are reported as required by ESRS S1 para 40 (a) (iii).

The ESG objectives of the 2024–2026 Sustainability Plan have been confirmed for the 2025 financial year and include a target to reduce CO₂ emissions (Scope 1 and Scope 2) by 50% compared with the 2019 baseline, with a target date of 2030, and the assessment of suppliers covering 60% of Biesse's expenditure against ESG criteria by 2026. For details on progress towards these objectives compared with the results achieved in 2025, please refer to the relevant sections: ESRS E1 for emission reduction targets and ESRS S2 for supplier verification.

The data used to describe the business model and value chain include qualitative and quantitative information from internal and external stakeholders. This data includes financial performance metrics, supply chain data, customer feedback and market analysis

reports. In particular, data are collected in the following ways: reports and internal audits, stakeholder surveys, market analyses, data requested from suppliers and logistics partners.

The above information is protected by technological and organisational safeguards to ensure compliance with EU privacy regulations and to preserve the company's intellectual capital.

These methods ensure the accuracy, reliability and security of the data used to describe our business model and value chain, in line with our commitment to transparency and sustainability.

The value chain of a company like Biesse involves various players, such as suppliers of raw materials and components, including steel, composite materials, electronic components and industrial software. In the design and development phase, we find collaborations with engineering firms and research and technology development centres. Production is supported by industrial automation companies and suppliers of specific assembly machinery. In logistics and distribution, there are specialised logistics operators and transport partners, as well as local dealers or distributors who handle marketing and sales in the markets. Finally, the after-sales phase includes companies specialising in technical assistance and maintenance that provide ongoing support to customers. The value chain structure is adequately organised to support the specificity of the Group's business.

The value chain is illustrated in graphic form in the image below.

Figure 1. Graphical representation of the Biesse value chain



⁷ 60% of expenditure relates to Biesse S.p.A. (including suppliers involved in production). This percentage is initially calculated based on expenditure in 2023 and updated annually.

In 2026, Biesse prepared a new Sustainability Plan for the three-year period 2026-2028, approved on 13 March 2026, in which people, product innovation, the efficiency of facilities and operational activities, and partnerships with suppliers, customers and communities are the fundamental elements for consolidating the Group's competitiveness. The objectives approved in the previous Plan will therefore be replaced by the new Sustainability Plan starting in 2026. The baseline⁸ for Scope 1 and 2 emissions reductions has been updated, as have the timeframes, which coincide with the Group's Strategic Plan.

The sustainability objectives are closely linked to the material issues that emerged from the Double Materiality analysis and are fully aligned with the strategic priorities of the business, with a view to integrating economic performance, environmental impact and social value.

The Plan is based on three strategic drivers:



Around these three priority areas, the company has developed a comprehensive programme of actions, objectives and performance indicators with the aim of generating sustainable value for all stakeholders involved.

Furthermore, the areas identified are consistent with the guidelines already defined in the previous 2024-2026 Plan, ensuring a solid and structured evolutionary path.

Specifically, for each of the strategic drivers identified, specific areas of intervention have been outlined on which the company intends to focus its efforts in the three-year period 2026-2028, through measurable objectives, dedicated initiatives and a system for monitoring results. The following table shows the key guidelines, objectives and targets identified.

Table 3. 2026-2028 Sustainability Plan

<i>Material Topics</i>	<i>Description</i>	<i>Driver</i>	<i>Commitments under the 2026-2028 Sustainability Plan</i>
<i>Climate change</i>	Reduction of emissions	Planet & Product	-25% by 2028 in Scope 1 and 2 GHG emissions (compared to the 2023 baseline) -5% (tCO _{2eq} /vehicles sold) by 2028 of Scope 3 GHG emissions related to the use phase (based on 2025 baseline)
<i>Circularity</i>	Use of resources	Product	Inclusion of eco-design criteria in the design checklist for 25 new products. Life cycle assessment according to ISO 14067: 2018 of a family of machines.
<i>Climate Change and Pollution</i>	Management Systems	Planet	ISO 14001:2015 Group Certification for production plants ⁹ .

⁸ The new baseline year will be 2023.

⁹ The production facilities include Biesse S.p.A., Biesse Tooling S.r.l., GMM S.p.A., Mectoce S.r.l., Bavelloni S.p.A., Biesse India Private Limited and Biesse Thailand Ltd.

			ISO 50001:2018 certification for the Biesse plant in Pesaro.
<i>Own workforce</i> <i>Customers and end users</i>	Workers' health and safety	People	7% reduction in the Accident Frequency Index (YoY) compared to the baseline in production plants ⁹ .
			ISO 45001:2018 Group Certification for production plants ⁹ .
	Training	People	Development of the Biesse Academy as a strategic lever for the growth of internal skills and the distribution network.
			Provision of training programmes for the entire company workforce dedicated to responsible leadership and strengthening corporate culture
<i>Workers in the value chain</i>	ESG Due Diligence	People	Verification according to ESG criteria of strategic suppliers ¹⁰ representing 50% ¹¹ of expenditure in Italy.

SBM-2: Interests and views of stakeholders

Stakeholder involvement is an interactive process aimed at identifying, consulting and interacting with communities or groups interested in the company's activities, projects and decisions and allows Biesse to consider additional IROs to those identified internally.

The Group identified the following main stakeholders: shareholders and investors, customers, the financial community, employees, suppliers and business partners, media and trade journals, public administration, government and regulatory bodies, trade union representatives, local communities, universities and research centres.

For the year 2025, the external stakeholders involved in the materiality assessment process are: suppliers, customers and universities.

Stakeholders were involved through working tables to help them understand the concept of Double Materiality and identify new IROs related to their situation. With regard to suppliers and customers, hybrid workshops were organised and then anonymous questionnaires were administered to identify further impacts beyond those already identified by the company, if any. Each was therefore required to assess the impacts according to the evaluation criteria set by the company. The same was done for universities, through direct questionnaires with researchers working in the field of sustainability reporting. Shareholders and investors are regularly involved through regular meetings when the annual budget and interim financial reports are approved.

The stakeholder involvement process is aimed at identifying IROs related to sustainability issues that could be potentially relevant to Biesse. The IROs identified in the stakeholder involvement process and their assessment in terms of significance and likelihood of occurrence are added to those already identified earlier.

¹⁰ Strategic suppliers are the main suppliers with whom Biesse actively seeks to grow the business. These suppliers are relevant in terms of technological features and are more integrated in projects/processes with Biesse.

¹¹ 50% of expenditure is calculated for the whole of Italy, taking 2025 as the reference year and updating it annually based on the turnover for the last reference year, keeping the number of suppliers to be verified constant over the three-year period. The total number of suppliers to be audited over the three-year period is 52.

Table 4. Corporate commitments and stakeholder engagement actions

Stakeholder	Summary of commitments and activities	Actions of involvement	Expectations of stakeholders
Shareholders and investors	Events for financial analysts and support offered by the Investor Relator. Information on performance and stock market trend of the title. Sharing of ongoing projects on ESG topics.	Shareholders' meeting Dialogue channels managed by the Investor Relator within the Group.	Growth of stock value Transparency in corporate governance, long-term goals, and business performance, including ESG topics.
Customers	Daily customer service activities. Assistance in the selection and customisation of products to offer machines and systems for the creation of complete plants.	Direct customer support channels (Biesse Service and Biesse Parts) Visits to show-rooms and production sites Invitations to events and exhibitions.	Product reliability, safety and technological innovation Continuous support and advice Information on the correct use and regular maintenance of the machinery.
Financial community	Accurate and precise measurement of economic performance. Accurate and transparent reporting, in line with current regulations, Attendance at events and conferences, to convey information on the Group's performance and to acknowledge trends in the relevant markets.	Participation in events, conventions and conferences Discussion tables.	Ability to meet financial obligations Compliance with current regulations and principles of transparency, clarity, fairness, and accountability.
Employees	Communication channels to encourage employees to report suspected violations of the Codes and Regulations adopted by the Group. Sharing of ESG activities through internal communication channels.	Channels for reporting breaches of the Group's regulations.	Safe, fair workplaces Job stability and corporate welfare Fair compensation policies and meritocratic systems.
Suppliers and business partners	Daily interactions with suppliers by the purchasing department to ensure production continuity and achieve the set objectives.	Discussion tables.	Compliance with contractual terms and conditions Continuity in supply requests Fair and non-discriminatory treatment Opportunities for the development of strategic partnerships to enhance business activities.

Media and trade magazines	Collaboration with media and trade magazines through interviews, presentations, and dedicated events. The group is committed to contributing to the promotion of informational campaigns related to technological innovations, new machinery, industry news, or any actions taken in support of the community and the environment.	Interviews Company presentations Corporate events and trade fairs Press conferences or workshops.	Detailed presentation of the Group trend Presentation of the social and cultural initiatives undertaken Presentation of technological innovations.
PA, government and control bodies	The Group guarantees the utmost integrity and fairness in its relationships with Public Administration, government bodies, and regulatory authorities, based on principles, roles, and responsibilities defined in accordance with current regulations, with the aim of maintaining a constructive relationship that serves the interests of the community.	Institutional dialogue tables.	Compliance with the laws in force Fight against corruption and bribery Crime prevention pursuant to Legislative Decree 231/2001 Seriousness and transparency in addressing the needs of the Public Administration
Trade union representatives	Meetings with trade union representatives to protect workers' rights in the context of activities carried out on behalf of the Group. Involvement of trade union representatives in the Group's ESG topics.	Regular meetings.	Implementation of measures to safeguard the health and safety of employees Compliance with contractual terms and conditions.
Territory, local communities and NGOs	Initiatives supporting the social and cultural development of the territory promoted by the Group.	Initiatives for engaging local communities.	Promotion of local development The Group's involvement in and support for cultural development and social inclusion projects Support for the territory in case of emergencies.
Universities and research centres	Development of joint projects to promote the advancement of new technologies and/or business practices. Collaboration with research centres to promote and ensure the recruitment of new specialist staff within the Group.	Workshops and working groups with university students Career days at partner universities Partnerships with important universities and schools in Italy and in the world.	Involvement of students in school-to-work alternation programmes and internships Collaborations with universities and research centres to develop and disseminate engineering and technical skills.

The interests and opinions of the Group's main stakeholders related to the business strategy and its business model were taken into account and analysed when conducting the Double Materiality analysis, during which they were appropriately involved. The interests of the stakeholders involved were represented

in terms of IROs and listed within each standard, if considered material. Specifically, stakeholder engagement was not limited to the listening phase, but was included in the assessment of the materiality threshold, ensuring that external perspectives were considered in the selected IROs. At present, no further engagement actions are planned beyond those already implemented. The CCRS and the Board of Statutory Auditors are informed on a half-yearly basis about the progress of the double materiality analysis and the stakeholder involvement process.

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

The relevant IROs identified by the Group, the connection to the corporate strategy and the mitigation actions put in place are described within each standard.

The ESRs standards reported by the Group are listed below, along with their connection to the material topics identified by Biesse, which are consistent with the 2024 Reporting except for the sub-topics related to soil and water pollution and substances of concern and extremely high concern.

For 2025, a thorough identification and assessment of the Group's material IROs has been carried out. The relative identification is the result of a Double Materiality analysis process conducted in accordance with the provisions contained in the ESRs standards and the operational guidelines issued by EFRAG, also considering the refinement carried out following the benchmark analysis performed as part of the context analysis.

Table 5: Reporting ESRs topics and Biesse material topics

ESRS principle	ESRS topic	ESRS sub-topic
ESRS E1	Climate change	Climate change mitigation Climate change adaptation Energy
ESRS E2	pollution	Pollution of air
ESRS E5	Circular Economy	Resource inflows, including resource use Waste Resource outflows related to products and services
ESRS S1	Own workforce	Working conditions Equal treatment and opportunities for all Other work-related rights
ESRS S2	Workers in the value chain	Working conditions Equal treatment and opportunities for all Other work-related rights
ESRS S3	Affected communities	Communities' economic, social and cultural rights
ESRS S4	Consumers and end-users	Information-related impacts for consumers and/or end-users Personal safety of consumers and/or end-users Social inclusion of consumers and/or end users
ESRS G1	Business conduct	Corporate culture Protection of whistle-blowers Corruption and bribery Management of relationships with suppliers including payment practices

The current financial effects arising from risks and opportunities material to the company were not significant for the current financial year and did not result in adjustments to the carrying amounts of assets and liabilities reported in the financial statements for the current financial year.

The company reorganised its business processes to identify the roles and responsibilities of each function to address IROs through actions and projects implemented within each area of competence. The integration of ESG projects into strategic projects is formalised through the 2026-2028 Sustainability Plan, which is integrated into the Strategic Plan with the aim of mitigating emerging risks and enhancing long-term opportunities. The Company has incorporated the results of the materiality assessment into the process of preparing its future ESG strategy. This strategic consistency is supported by financial planning

that provides for the specific allocation of resources, where necessary, in terms of CapEx and OpEx, to achieve sustainability targets, thus ensuring the soundness of the strategy. Investments are available in sections ESRS E1 and S1 of the Consolidated Sustainability Statement.

Compared to the 2024 financial year, the materiality analysis has been updated, leading to the exclusion of issues relating to soil and water pollution and substances of concern, as these are no longer considered material in light of the evidence that emerged from the IRO assessment process. All identified material topics are covered by the Disclosure Requirements set out in the ESRS standards; Therefore, the Group has not used entity-specific disclosures, considering the information set of European standards to be exhaustive for the representation of its sustainability profile. Information relating to the resilience of the Group's strategy and business model, with reference to its ability to cope with material impacts and risks and to seize relevant opportunities, is addressed across the individual chapters of this Consolidated Sustainability Statement.

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

The process put in place by Biesse to identify material IROs is structured as follows:

- Phase 1: Analysis and understanding of the context;
- Phase 2: Stakeholder identification;
- Phase 3: Identification of IROs related to sustainability issues and Stakeholder involvement
- Phase 4: Assessment of IROs and identification of sustainability issues relating to relevant IROs.

The main assumptions made concern any IROs potentially found along the value chain over which Biesse has no direct control or limited information. These assumptions concern, for example, the working conditions of workers along the value chain, the geographical location of Biesse's upstream and downstream activities, and the type of resources used. With regard to the identification, assessment, prioritisation and monitoring of current and potential impacts on the environment and society, the steps taken are described below.

Phase 1: Analysis and understanding of the context

In the first phase, an analysis of internal documentation was carried out, i.e. a benchmark analysis and a context analysis in order to identify relevant aspects for the organisation in view of its business, business relations, the sustainability context in which the Group operates and the expectations of its stakeholders. In particular, the company examined the main socio-economic, geopolitical, environmental and technological macro-trends in relation to the changing context in which it operates. Biesse also mapped its business relationships with the various players in its value chain. In addition, the sustainability reporting standards published by EFRAG and in particular ESRS 1, Appendix A, paragraph AR 16 were considered. Finally, the company took into account the recently published strategy and of the sectors in which it operates. Input from experts outside the organisation was also evaluated.

Phase 2: Stakeholder identification

Over the years, Biesse has identified stakeholders who can influence or be influenced by the company's activities. In 2025, the Stakeholder involvement process included the following activities:

- Mapping of the various stakeholders with whom the Group interacts in order to properly identify the categories to be engaged;
- Identification of key stakeholders with whom to promote ongoing dialogue initiatives, taking into account the external context and the evolution of Biesse;
- engagement of stakeholders in a differentiated manner for the identification and assessment of potential positive and negative impacts¹², both real and potential¹³, generated by the organisation on the environment, the economy, and people, including any impacts on human rights;
- continuous communication of results and activities to be undertaken through the publication of the sustainability statement, or through targeted communications to the relevant groups.

Phase 3: Identification of impacts, risks and opportunities related to sustainability issues and Stakeholder involvement

Thanks to the Contextual Analysis, it was possible to investigate the positive and negative, current and potential (inside-out perspective) impacts generated by Biesse in relation to each of the relevant aspects

¹² An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

¹³ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

that emerged from the analysis conducted in the previous phase and through the use of internal documentation. The analysis also considered the geographical context in which the production sites are located and a reconstruction of the value chain in order to consider further impacts attributable to the operational activities of suppliers and customers. The Group also assessed the impacts of business relationships with its suppliers and customers.

All impacts were validated or integrated through the involvement of the identified business functions and stakeholders, each for the part of their competence. Having obtained a list of impacts, the Company then defined, for each one, whether they involved the Group as such and/or the downstream and/or upstream part of the value chain. In addition, impacts were classified as actual and potential. For potential negative impacts, the relevant time horizon within which they may occur was defined.

Phase 4: Determination and assessment of impacts, risks and opportunities

The impacts identified in the previous phase were subject to validation and evaluation by suppliers, customers, academics and company management.

In particular, an initial assessment was made of the stakeholders involved (university, suppliers and customers). They were asked to evaluate the impacts they had identified by assigning a rating in terms of the likelihood of their actual realisation and the severity/magnitude of the impact should it occur. This assessment was carried out when completing the questionnaire.

The list of impacts was also subject to assessment by Senior Management, in parallel with the assessments carried out by the other stakeholders involved. In particular, each member was presented with the list of impacts previously identified and linked to the relevant function he or she chaired; for each impact they were asked to give an assessment, according to shared metrics, the relative likelihood and magnitude. The assessment of magnitude and probability was carried out considering qualitative and quantitative metrics appropriately identified by Biesse.

The process put in place by the Group for the identification of material Risks and Opportunities follows the same steps as for the identification of impacts. However, the process has some differences, which are explained below.

An initial list of risks was extracted from the risk register through a selection of those pertaining to ESG dimensions. This list was supplemented through the Stakeholder involvement process as described above. The assessment of the likelihood and magnitude of risks and opportunities was carried out by the Group Chief Financial Officer (CFO), on the Group perimeter, and by the CFO of Biesse India Private Limited, on the Indian perimeter. The CFOs' assessment of the magnitude and likelihood of risks and opportunities was carried out by considering qualitative-quantitative metrics appropriately identified by Biesse. These metrics were developed by considering the time frame within which a given risk or opportunity may occur, and the related financial effect on the consolidated financial statements expressed as a percentage of EBITDA and revenue.

Biesse's risk model does not have a category of risks classified as ESG, but each risk is assessed according to its impact on social, environmental and governance (ESG related) sustainability issues.

For the purpose of identifying an initial list of risks, necessary to carry out the Double Materiality process, Biesse made use of the ERM system, used by the Risk function, selecting all risks that, following analysis, are linked to sustainability issues. In addition, the list of risks updated as a result of the Double Materiality process is submitted to the Risk Manager for review for a potential update of the list extracted from ERM, thus integrating into the overall risk management process.

In identifying the IROs, Biesse used industry studies, *reports* from *peers* and customers and suppliers to get an overall picture of the applicable IROs. In addition, the IROs were analysed by considering both production plants and business locations and where relevant identifying different IROs depending on the plant.

With regard to risks, the decision-making process and the related internal control process are entrusted to the management (Risk Owner and any other corporate entities identified by them), with the support of the Risk function, which prepares an intervention plan shared with the CEO and submitted for review by the CCRS and the BoD. In order to provide an up-to-date representation of the trends of the risks monitored and their respective management plans, periodic reports are provided to the BoD and the Risk and Control Committee of the Group, and, when necessary, to the Control Bodies as information to support the Group's strategic decision-making. With regard to impacts related to the Group's strategic areas, the Chief Executive Officer and senior management supervise those identified and verify that they are integrated into strategic projects that are shared with the Board of Directors.

The Double Materiality process has not undergone any changes compared to the one implemented in 2024. However, the materiality thresholds have been updated to reflect the business.

IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement 4.2

Regarding the Double Materiality process, please refer to the specific section.

Information on topics assessed as non-material:

Table 6. Non-material topics

ESRS principle	ESRS topic	Information on the non-materiality of the topic
ESRS E3	Water and marine resources	The Group analysed its own water consumption and estimated the consumption that could be generated along the value chain by comparing it with the consumption generated by other industries. This analysis showed that the impact the Group generates on water and marine resources is not significant.
ESRS E4	Protection of biodiversity and ecosystems	Production sites are located in industrial zones, outside protected natural areas. In addition, the production sites comply with the environmental regulatory requirements of the country in question. From the assessment made, both in terms of economic significance and in terms of the material purchased and consumed for production, the impact the Group generates on biodiversity and ecosystems is not significant.

For the purposes of the IRO assessment carried out by each stakeholder involved, the company used a numerical scale ranging from 1 to 5 for both severity/magnitude and probability. The probability scale is associated with metrics related to the frequency with which an impact could occur, while the severity scale is linked to the extent of the impact, its geographical scope and its remediability. A similar evaluation system was considered for risks and opportunities. However, unlike the impacts, financial parameters expressed in terms of EBITDA and revenue were considered for the magnitude of risks and opportunities. In order to determine material IROs, the company has decided to consider all impacts with an average overall severity/magnitude and probability as material.

ENVIRONMENT

ESRS E1- Climate Change

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

As described in ESRS 2, paragraph GOV-3, Biesse has defined a Remuneration policy that integrates emission reduction targets into the variable component of management. In 2025, within the short-term variable remuneration scheme, the senior management team and the managers reporting to them will be subject to a sustainability target defined as the CSR Index.

The share of short-term variable remuneration that depends on the level of achievement of the CSR Index is 10% of the total variable remuneration. The details are defined in ESRS 2 paragraph GOV-3.

The Remuneration policy stipulates that the objective related to the CSR Index is measured on the basis of a minimum, target and maximum level of performance.

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

The IROs identified as material during the Double Materiality process are described in ESRS 2, paragraph IRO 1.

Below are the positive and negative¹⁴, current and potential¹⁵ material impacts identified by the Group considering the time horizon¹⁶ and the perimeter within which the impact is identified (Biesse, Upstream¹⁷, Downstream¹⁸).

Impacts Description	Positive/Negative	Current/Potential	Time horizon	Biesse	Upstream	Downstream
Generation of GHG emissions in the Group's production activities, contributing to the effects of climate change (Scope 1 and 2)	Negative	Current	NA	x		
Generation of greenhouse gas (GHG) emissions along the value chain, contributing to the effects of climate change (Scope 3)	Negative	Current	NA	x	x	x

The material risks and opportunities identified by the Group are listed below.

Description of risks/opportunities	Risk/Opportunity	Time horizon	Biesse	Upstream	Downstream
Increased severity of extreme weather events (acute physical risks – floods; landslides; hail; fires), with possible impacts on business continuity and asset integrity.	Risk	M/L	x	x	
Potential increase in costs and loss of competitiveness, with possible economic and financial consequences.	Risk	B	x		

¹⁴ An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

¹⁵ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

¹⁶ Short period means the period adopted by the company as the reference period for its financial statements. Medium term means up to 5 years, long term means over 5 years

¹⁷ Upstream refers to what is described and defined in ESRS2 regarding value chain information

¹⁸ Downstream refers to what is described and defined in ESRS2 regarding value chain information.

following changes in the regulatory framework and technological innovations related to ESG issues.					
Opportunities arising from the ecological transition through the reduction of energy costs, thanks to the use of renewable sources and photovoltaic systems.	Opportunities	B	x		

In its analysis of macro trends, Biesse considered the possible occurrence of an increase in the frequency of extreme weather events as well as changes in the national and international legislative landscape. This analysis took into account various climate change scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) up to 2100 compared to the period 1986-2005 (known as the Representative Concentration Pathway (RCP)), considering the exposure of its production facilities and the vulnerability of its supply chain.

In addition, the impact of climate policies, technological innovation, changes in market demand and regulatory developments on macroeconomic trends was analysed. The climate change scenarios refer to RCP 2.6, RCP 4.5 and RCP 8.5. The first is the scenario compatible with a *range* of global warming below 2°C compared to pre-industrial levels (1850-1900) by 2100. The second is compatible with an intermediate scenario, in which an average temperature increase of approximately 2.7°C is expected by 2100. The last scenario, on the other hand, is one in which no particular measures are taken to combat climate change. In this scenario, global temperatures are estimated to rise by approximately +4.4°C compared to pre-industrial levels by 2100. Using software dedicated to climate risk analysis, scenarios were considered for different time horizons (2030 and 2050), the geospatial coordinates of production sites and commercial offices, and certain strategic suppliers. With regard to transition risks, various scenario analyses prepared by the Network for Greening the Financial System (NGFS) and International Energy Agency (IEA), including the scenario in which the climate transition occurs in a disorderly, delayed manner and with much stricter policies.¹⁹²⁰ With regard to the latter, each scenario is developed taking into account various variables: market, regulation and technology with a time horizon of 2050. Scenarios are used to develop forecasts and analyses of commodity-related transactions, providing a methodological basis for understanding possible future developments. Transition risks were analysed over different time horizons: short, medium and long term. Identifying transition risks is essential to assessing how changes related to decarbonisation and market transformation may affect corporate assets. The NGFS and IEA scenarios provide a basis for analysing how key variables, such as the introduction of stricter emissions regulations, technological developments and changing consumer preferences, may affect the value and profitability of assets. Furthermore, a study was also conducted on the main climate regulations, thanks to the implementation of a dedicated project in the field of Compliance.

The analysis, already conducted at the end of 2023 on climate risks, was further refined in 2024 and 2025 thanks to the use of dedicated software for climate risk analysis.

By conducting the above analyses, Biesse has assessed its strategy in terms of resilience against both physical and transitional risks, demonstrating its adequacy in addressing climate change challenges in the short and medium term. The integration with ERM also ensures constant alignment between the Group's risk assessments and short and medium term strategies. Biesse's resilience is also supported by a business model based on diversification, industrial clusters in different geographical areas and technological development. In addition to the physical and transition risks related to climate change, which will be monitored and managed with the aim of reducing their potential impacts, the Group will continue to monitor interesting climate-related opportunities for the sector, thanks above all to the strong drive expected from the development of renewable sources, the use of energy efficient technologies and the strong growth of digitalisation.

The climate and transition risk analysis is updated together with the Group risk analysis. This approach makes it possible to assess how and to what extent the business model is able to respond effectively to these challenges.

¹⁹ <https://www.ngfs.net/ngfs-scenarios-portal/>.

²⁰ <https://www.iea.org/reports/global-energy-and-climate-model>.

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

In order to understand its overall environmental footprint and define its mitigation strategy, Biesse identified its impacts by calculating the greenhouse gas (GHG) emissions generated at its production sites and along the supply chain. In particular, Biesse's production process and related business activities generate Scope 1 and 2 emissions, while Scope 3 emissions are produced by various actors along the supply chain, both upstream and downstream.

Risks associated with climate change result from dynamic interactions between climate hazards, exposure and vulnerability of human societies, species or ecosystems involved (IPCC, AR6 Synthesis Report, 2022). These risks fall into two main categories:

- Physical risks, linked to the concrete effects of climate change, which are in turn divided into *chronic risks*, i.e. associated with structural and persistent changes in climatic conditions, and *acute risks*, linked to extreme events of high intensity.
- Transition risks associated with moving towards a low-carbon economy (TCFD, *Final Report*, 2017).

As already indicated in the previous paragraph (SBM-3), for the assessment of physical risks, the Group considered, using dedicated software, various climate scenarios developed by the IPCC (namely RCP 2.6, 4.5 and 8.5), while for transition risks, various scenario analyses prepared by NGFS and IEA were used, including the scenario in which the climate transition occurs in a disorderly, delayed manner and with much stricter policies introduced at the last minute. Where the software did not have accurate data, the Group used analyses and reports from national institutes such as ISPRA or the competent authorities in the countries where Biesse operates. The company also consulted the stakeholders defined in ESRS 2 in order to assess the appropriateness of these risks in the business context.

This analysis made it possible to assess the applicability of these scenarios to the Group's activities, the geographical context in which it operates and the characteristics of the manufacturing sector. This approach has enabled us to identify potential risks and emerging opportunities. In this context, the main transition risks considered significant for the business have been identified, such as regulatory and policy risks (e.g. changes in climate regulation), technological risks (the need to adapt plants and production processes) and market risks (changes in demand towards products with a lower carbon footprint). At the same time, associated climate opportunities were identified, including improving energy efficiency and developing products and solutions with a lower environmental impact. In addition, climate-related risks were identified within the time horizons specified above, and the exposure of company assets was assessed based on the useful life of the main company assets. However, the analyses carried out did not reveal any particular issues regarding the risks mentioned below.

Table 6 Classification of climate-related hazards

Classification of climate-related hazards (Commission Delegated Regulation (EU) 2021/2139)				
	Temperature	Winds	Water	Solid mass-related
Chronic	Temperature stress			
Acute	Fires	Storms	Floods	Landslides
	Heatwaves		Heavy rainfall	
			Drought	

[E1-1] Transition plan for climate change mitigation

Biesse has defined a plan to reduce Scope 1 and 2 emissions, which is integrated into the 2024-2026 Strategic Plan. In 2025, the Board of Directors decided to withdraw the 2024-2026 Three-Year Plan. However, the guidelines and strategic objectives included in the latter remain confirmed for 2025. Furthermore, the reduction targets identified in the Sustainability Plan remain valid for the year 2025. At present, the company does not have a formally adopted transition plan. This will be integrated at a later date in order to prepare the transition plan for climate change mitigation by 2029 in accordance with the CSDD. For 2026, the Group defined a new Sustainability Plan integrated into the 2026-2028 Strategic Plan, which, in line with the previous one, provides for a series of measures to reduce emissions, as described in the ESRS2 SBM-1 standard. In particular, the Plan sets out targets for reducing the Group's greenhouse gas emissions until 2028²¹, but has not yet set targets for climate neutrality by 2050. The defined objectives are:

²¹ The targets set are not currently aligned with 1.5°C.

- -25% tCO_{2eq} for Scope 1 and 2 GHG emissions (market-based) compared to the 2023 baseline
- -5% tCO_{2eq}/vehicles sold for Scope 3 emissions²² compared to the 2025 baseline

The main mitigation actions identified by the Group to implement the 2026-2028 Plan include:

- energy efficiency in production plants to limit the use of electricity and natural gas, which are the main energy carriers used by the company;
- the purchase of green energy;
- gradual transition to a hybrid and plug-in fleet of company cars.

The company is also evaluating the opportunity to further expand its energy self-production capacity through the installation of new photovoltaic systems. With regard to the product portfolio, the Group's objective is the study and environmental characterisation of products to enable a proper analysis of environmental impacts and assess the feasibility of interventions and improvements.

It should be noted that these actions represent the main operational levers identified by the Group and that the investments required for their implementation are currently limited in scope and are managed within normal annual operations. Furthermore, during the reporting period, no investments were made in economic activities related to coal, oil or gas. With regard to locked-in emissions²³, both the products manufactured by the Group and the materials used in their production were taken into account. For Biesse, these emissions are related to the use of machines by users when the machinery is powered by energy from non-renewable sources. In this case, emissions from the machine remain "blocked" until it is decommissioned or replaced. As regards the materials used to manufacture these machines, they are mainly steel and aluminium and, to a lesser extent, electronic components. The production of these materials is an energy-intensive process, which can result in emissions being locked in along the supply chain.

For your information, please note the exclusion of the Group from the scope of Regulation (EU) 2022/2453. Furthermore, the company does not fall within the scope of the EU Paris-aligned Benchmarks and is therefore not subject to exclusion criteria with respect to these benchmarks.

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

From 2024, an integrated Quality, Safety and Environment policy has been implemented, setting out common guidelines for all Group companies and aimed at employees, contractors and those working on behalf of Biesse to mitigate and manage environmental impacts. Consistent with the identified IROs, the policy addresses the Group's commitment to climate change mitigation, energy efficiency, the adoption of renewable energy and, more generally, the preservation of natural resources. The adoption of the policy is monitored through the implementation of strategic projects and through the implementation of the ISO 14001:2015 certified Environmental Management System (EMS)²⁴. The policy has been approved by the Group's BoD and is available online on the Group's website.

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

The measures implemented by the Group to achieve the objectives set out in the 2024-2026 Plan include the installation of solar panels at the Nelamangala site in India in 2024 to reduce emissions generated by business operations, the transition to a hybrid company fleet to reduce the impact of transport, and the purchase of renewable energy to power production processes. These initiatives aim to reduce the company's carbon footprint, contributing to the achievement of the targets included in the Group's 2024 - 2026 Sustainability Plan. The actions taken apply to all Group companies and have been planned according to specific time horizons.

In fact, to date, the Pesaro site has photovoltaic plants covering an area of about 16,500m² with an installed capacity of 1,265 KWp. In addition, photovoltaic panels with a capacity of 200 KWp have been installed at the Nelamangala site in India. The energy consumption from these photovoltaic systems has made it possible to avoid emissions of more than 560 tCO_{2e}. As regards the Biesse group's corporate fleet (Biesse S.p.A, HSD S.p.A and the Bavelloni plant in Volvera), around 70% of it consists of hybrid vehicles. The company also plans to migrate its Italian fleet to plug-in hybrid vehicles by 2029. The purchase of renewable energy, which started in 2020 in a phased manner, aims instead to reach 100 per cent by 2030. Furthermore, Biesse has an energy management company that supports the Group in identifying and promoting energy efficiency measures at the main campus sites.

²² The reductions are limited to the category "Use of sold products".

²³ The term 'locked-in emissions' refers to GHG emissions that are 'embedded' or unavoidable due to existing infrastructure, technology and machinery.

²⁴ Biesse S.p.A., Biesse Tooling S.r.l., Mectoce S.r.l. and Biesse India Private Limited.

The overall reductions in Scope 1 and 2 GHG emissions achieved by the Group as a result of the new actions implemented in 2025 are approximately 13% lower than in 2024.

In 2025, the company did not need to resort to significant financing to implement the actions in the Sustainability Plan in order to achieve the planned targets.

Although there is currently no structured Capex plan, the company intends to allocate the necessary resources (Euro) to achieve the objectives set out in the forthcoming 2026–2028 Plan.

	2024	2025	2026
Financial resources allocated for planned actions (Capex)	88,000	-	-
Financial resources allocated for planned actions (Capex)	306,000	33,839	34,409

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

The effectiveness of actions taken to address material impacts, risks and opportunities is monitored through a series of KPIs. This approach makes it possible to regularly assess progress against defined targets, which reflect the commitments made within the integrated QHSE policy.

The main targets set out in the 2024–2026 Plan include:

- Reduction of CO₂ emissions of Scope 1 and 2 (market-based) by 50% compared to base year 2019 by 2030;
- Achieving 100% renewable energy by 2030;
- Environmental characterisation of new Biesse products using the Life Cycle Assessment methodology.

All Group companies are included in the reporting scope. The GHG inventory is certified by an accredited third party.

In defining the targets, the methodology used for calculating emissions is the same as the one used for the aforementioned inventory, ensuring consistency in the calculation. With regard to the 2025 Reporting, the base year identified for setting the targets of the 2024–2026 Plan is 2019, as this was a year unaffected by the Covid-19 pandemic and also includes the full volume of GHG emissions generated by the GMM Group²⁵.

With the new 2026–2028 Sustainability Plan, the targets for reducing Scope 1 and 2 emissions (market-based) have been revised in line with the new baseline, set for 2023²⁶. The new Plan also provides for the introduction of Scope 3 emissions reduction targets relating to the operational phase of the machinery.

From the baseline, emission reduction targets were defined. The identified targets were calculated in absolute or relative terms (in the case of the category relating to the use of machinery sold). In setting the targets, no different market scenarios or substantial changes in temperatures that might occur in future years were considered. These factors could affect the achievement of the set goals. Therefore, any changes in sales volumes, as well as regulatory developments or changes in the environment that might impact the targets initially set, will be adequately described and considered.

Following the preparation of the new Plan, the main decarbonisation levers that the Group intends to adopt to achieve its objectives are:

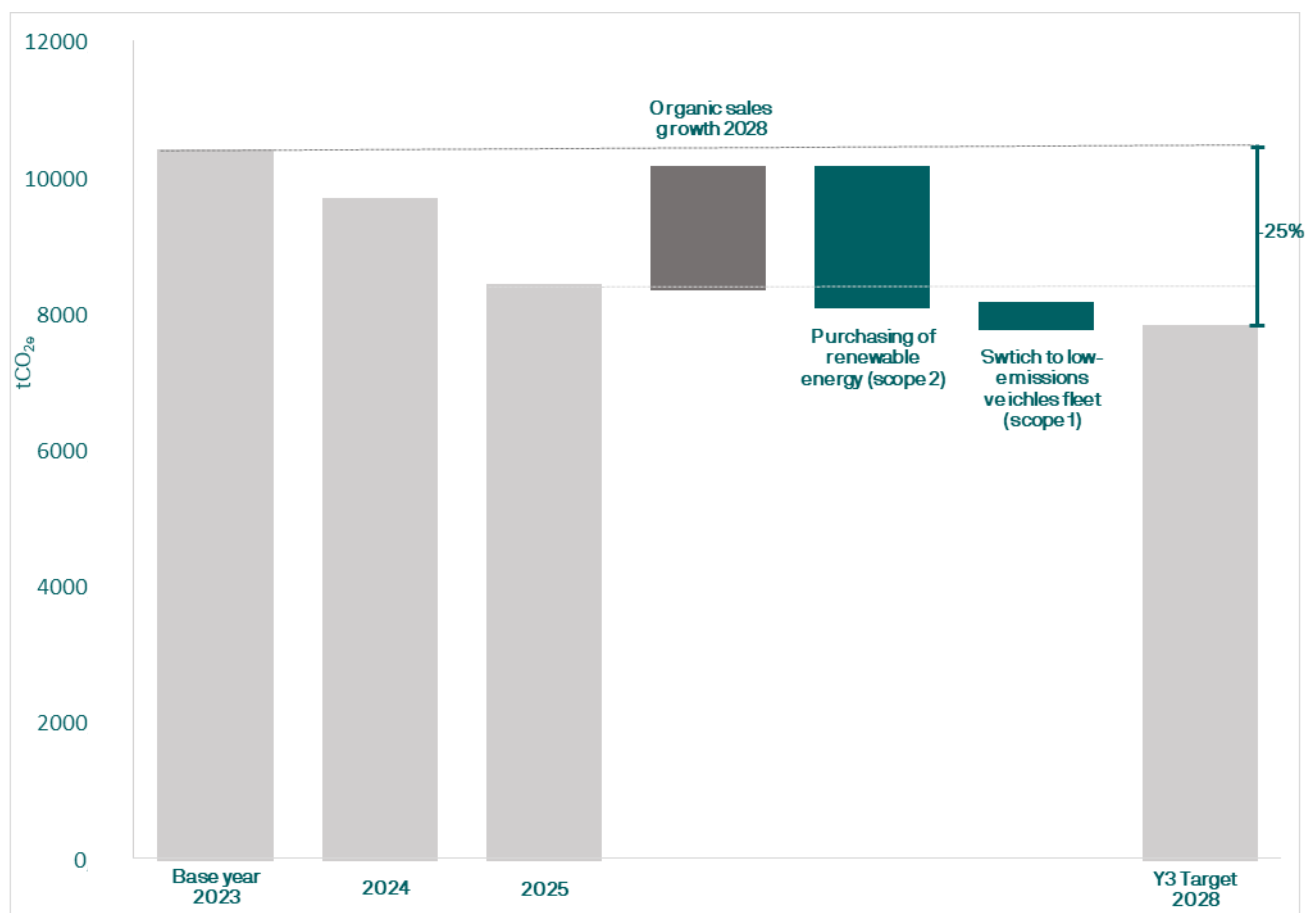
- the installation of photovoltaic panels;
- the purchase of renewable energy;
- the transition to a hybrid fleet;
- energy efficiency actions in production plants through a careful analysis of the consumption of the different energy carriers used;
- actions to improve the energy performance of Biesse machines

Each lever contributes to a different extent to the achievement of the targets.

²⁵ The 2019 baseline was supplemented with emissions generated by the GMM Group in 2019, where present, or using more recent values and allocated to the base year.

²⁶ See ESRS 2 SBM-1.

Chart 1. 2026–2028 reduction plan for Scope 1 and 2 emissions



[E1-5] Energy consumption and mix

The total energy consumption of the group is shown in the table below.

Table 7 Energy consumption and mix

Energy consumption and mix	2024	2025
(1) Fuel consumption from coal and coal products (MWh)	-	-
(2) Fuel consumption from crude oil and petroleum products (MWh)	21,971	20,370
(3) Fuel consumption from natural gas (MWh)	13,357	13,619
(4) Fuel consumption from other non-renewable sources (MWh)	-	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	4,223	3,760
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	39,551	37,749
Share of fossil sources in total energy consumption (%)	76%	75%
(7) Consumption from nuclear sources (MWh)	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0	0

(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	47	31
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	11,234	10,739
(10) Consumption of self-generated non-fuel renewable energy (MWh)	1,408	1,636
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	12,689	12,406
Share of renewable sources in total energy consumption (%)	24%	25%
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	52,240	50,155

[E1-6] Gross Scope 1, 2, 3 and total GHG emissions

In 2025, as per 2024, Biesse compiled the GHG inventory according to ISO 14064-1. The categories accounted for in the inventory were selected according to the significance process, which is updated annually. The selected criteria as well as the methodological process adopted, described in the inventory process documents, made it possible to identify the significant categories for the year 2025, which are: indirect emissions from transport and emissions from the purchase of products, each with the relevant subcategories and emissions from the use phase²⁷.

Biesse's inventory, in accordance with the reference standard, is measured in tonnes of CO_{2e} equivalent (t CO_{2e}) and takes into account emissions relating to the main greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃). It should also be noted that, for the base year 2019 and for 2024, the Scope 2 data have been recalculated using the International Energy Agency's (IEA) emission factors for the relevant years.

Below are the categories included in the inventory with descriptions and respective quantities:

Table 8. Gross Scope 1, 2, 3 GHG emissions

	Base year 2019	2024	2025
Scope 1 GHG emissions²⁸			
Total gross Scope 1 GHG emissions (tCO _{2eq})	8,816	7,820	6,817
Scope 2 GHG emissions²⁹			
Total gross market-based Scope 2 GHG emissions (tCO _{2eq})	10,061 ³⁰	1,824 ³¹	1,578
Total gross location-based Scope 2 GHG emissions (tCO _{2eq})	8,910	5,422 ³²	5,130
Total Scope 1 and 2 GHG emissions			

²⁷ The following Scope 3 sub-categories have been excluded as they were found to be immaterial following the materiality analysis: emissions from the use of leased equipment; emissions from the downstream use of leased assets; issues arising from financial transactions. Furthermore, categories 2, 3, 10, 14 of the GHG Protocol have been excluded as not applicable to the business.

²⁸ For the purpose of calculating direct Scope 1 emissions, the emission factors given in the document 'UK Government GHG Conversion Factors for Company Reporting' from the DEFRA 2029, 2024 and 2025 source were used.

²⁹ Scope 2 indirect emissions are calculated according to the methodology defined by the *GHG Protocol* using average emission factors for specific national energy mixes for electricity production. Specifically, for Scope 2 emissions – which are location-based – the IEA emission factors for 2024 and the AIB European Residual Mixes for 2024 were used. For Scope 2 emissions – market – the IEA emission factors for the year 2019, 2024, 2025 and AIB, European Supplier Mixes for the year 2019, 2024 and 2025 were used. For commercial sites in Canada, Portugal and France, data obtained from the electricity supplier was used.

³⁰ Scope 2 CO₂ emissions based on location and market have been updated as IEA emission factors for the reference years have been used for 2019, 2024 and 2025. The previously reported values were 10,372 tCO_{2eq} and 8,666 tCO_{2eq} respectively.

³¹ The 2024 emissions have been recalculated using the IEA emission factors for the year 2024. The previously published figure was 2,068 tCO_{2eq}.

³² The 2024 emissions have been recalculated using the IEA emission factors for the year 2024. The previously published figure was 7,195 tCO_{2eq}.

Total gross (market-based) Scope 1 and 2 GHG emissions (tCO _{2eq})	18,877 ³³	9,643 ³⁴	8,395
Total gross (location-based) Scope 1 and 2 GHG emissions (tCO _{2eq})	17,726	13,242	11,946
Significant Scope 3 GHG emissions³⁵			
Total gross indirect (Scope 3) GHG emissions (tCO_{2eq})	NA	190,971 ³⁶	297,239
1. Purchased goods and services ³⁷	NA	175,646 ³⁸	120,592
4. Upstream transport and distribution ³⁹	NA	1,619	2,629
5. Waste generated during the operations ⁴⁰	NA	118	331
6. Business travel ⁴¹	NA	4,077	4,079
7. Employee commuting ⁴²	NA	3,776	5,267
9. Downstream transport ⁴³	NA	5,735	8,513
11. Use of products sold ⁴⁴	NA	NA	155,828
Total GHG emissions			
Total GHG emissions (market-based) (tCO _{2eq})	NA	200,614 ⁴⁵	305,634
Total GHG emissions (location-based) (tCO _{2eq})	NA	204,213 ⁴⁶	309,185

³³ The 2024 figure was, for 2019, 19,187 tCO_{2eq} for Scope 1 and 2 GHG emissions (market-based) and 17,482 tCO_{2eq} for total Scope 1 and 2 GHG emissions (location-based).

³⁴ The figure for 2024 was 9,779 tCO_{2eq} for Scope 1 and 2 GHG emissions (market-based) and 15,013 tCO_{2eq} for total Scope 1 and 2 GHG emissions (location-based).

³⁵ The calculation was carried out in accordance with 'ISO 14064-1:2018 / UNI EN ISO 14064-1:2019' for each category identified as relevant. It should be noted that the software SimaPro 10.2 (Prè, 2023) and in particular the internationally recognised Ecoinvent 3.11 database was used for the quantification of GHG emissions.

³⁶ The figure in the 2024 report was 334,682 tCO_{2eq}.

³⁷ For materials related to the production of Biesse S.p.A.'s machinery, the reporting scope includes those categories of materials that account for approximately 80% of the product by weight. Where the weights of certain materials were not available, estimates were made based on the material or component's family or with the aid of an artificial intelligence tool.

For HSD S.p.A.'s electromagnets and operating units, component categories with a significant impact in terms of mass (80% of the total weight) have been included.

For Biesse Thailand, Ltd. Bavelloni plants in Volvera and Lentate, all codes purchased in the year 2025 were considered without exception. Where the weights of certain materials were not available, estimates were made based on the family to which they belong. For the Parts division, all codes purchased in the year 2025 were considered, without any exclusions, as they have a new management system in which the weights of incoming materials have been entered.

For GMM, all codes with a total amount equal to or greater than € 10,000 in the reference year were considered.

³⁸ The figure for Category 1 reported in the 2024 report was 319,357 tCO_{2eq}.

³⁹ The kilometres travelled by truck for incoming materials to the production sites were considered from suppliers who account for 80% of purchases at each production site (Biesse S.p.A., including Biesse India Private Limited Ltd and HSD S.p.A., GMM S.p.A., Bavelloni S.p.A.'s sites in Lentate and Volvera, and Biesse Thailand Ltd.). For each article, goods receipts were extracted from the management system showing the incoming quantities and the supplier. Where the material weight figure was not available in the management system, an estimate was made (as in category 1). The truck type and Euro class were defined on the basis of an internal data collection process via Survey or by applying a conservative estimate where data was not available.

⁴⁰ With regard to waste generated during operations, data from MUD (Environmental Declaration Form) and internal management systems for all production sites were taken into consideration. The calculation of kilometres is derived from Google Maps.

⁴¹ For all Biesse Group sites, data was collected on travel by plane. The data on the route, the kilometres travelled and the number of people on the trip were provided directly by the travel agencies. Where agency data were not available, they were extrapolated from airline tickets and purchase invoices.

⁴² The kilometres travelled by employees and their mode of travel were taken into account as a result of the Internal Survey. The answers obtained (1640) were re-proportioned to the total number of employees using their own or public means of transport, excluding the proportion of employees using company-owned means of transport (20% of the total number of employees responding to the Survey).

⁴³ The kilometres travelled for the shipment of finished products (machines and spindles) from the factories considered (Biesse S.p.A., Biesse India Private Limited Ltd, Bavelloni S.p.A. Volvera and Lentate sites, HSD S.p.A., GMM S.p.A., and Biesse Thailand Ltd.) to the customer's shipping location. For Biesse S.p.A., including Biesse India Private Limited and the Bavelloni site in Volvera, and Biesse Thailand Ltd., the sales volume in kg was estimated based on the number of machines sold and assuming an average weight; this weight does not take into account the packaging used for the shipment of finished products. For GMM S.p.A., the weight was obtained from the packing list issued at the time of shipment. The type of vehicle and class of vehicle were estimated by internal survey or by applying a conservative estimate where the data was not available.

⁴⁴ The figure is based on direct measurements of the vehicle ranges produced by the Group. Fuel consumption figures were then assigned to all vehicles sold in the reference year, each according to the vehicle family to which it belonged. The measurements were carried out in accordance with ISO 14955-2:2018. Based on the estimates, a 12-year lifecycle was assumed for machines in the GO and UP segments, and a 15-year useful life for PRO and logic machines. In addition, an average of 250 working days per year was assumed. The emission factors used are sourced from the IEA, and the most recent data available for each country where the machine is sold were used.

⁴⁵ The figure for total GHG emissions (market-based) in the 2024 report was 344,570 tCO_{2eq}.

⁴⁶ The figure for total GHG emissions (based on location) in the 2024 report was 349,697 tCO_{2eq}.

The figure for Category 1, goods and services purchased, relating to the 2024 financial year, has been recalculated and restated to reflect greater accuracy in the underlying data concerning the weight of raw materials and semi-finished products, whilst maintaining the methodology set out in the 2024 reporting. The 2024 figure has been revised with reference to Biesse S.p.A. only; For the other companies, the figures remain unchanged.

For the first time, the Group also reported on the category "Use of products sold" (Category 11), expanding the scope of analysis of indirect emissions and improving the completeness of Scope 3 emissions measurement.

Overall, there has been an increase in the Group's emissions, attributable to the expansion of the reporting scope, which for 2025 includes also the Biesse Parts division and HSD S.p.A.. Furthermore, the 2025 inventory also includes category 5.1, which was not reported in 2024. At the same time, the entire greenhouse gas emissions inventory has been refined for both 2024 and 2025, with the aim of ensuring greater accuracy and robustness of the reported data.

For Scope 1 and 2, the reduction in emissions is attributable to the purchase of Renewable Energy Certificates by GMM S.p.A. and Mectoce S.r.l., as well as to a decline in production volumes.

Table 9. Energy and emissions intensity versus net revenue

Energy and emissions intensity versus net revenue ⁴⁷	2024 ⁴⁸	2025
Energy intensity versus net revenue (MWh/EUR)	0.07	0.08
Total GHG emissions (location-based) versus net revenue (tCO _{2eq} /EUR thousand)	0.27	0.47
Total GHG emissions (market-based) versus net revenue (tCO _{2eq} /EUR thousand)	0.27	0.46

⁴⁷ All Group companies operate in sectors with a high climate impact, as defined in Commission Delegated Regulation (EU) 2022/1288 on rules regarding sustainable investment disclosures ("Energy intensity for sectors with a high climate impact").

⁴⁸ The 2024 emissions intensity figure was 0.46 for both total GHG emissions (based on location) relative to net revenues (tCO_{2eq}/thousand EUR) and total GHG emissions (based on market) relative to net revenues (tCO_{2eq}/thousand EUR)

TAXONOMY

The EU Taxonomy Regulation (EU Regulation No. 2020/852) of 18 June 2020 provides a unified system for classifying economic activities that can be considered environmentally sustainable.

Specifically, the Taxonomy provides a classification system to define which economic activities can be considered environmentally sustainable and thus contribute substantially to the achievement of one of the following six objectives:

- climate change mitigation;
- climate change adaptation;
- use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and reduction;
- protection and restoration of biodiversity and ecosystems.

An activity may therefore be considered *taxonomy-eligible*, i.e. potentially contributing substantially to one of the six environmental objectives, if it is described in the list of activities identified by the Regulation itself. In order to be able to define whether an eligible activity is *taxonomy-aligned*, the following criteria must be jointly fulfilled:

- make a substantial contribution with regard to the identified economic activity;
- technical screening criteria;
- not cause significant harm ('Do Not Significant Harm' or 'DNSH'), i.e. avoid negative effects on other environmental objectives;
- carry out their activities in compliance with minimum safeguards, recognising the importance of human rights and labour standards.

Following the publication of EU Regulation 2020/852, the following technical regulations have come into force as of today:

- Delegated Act on Climate (2021/2139 EU);
- Delegated act ex Art. 8 (2021/2178 EU);
- Supplementary Delegated Act on Climate (February 2022);
- Delegated Regulation 2023/2485 on complementary activities for climate objectives;
- Delegated Regulation 2023/2486 on the four non-climate-related environmental objectives, also amending and supplementing the Delegated Disclosure Regulation (EU 2021/2178).
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022

Pursuant to the regulatory requirements set out in the Delegated Act relating to Article 8 of EU Regulation 2020/852, the Biesse Group is required to include in its Consolidated Sustainability Statement information on how and to what extent its activities are associated with eco-sustainable economic activities within the meaning of the EU Taxonomy. The Regulation requires the reporting of turnover (Turnover), capital expenditure (CapEx) and operating expenditure (OpEx) associated with activities considered eligible and aligned to the Taxonomy. The Group has updated its regulatory framework to include the latest Omnibus update (Commission Delegated Regulation (EU) 2026/73 of 4 July 2025), which came into force in January 2026. At the time of Reporting, the company avails itself of the option to apply the previous rules.

Analysis of eligible and aligned activities according to the European Taxonomy

In order to comply with the aforementioned disclosure requirements, Biesse has carried out an analysis of its economic activities to identify those that are to be considered "Taxonomy-eligible" or "Taxonomy-aligned" with reference to the objectives set out in the Delegated Act on Climate, which includes climate change mitigation and adaptation objectives, and eligibility assessments (Taxonomy-eligible) with reference to the objectives included in the annexes (Annexes I, II, III, IV) of the Delegated Act on the Environment, published in June 2023 by the Commission. The outcome of these analyses revealed that currently none of the Group's economic activities are eligible, and therefore the entirety of turnover is not aligned with the European Taxonomy. In particular, regarding the share of turnover that is "Taxonomy-eligible" or "Taxonomy-aligned" share of turnover – which represents the portion of net revenue derived from services or products, including intangible ones, originating from economic activities aligned with the taxonomy, out of total net revenue – it was concluded that, in both 2025 and 2024, Biesse does not carry out any activities considered applicable under the taxonomy. This conclusion stems from a comparison of

Biesse's activities – taking into account NACE codes and the specific activities carried out by group companies – with the list of activities included in the Regulation and the most recent published interpretations. With regard to capital expenditure and operating expenses in 2025, certain investments classified as eligible under the provisions of the Regulation have been identified; details of these are set out in the attached tables. In this regard, it should be noted that, in conducting this analysis and preparing the related disclosures, Biesse has generally adopted a prudent approach based on the interpretations currently available, in line with the applicable regulatory requirements. In 2024, the identified eligible capital expenditure and operating expenditure amounted to 0.2% and 1.3% respectively, both relating to the climate change mitigation objective. Further analyses will be carried out over the coming months, in light of the ongoing development of the Regulation, as well as the strategic decisions taken by the group. In accordance with the regulatory requirements set out in the Delegated Act relating to Article 8 of Regulation 2020/852, the attached tables (drawn up in accordance with the provisions of Annex II to Delegated Regulation (EU) 2021/2178), the proportion of economic activities that are aligned, eligible, non-aligned and ineligible under the Taxonomy is shown in relation to turnover, capital expenditure and total operating expenditure. With regard to the disclosure pursuant to Article 8(6) and (7) of Delegated Regulation (EU) 2021/2178, which requires the use of the templates provided in Annex XII for the reporting of activities related to nuclear energy and fossil fuels, it should be noted that Biesse has not included these templates as no eligible and/or aligned activities have been identified in relation to these areas.

Table 10. Proportion of turnover from products or services associated with economic activities aligned with the taxonomy - disclosure coverage year 2025⁴⁹

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2025																					
Financial year		Year		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)											
Economic activities	Code	Turnover	Proportion of Turnover, year 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2025	Category (enabling activity)	Category (transitional activity)		
		€/000	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmental sustainable activities (Taxonomy-aligned)																					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%				
Of which enabling		0	0%														0%	E			
Of which transitional		0	0%														0%		T		
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																					
				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL												
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														0%				
A. Turnover of Taxonomy eligible activities (A.1+A.2)		0	0%														0				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities		662,482	100%																		
TOTAL		662,482	100%																		

⁴⁹ The Code is an abbreviation of the relevant objective to which the economic activity is likely to make a substantial contribution, as well as the section number of the activity in the relevant Annex that covers the objective, i.e:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and Ecosystems: BIO.

Where activities are eligible to make a substantial contribution to more than one objective, codes for all objectives should be indicated:
Y - YES, activity eligible for taxonomy and aligned to taxonomy with relevant environmental objective
N - No, activity eligible for the taxonomy but not aligned with the relevant environmental objective
N/EL - Ineligible, activity not eligible for taxonomy for relevant environmental objective.

	The proportion of Turnover to Total Turnover.	
	Taxonomy- aligned per objective	Taxonomy- eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table 11. Proportion of investment expenditure (CapEx) from products or services associated with economic activities aligned with the taxonomy - disclosure coverage for the year 2025²⁸

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2025

Financial year	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)							Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2025	Category (enabling activity or)	Category (transitional activity)
Economic activities	Code (a)	CapEx	Proportion of CapEx, year 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity					
		€/000	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	0	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmental sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%			
Of which enabling		0	0%														0%	E		
Of which transitional		0	0%														0%		T	
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																				
				EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL											
Installation, maintenance and repair of energy efficiency devices.		CCM 7.3	7	23.9%	N	N	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7	23.9%	2.5%	1.5%	0%	0%	0%	0%											
A. CapEx of Taxonomy eligible activities (A.1+A.2)		7	23.9%	%	%	%	%	%	%											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		30,093	100%																	
TOTAL		30,101	100%																	

	The proportion of CapEx to total CapEx.	
	Taxonomy- aligned per objective	Taxonomy- eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table 12. Proportion of operational expenditure (OpEx) related to products or services associated with economic activities aligned with the taxonomy - disclosure for the year 2025²⁸

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2025

Financial year	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)						Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2025	Category (enabling activity or)	Category (transitional activity)
Economic activities	Code	OpEx	Proportion of OpEx, year 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity				
		€/000	%	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which enabling		0	0%														0%	E	
Of which transitional		0	0%														0%		T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of photovoltaic solar systems and ancillary technical equipment Italy		24,755	0.4%	N															
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		24,755	0.4%																
A. OpEx of Taxonomy eligible activities (A.1+A.2)		24,755	0.4%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		5.769	99.6%																
TOTAL		5.794	100%																

	The proportion of OpEx to total OpEx.	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0.4%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

ESRS E2 - POLLUTION

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

The process of identifying IROs was carried out for the Group's production sites in accordance with the guidelines set out in ESRS 2, paragraph IRO-1. During this phase, management and various types of stakeholders, such as key suppliers, customers and the university, were consulted in accordance with the procedures described in the ESRS 2 standard. Furthermore, to understand the potential impacts of the Group's operations on surrounding communities, the departments responsible for environmental management were involved and documentation from the competent authority on pollution matters was consulted.

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

Below are the positive and negative⁵⁰, current and potential⁵¹ material impacts identified by the group considering the time horizon⁵² and the perimeter within which the impact is identified (Biesse, Upstream⁵³, Downstream⁵⁴).

Impacts Description	Positive/Negative	Current/Potential	Time Horizon	Biesse	Upstream	Downstream
Generation of polluting emissions (CO, NOx, CO ₂) during the group's operations, resulting in compromised air quality	Negative	Current	NA	x		
Generation of polluting emissions during operations along the value chain, resulting in compromised air quality ⁵⁵	Negative	Current	NA		x	x

The identified impacts are managed on an ongoing basis without any specific connection to the Strategic Plan.

[E2-1] Pollution-related policies

Since 2024, an integrated policy on Quality, Safety and the Environment has been in place, aimed at establishing common guidelines to mitigate and manage environmental impacts. The policy promotes a harmonised group-wide approach, integrating environmental issues into business processes and activities. It also offers strategic directions for improving the overall performances of the group. The policy, approved by the BoD, applies to the entire group and is addressed to employees, collaborators and those working on behalf of Biesse.

Alongside the identified IROs, the policy emphasises the group's commitment to reducing negative impacts related to pollution, the use of hazardous substances and, more generally, the protection of

⁵⁰ An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

⁵¹ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

⁵² Short period means the period adopted by the company as the reference period for its financial statements. Medium term means up to 5 years, long term means over 5 years.

⁵³ Upstream refers to what is described and defined in ESRS2 regarding value chain information.

⁵⁴ Downstream refers to what is described and defined in ESRS2 regarding value chain information.

⁵⁵ The company makes use of the phase-in on indicator E2-6, reporting only qualitative information.

environmental resources. It also devotes special attention to training and promoting the health and safety of employees, recognising their fundamental role in supporting safety management in the workplace and in environmental emergency situations.

Biesse is committed to utilising the latest available technologies to minimise the potential environmental impact of its activities on air, water and soil, in compliance with local and international regulations.

This policy is also put into practice through the implementation of an EMS in accordance with ISO 14001:2015⁵⁶.

[E2-2] Pollution-related actions and resources

The company adopts a legislative compliance monitoring plan to ensure compliance with local environmental regulations in the countries where it operates. Emissions from production activities in all the Group's plants are monitored annually, verifying compliance with the limits set by existing legislation. Atmospheric emissions are the most important environmental aspects for the group in terms of pollution. The management of environmental impacts related to pollution is addressed as part of daily operations. However, the Italian production sites in Pesaro, Gradara, Lugo and Pieve Vergonte and the Indian sites in Makali and Nelamangala have adopted an EMS certified according to ISO 14001:2015. The EMS provides a systematic framework to identify, manage and reduce environmental impacts, encourages continuous improvement in performance, promotes transparency and corporate responsibility, and allows for anticipation of risks related to legislative non-compliance. Improvement actions have already been identified and formalised within the policies and procedures that define the EMS, which ensures their consistency, monitoring and regular updating.

Furthermore, as part of its supplier qualification process, Biesse assesses its tier-one suppliers through targeted checks designed to ensure compliance with environmental regulations and health and safety at work. As part of these audits, compliance with mandatory regulations, the possible presence of serious air, water and soil pollution situations are ascertained and, at the same time, awareness of these issues is promoted.

The table below shows the financial resources (Euro) allocated to the actions described in ESRS E2 in relation to the EMS.

	2024	2025	2026
Financial resources allocated for planned actions (OpEx)	30,000	44,300	24,500
Financial resources allocated for planned actions (CapEx)	577,000	-	-

It is emphasised that the group does not adopt specific metrics but uses legal references to monitor pollutant emissions to air.

[E2-3] Pollution-related objectives

The objectives pursued by Biesse are defined in accordance with the environmental policy recently published in line with current legislation⁵⁷ and the Environmental Management System (EMS) in accordance with ISO 14001:2015; In this regard, no further specific targets have been set. Compliance with legal limits is monitored continuously, using recognised tools such as the use of nationally and internationally accredited laboratories to measure environmental impacts. Any critical issues are regularly checked, analysed and documented, ensuring constant alignment with the standards required by law. Stakeholders, in the specific case of the local authority, are involved in the target setting and monitoring process, in accordance with national law. As far as air pollution is concerned, although negligible in amount, it can be traced back to emissions generated during the machine testing phase or in the production phase of the tools used in the machines to process the various materials. The targets, in this case, relate to compliance with the legal limits of the relevant country. The activities described above and currently underway focus exclusively on prevention and control actions. The analysis of this issue on suppliers is carried out within the audits described in the chapter on ESRS S2, paragraph S2-4, and will be progressively extended over the three-year period 2026-2028.

⁵⁶ The Italian production sites in Pesaro, Gradara, Lugo and Pieve Vergonte and the Indian sites in Makali and Nelamangala have adopted an EMS certified according to ISO 14001:2015.

⁵⁷ Legislative Decree (Dlgs) 152/2006 Environmental Regulations (Italy); The Water (Prevention & Control of Pollution) Act, 1974 and The Air (Prevention & Control of Pollution) Act, 1981 (India); Factory Act, B.E.2535 (1992) Occupational Safety, Health and Environment ACT B.E. 2554 (A.D. 2011) (Thailand); The baseline value is established on the basis of the thresholds and parameters imposed by law, while the baseline year corresponds to the entry into force of the specific regulations applicable at the individual sites.

[E2-4] Air, water and soil pollution

The analysis carried out on the group's various production sites according to the laws in force in the states where the company operates has not revealed any cases of exceeding the prescribed pollution thresholds to date.

Biesse has a periodic monitoring plan, making use of accredited laboratories in order to verify compliance with legal obligations in the subject matter. The frequency of these checks, proportionate to the size of the individual sites, is guaranteed for each production site from the time the environmental permit is issued by the competent authority or by specific regulations in force in the country that define the scope and frequency of the checks.

For the European sites, there were no exceedances of the limits provided by Regulation (EC) No 166/2006, while at the group level, there are no exceedances of the limits set by local laws.

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

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

For the process of identifying the material IROs related to the use of resources and the circular economy, Biesse considered the activities in place at the company and those related to the value chain. Please refer to what is described in ESRS 2 regarding the analysis methodologies and assumptions made in the identification phase of the IROs described below.

Stakeholder involvement, which on this issue mainly took place with key suppliers and customers, was carried out through round tables and interviews, thanks to which it was possible to identify additional IROs not previously identified and to attribute the assessment to those identified by the company.

[SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

Below are the positive and negative⁵⁸, current and potential⁵⁹ material impacts identified by the group considering the time horizon⁶⁰ and the perimeter within which the impact is identified (Biesse, Upstream⁶¹, Downstream⁶²).

Impacts Description	Positive/Negative	Current/Potential	Time horizon	Biesse	Upstream	Downstream
Ineffective management of waste produced in the value chain, with negative impacts on the environment and the health of living organisms.	Negative	Potential	B		x	x

The material risks and opportunities identified by the Group are listed below.

Description of risks/opportunities	Risk/Opportunity	Time horizon	Biesse	Upstream	Downstream
Failure to keep pace with technological developments in the market, particularly with regard to the possibility that the proposed technology (relating to the product and production process) may become obsolete compared to that of competitors, thereby losing competitiveness.	Risk	B	x		
Increase in the costs of critical raw materials (energy, metals, special alloys, electronic components) caused by supply shortages, fluctuations in international markets or changes in procurement regulations. This can lead to a negative impact on margins, delivery delays, increased production costs and loss of competitiveness.	Risk	M	x		

⁵⁸ An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

⁵⁹ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

⁶⁰ Short period means the period adopted by the company as the reference period for its financial statements. Medium term means up to 5 years, long term means over 5 years.

⁶¹ Upstream refers to what is described and defined in ESRS2 regarding value chain information.

⁶² Downstream refers to what is described and defined in ESRS2 regarding value chain information.

The identified negative impact is managed as described in the following paragraph, in accordance with the due diligence process described in chapter ESRS S2. In addition, the identified risks will be managed as part of strategic planning through ongoing and developing projects, which are the main tool for guiding business decisions and ensuring a structured approach to risk mitigation.

[E5-1] Resource use and circular economy policies

Biesse's Sustainability policy and its integrated Quality, Health and Safety, and Environment policy, approved by the BoD, set out the fundamental principles that guide the company's commitment to environmental protection, employee health and safety and sustainable economic development. Key contents of these policies include promoting the use of materials from renewable, recycled or certified sources⁶³ and progressively reducing the use of virgin resources, reducing emissions along the supply chain and optimising processes to reduce waste and wastage of resources such as water and energy.

The integrated Quality, Safety and Environment policy currently applies exclusively to Biesse's operations and production sites, without exception, and has been approved by the BoD. Biesse is also committed to complying with local and international regulations and the principles of sustainable development promoted by the United Nations.

In defining the policies mentioned above, Biesse considers the needs and interests of key stakeholders, including employees, suppliers, customers and local communities, through regular consultations, roundtables and interviews. The policies are made available to all potentially interested parties, including stakeholders involved in its implementation, through transparent communications and publication on official company channels.

[E5-2] Actions and resources in relation to resource use and circular economy

Biesse Group products, whether lines, machinery or components, are inherently low impact in terms of resource use. Direct emissions of climate-changing gases are extremely low or almost non-existent, and consumption of non-dispersible fluids (such as lubricating oils and greases) is minimal. However, these are massive products, consisting of hundreds of kilograms of processed materials, so adopting a circular approach can generate significant environmental benefits. Sustainable use of resources, right from the extraction and processing of materials, is therefore crucial to maximising environmental benefits.

Biesse's materials management is based on two main approaches. The first aims to reduce the use of materials and favour the use of solutions with a lower environmental impact. This is pursued through more efficient design and the adoption of energy-efficient technologies. The second approach focuses on the maintenance, recovery and reconditioning of specific components, through careful quality management and the prevention of damage and breakdowns, avoiding the replacement of worn-out and no longer repairable components.

Preventive maintenance processes also make it possible to monitor and optimise machine operation by limiting breakdowns and rejects of non-repairable components. These processes are implemented from the machine design phase through to the use phase and are applied to all materials in the sectors in which Biesse operates. The Group's activities are aimed at optimising the operation of machinery in order to improve production efficiency, reduce energy wastage and limit the production of waste material.

The products manufactured by Biesse, given their complexity, use non-renewable raw materials that require complex extraction and processing processes to obtain the necessary semi-finished products. However, where possible, the company actively works with suppliers to ensure the inclusion of a minimum amount of recycled materials in the main components, without compromising the performance and quality of the final product. Given the strategic importance of the materials that make up the finished product, the new Sustainability Plan for the three-year period 2026-2028 will aim to promote the use of eco-design criteria in the design of new products in order to improve not only the energy performance of the machines but also to reduce waste production and optimise the use of resources.

The Group is also involved in advanced research projects, including a funded initiative called COTANEC, dedicated to studying the capabilities of Biesse machines in processing composite materials reinforced with natural fibres. In sectors such as automotive and nautical, the use of plant fibres (flax, hemp, bamboo) or animal fibres (wool) in small percentages is emerging as a high-potential solution, thanks to their properties: biodegradability, lightness, strength and reduced environmental impact. The COTANEC project is scheduled for completion in the second half of 2026.

The use of natural fibres in composites aims to reduce environmental impact while maintaining the mechanical, physical and chemical properties of the final product.

⁶³ In the case of paper and cardboard procurement, the use of FSC or PFSC certified materials is promoted.

The Group's focus on sustainability is also reflected in the recent European-funded CLAM-E2 project, dedicated to the development of an innovative manifold made using additive manufacturing for automotive and aerospace applications. The results obtained confirm the fluid dynamics optimisation and the creation of complex geometries, which has made it possible to fully exploit the principles of Design for Additive Manufacturing. Furthermore, the prototype demonstrated an increase in inlet flow velocity and reduced dust dispersion, improving efficiency and safety. Finally, the optimised design has led to an 87% reduction in production waste, with a direct impact on material consumption and the overall environmental footprint.

As regards the useful life of the products, the estimated duration varies approximately between 12 and 15 years depending on the machine family, market segment and level of configuration chosen by the customer, which affect the technical characteristics and performance of the product. As far as the end-of-life of the machines is concerned, this is not handled directly by the company, but remains the responsibility of the end customer, who is in charge of disposal and scrapping. For tools, although they are consumable components, there are studies aimed at extending tool life and minimising the number of parts requiring replacement.

Biesse S.p.A., Biesse India Private Limited, HSD S.p.A, Mectoce S.r.l., Biesse Tooling S.r.l. and Mectoce S.r.l. have an EMS certified in accordance with ISO 14001:2015 that allows them to effectively monitor the management of relevant environmental aspects and identify potential improvement actions. Actions and progress are monitored through quantitative and qualitative indicators, with annual updates reported in annual sustainability statement. The indicators on which the company has constant control are energy consumption, the amount of waste produced per category and the amount of water consumed, which are monitored from the year of certification. These indicators are calculated using the primary data⁶⁴ available including the entire reporting boundary. The metrics used are subject to third-party verification by the Independent Auditors during the assurance process.

The table below shows the financial resources (Euro) allocated to the actions described in ESRs E5.

	2024	2025	2026
Financial resources allocated for planned actions (OpEx)	507,000	75,000	140,000

[E5-3] Resource use and circular economy objectives

At present, the Group has not yet defined specific objectives relating to the use of resources, as in-depth analyses are currently underway to assess the environmental impact of products and identify any areas for improvement. However, as already mentioned, the company has developed a new 2026-2028 Sustainability Plan that also focuses on the development of new products according to eco-design principles, with the aim of optimising the use of resources in the manufacture of machines and improving their energy performance.

[E5-4] Incoming resource flows

The materials used by the company mainly comprise semi-finished products derived from the assembly of different types of components, including electrical and electronic parts, as well as commercial materials used in machines and electrosplindles. The raw materials purchased also include materials for machine testing, as well as a share of aluminium and other raw materials used in the production of components. Packaging consists mainly of paper, cardboard, wood and plastic films, used to protect components and machinery during transport. Although rare soils are used in the manufacture of electronic components, they represent a minimal component of the total volume of raw materials and semi-finished products purchased by the Group for production.

⁶⁴ Primary data means data from invoices, bills from suppliers of electricity, natural gas, diesel, water and the company fleet, and waste managers.

Table 14. Resource inflows (ton)⁶⁵

Significant resource inflows	Quantity 2024 ⁶⁶	Quantity 2025
Mechanical assemblies ⁶⁷	2,378 ⁶⁸	2,199
Commercial materials ⁶⁹	8,516 ⁷⁰	8,376
Technical Materials ⁷¹	25,235 ⁷²	17,767
Packaging ⁷³	1,091 ⁷⁴	692
Rare soils ⁷⁵	3	2
Other materials ⁷⁶	784 ⁷⁷	353
Total	38,007	29,389

The difference compared with 2024 is due to a more detailed breakdown of product categories and lower expenditure on production-related goods in 2025.

In production, the only materials of organic origin used are wooden packaging.

It was not possible to quantify the weight of secondary or recycled materials, as the company does not currently have this information available.

The overall figure for products used in 2025 is based on the Group's consolidated purchasing data.

[E5-5] Resource outflows

Biesse produces machinery and components consisting mainly of metal, electronic and plastic parts.

The useful life of the machines and their components, strongly influenced by the use and maintenance schedules followed, averages between 12 and 15 years, in line with the market average. As far as tools are concerned, the average life is also in line with the market. However, it is not possible to define an unambiguous value because it depends significantly on the type of machining, the machine used and the tool itself.

However, the Group is engaged in continuous studies aimed at prolonging the service life of all products, prioritising quality and functionality.

Although there is currently no codified reparability rate, Biesse products are structurally designed to be repairable, thus reducing the need for replacement due to obsolescence or breakage.

In terms of waste management, at production sites, Biesse has implemented an environmental monitoring system to analyse the type and quantity of waste produced, optimising its differentiation and promoting its recyclability. The company also works with other supply chain actors to develop and promote materials with a low environmental impact, such as those containing recycled material (e.g. packaging), helping to reduce impacts along the entire value chain.

The waste produced by the Group is derived from production waste from the manufacturing business for the assembly of machines and components. They mainly consist of metal waste, oils and lubricants, paint residues and mixed packaging (paper, cardboard and plastic).

The data used for the calculation of waste comes from various sources, specific to each geographical area. For Italian sites, reference is made to the MUD (Modello Unico di Dichiarazione Ambientale); for European sites, data are collected according to the waste traceability systems adopted by each country, in accordance with the Waste Framework Directive (2008/98/EC); while in non-European countries, waste management registers defined by local regulations are used. These sources provide information on both the quantity and the type and composition of waste generated.

⁶⁵ Inflow data involve Biesse S.p.A., Biesse Parts, Bavelloni S.p.A., HSD S.p.A. and GMM S.p.A. and Biesse Thailand Ltd.. Where weights were not available, they were estimated on the basis of expenditure in the reference year.

⁶⁶ The 2024 figure has been restated following a refinement of the calculation. Furthermore, in order to better represent the category of purchased goods of the year 2024, for each category, the 2025 weights of goods purchased from Biesse Parts have been added, and the data from HSD S.p.A. – which could not be precisely quantified in 2024 – has been included to ensure better comparability of the figures.

⁶⁷ Mechanical assemblies refer to electropneumatic assemblies, electromechanical assemblies, mechanical assemblies.

⁶⁸ The figure in the 2024 report was 37,646.32 ton.

⁶⁹ Commercial materials refer to industrial PCs, electronic components, air conditioners.

⁷⁰ The figure in the 2024 report was 4588.66 ton.

⁷¹ Technical materials refer to machining, raw material, aluminium extrusions, polymer components, sheet metal, electromechanical assemblies, heavy fabrications, sheet metal.

⁷² The figure in the 2024 report was 50,656.98 ton.

⁷³ Wood, paper and cardboard packaging.

⁷⁴ The figure in the 2024 report was 376.70 ton.

⁷⁵ Rare soils contained in magnets and cerium oxide.

⁷⁶ Other materials means all other codes that are not classified in the previous categories.

⁷⁷ The figure in the 2024 report was 25,750.61 ton.

During the reporting period, there was a slight overall decrease in waste produced by the Group, in line with the decline in production. Furthermore, compared to the previous financial year, it was possible to determine the proportion of waste actually sent for recycling. In addition, there has been a slight decrease in waste sent to landfill, as shown in the table below. This result was made possible by the reorganisation of the HSE function, which strengthened the monitoring and tracking of waste flows.

Table 15. Resource outflows (in kg)

Waste						
Waste	2024			2025		
	Total	Hazardous waste	Non-hazardous waste	Total	Hazardous waste	Non-hazardous waste
Total amount of waste generated	2,793,744	345,050	2,448,694	2,609,578	208,947	2,400,631
Total amount, by weight, of waste destined for RECOVERY in the following types of operations:	2,279,632	Preparation for reuse	Preparation for reuse	2,242,363	Preparation for reuse	Preparation for reuse
i) preparation for reuse		-	-		-	-
ii) recycling		Recycling	Recycling		Recycling	Recycling
iii) other disposal operations		-	-		-	51,872
		Other disposal operations	Other disposal operations		Other disposal operations	Other disposal operations
		22,855	2,256,777		97,742	2,092,749
Total amount, by weight, of waste destined for DISPOSAL in the following types of operations:	514,112	Incineration	Incineration	367,215	Incineration	Incineration
i) incineration		28,620	-		9,960	
ii) disposal in landfill		Disposal in landfill	Disposal in landfill		Disposal in landfill	Disposal in landfill
iii) other disposal operations		-	-		-	-
		Other disposal operations	Other disposal operations		Other disposal operations	Other disposal operations
		293,575	191,917		101,245	256,010

Percentage of waste destined for recovery ⁷⁸	82%		84%	
---	-----	--	-----	--

For the sake of completeness, the above data should be supplemented with the weight of waste produced by commercial sites, which amounts to approximately 400 tonnes of waste for disposal and 127 tonnes of waste for recycling⁷⁹. It should also be noted that the Group's production processes do not involve the production of radioactive waste.

⁷⁸ Recovery operations are those identified R1 to R13 as defined in Annex II of EU Delegated Regulation 2022/1288

⁷⁹ The data on waste production for commercial premises comes from waste disposal management systems. Where unavailable, the company has used estimates based on the company population and local reference statistics.

[S1-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The majority of workers in the company's workforce are employees, plus a residual number of employees with atypical contracts. Of the latter, the majority are temporary workers, trainees and freelancers. In relation to these categories of workers, the company has identified material IROs as described in ESRS2.

Below are the positive and negative⁸⁰, current and potential⁸¹ material impacts identified by the Group considering the time horizon⁸² and the perimeter within which the impact is identified (Biesse, Upstream⁸³, Downstream⁸⁴).

Impacts Description	Positive/Negative	Current/Potential	Time horizon	Biesse	Upstream	Downstream
Positive impacts on employees following the review of the remuneration policy and corporate structure (job levelling/job titling and rewarding system).	Positive	Potential	NA	x		
Changes in commercial remuneration policy with potential impacts on increasing staff motivation.	Negative	Potential	B	x		
A sense of disorientation due to organisational changes within the company.	Negative	Current	NA	x		
Improvement in working conditions and work-life balance thanks to trade union dialogue and welfare and flexible working hours policies (smart working and summer hours).	Positive	Current	NA	x		
Promotion of a healthy and safe working environment through training and awareness-raising activities for employees in the field of health and safety.	Positive	Potential	NA	x		
Possible incidents of discrimination or harassment resulting	Negative	Potential	M/L	x		

⁸⁰ An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

⁸¹ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

⁸² Short period means the period adopted by the company as the reference period for its financial statements. Medium term means up to 5 years, long term means over 5 years.

⁸³ Upstream refers to what is described and defined in ESRS2 regarding value chain information.

⁸⁴ Downstream refers to what is described and defined in ESRS2 regarding value chain information.

in a deterioration of working conditions.						
Slowdown in the development of professional skills due to a limited training plan (specialist skills and soft skills).	Negative	Potential	M/L	x		
Training and raising awareness among employees on cyber security and enhancing specific training.	Positive	Current	NA	x		
Increasing employee motivation by developing an inclusive work environment.	Positive	Potential	NA	x		
Violations of the rights of the workforce, such as incidents of forced labour and child labour, resulting in a deterioration of working conditions.	Negative	Potential	L	x		
Presence of company programmes aimed at encouraging employee relocation.	Positive	Current	NA	x		
Breach of privacy and loss of sensitive data associated with employees.	Negative	Potential	L	x		

Relevant risks and opportunities for the Group in relation to its own workforce are listed below.

Description of risks/opportunities	Risk/Opportunity	Time horizon	Biesse	Upstream	Downstream
Possible compromise to the company's competitiveness in the event of insufficient enhancement and development of internal skills, resulting in the departure of key personnel and the loss of critical know-how.	Risk	B	x		
Disputes concerning labour law and conflicts with trade unions, resulting in a loss of competitiveness in the labour market.	Risk	L	x		
Possible weakening of the company's competitive capacity resulting from reduced attractiveness to new talent and difficulty in retaining key resources, in the event of company policies perceived as not sufficiently inclusive or oriented towards well-being and work-life balance.	Risk	B	x		

Increased effort for the Group, in terms of costs and time, for training activities determined by employee turnover and technological and market developments.	Risk	B	x		
Potential exposure to penalties, litigation and reputational damage in the event of violations of workers' rights, discrimination or harassment.	Risk	L	x		
Reputational damage and potential legal consequences arising from unauthorised access, loss, destruction or unlawful disclosure of personal data processed by the company, whether due to accidental causes or cyber attacks.	Risk	M	x		

In identifying the significant negative impacts listed above, Biesse has considered both the context of the countries in which it operates and the characteristics of its workforce, as well as the categories of workers who may be most exposed to potential negative impacts. Furthermore, at the time of the Double Materiality analysis, there are no negative impacts related to transition plans envisaged by the Group. Considering the studies published to date⁸⁵ by the International Labour Organisation (ILO), despite the fact that Biesse's activities partly take place in regions considered to be at high risk of child labour and forced labour, no cases of forced labour and child labour have been found at the Group's sites. Furthermore, the mapped IROs are managed through the actions undertaken by the Group, described in the following paragraphs. To address the risks identified, the new organisation has been designed to ensure that the workforce is aligned with the Group's operational needs and strategic objectives, while preserving critical know-how through structured training programmes. The initiatives are aimed at the entire company workforce, with possible targeted interventions for specific groups of workers depending on their role, skills or operating site. The initiatives are aimed at the entire company workforce, with possible targeted interventions for specific groups of workers depending on their role, skills or operating site. The identified risks will be managed as part of strategic planning through ongoing and developing projects, which represent the main tool for guiding corporate decisions and ensuring a structured approach to risk mitigation.

[S1-1] Policies related to own workforce

Biesse has adopted an integrated system of policies aimed at the responsible management of the IROs associated with its workforce. This system includes the Code of Conduct, the Human Rights policy and the integrated Quality, Safety and Environment policy, which apply to all Group employees in the countries where it operates, as well as to business partners and suppliers. The internal regulatory framework is based on the main international standards and references in the field of human rights, labour and corporate responsibility and is integrated with the legislative provisions in force in individual national legal systems, ensuring compliance in the areas of labour law, health and safety and environmental protection. The Human Rights policy is aligned with the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the principles of the United Nations Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work. It defines the Group's commitment to preventing and mitigating potential negative impacts, including forced labour, child labour, discrimination and harassment. The governance of the system is structured on several levels: Senior Management exercises a role of strategic guidance and supervision; Directors and Department Heads ensure operational implementation in their respective areas; A cross-functional role, represented by the HR, People & Communications and Sustainability & Safety departments, ensures technical coordination, monitoring and continuous oversight of the effective application of the principles and implementing rules. The Integrated Quality, Safety and Environment policy also governs the Group's commitments in terms of risk prevention, health and safety protection for workers and environmental protection, in line with local regulatory requirements and with a focus on continuous improvement. The system is applied throughout the entire employment relationship lifecycle: from selection and recruitment, to induction, training and development

⁸⁵ International Labour Organization (2020) Child Labour Global Estimates 2020, Trends and the Road Forward. Available at the link: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40ipec/documents/publication/wcms_797515.pdf and International Labour Organization (2012): www.ilo.org/it/resources/news.

programmes, to day-to-day professional conduct within the organisation, ensuring consistency between stated principles, operational processes and individual behaviour.

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

The needs, expectations and perspectives of Biesse employees are identified through a structured engagement system based on a dual channel: individual and collective. The individual channel allows individual employees to contact the HR department and/or their manager directly with requests, reports or clarifications regarding their job position or the organisational context. The collective channel is implemented through Employee Representatives, where present⁸⁶, who act on behalf of the entire company population or homogeneous categories of employees. These representatives are informed and consulted on relevant issues during periodic meetings or meetings convened to discuss specific topics. Collective discussion is a structured and recurring form of industrial dialogue, supported by working groups and scheduled meetings. In particular, involvement through trade union representatives takes place when decisions relevant to the working life of employees are taken, such as: second-level bargaining⁸⁷, work organisation and organisational changes, the introduction of new regulations (including those implementing regulatory provisions), changes in industrial structures, collective economic treatment, the use of social safety nets and other strategic issues. Meetings are held on a regular basis (monthly and quarterly), including for the sharing of financial data and in-depth discussion of issues related to work, health and safety. Additional meetings may be convened depending on specific organisational needs or developments in the business environment. The HR, People & Communications and Sustainability & Safety function plays a central role in overseeing the system of internal and industrial relations, coordinating communication between workers, trade union representatives and management. The main company regulations on human rights and corporate conduct are contained in the Code of Conduct and the Human Rights policy, as well as in the legislation of the respective countries. Although these sources do not necessarily derive from a direct agreement with trade union representatives, they define binding principles that must be observed by all employees. These are supplemented by second-level supplementary company agreements negotiated with trade unions. Currently, there are no formalised tools for quantitatively measuring the effectiveness of engagement; however, monitoring the relational climate and constant dialogue with trade union representatives are useful qualitative indicators for assessing the degree of acceptance of the initiatives undertaken, in the necessary balance between interests that sometimes do not coincide. In the event of new acquisitions, the Group progressively harmonises the methods of employee involvement in the various locations through the coordination of the Function Directors and the unified supervision of the Industrial Relations function and integrated Human Resources management.

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

Biesse's approach to preventing and remedying any negative impacts on its workforce is based on a structured system of dialogue, responsible management and regulatory compliance. In situations that could have negative effects on employees, the company activates a dual channel of communication: collectively, through trade union representatives, and individually, through direct dialogue with the employees concerned, in compliance with the legal provisions governing the processes of information, consultation and possible negotiation with the social partners. Consultation with employee representatives is a key tool for preventive and corrective measures. During periodic meetings, held on a regular basis or convened as needed, the company works with trade unions to analyse any critical issues that have emerged and assess the most appropriate measures to prevent or mitigate the identified impacts, in line with the relevant organisational and economic context. To supplement these tools, the company provides an internal reporting system (Whistleblowing), active in countries where the relevant European legislation has been transposed and implemented, as an additional safeguard. This channel allows employees and other stakeholders to report behaviour that does not comply with internal rules or legal provisions, guaranteeing confidentiality, protection of the whistleblower and impartial management of the information. The reporting channels are accessible online on the websites of the Group companies. In contexts where there are no specific national regulations, reports are still handled according to internal procedures, under the responsibility of the competent department in the respective country, in accordance with the principles of independence, confidentiality and non-retaliation. The procedures for handling complaints and reports and the related investigation and monitoring processes are described in detail in ESRG G1 – paragraph G1-1, to which reference should be made for further information.

⁸⁶ The workers' union representative is present in Italy, France, Spain (EEA area).

⁸⁷ Second-level collective bargaining is applicable in the Italian context.

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

To manage the risks and pursue the opportunities identified and described in section SBM3, the company has defined the following projects that apply to the entire Group:

- **People management.** In 2025, the Company initiated a review of its organisational structure, introducing a matrix model with cross-functional and vertical business functions, with the aim of promoting more effective, integrated and timely management of activities. In this context, the Work Architecture project was launched, aimed at analysing and classifying organisational positions based on objective criteria such as responsibility, level of autonomy and required skills. The initiative aims to define clear and transparent growth paths, while ensuring internal consistency and alignment with market benchmarks. The implementation of these measures lays the foundations for a subsequent structured performance management system and a fair and competitive compensation philosophy, supporting the creation of value in the medium to long term.
- **Group Compliance.** The project aims to ensure that the organisation complies with all applicable legal, regulatory and corporate requirements by implementing policies, procedures and controls to prevent legal and reputational risks.

The actions implemented are the result of the preparation of the 2024-2026 Strategic Plan. The analyses include the context in which the Group operates, the Group's development plans and risk analysis carried out in cooperation with the Risk function. The People Management project relating to work architecture will be completed in 2026 following the definition of the new organisation, as will the Group Compliance project. The company constantly monitors the progress of projects through regular meetings with the functions involved, evaluating the effectiveness of the actions taken.

The table below shows the financial resources (Euro) allocated to the actions described in ESRs S1.

	2024	2025	2026	2028
Financial resources allocated to spend for planned actions (OpEx)	750,000	500,000	1,300,000	1,770,000
Financial resources allocated to spend for planned actions (CapEx)	-	-	50,000	150,000

The resources allocated in the short and medium term are intended to support the implementation of the new 2026-2028 Strategic Plan, with particular reference to initiatives aimed at strengthening corporate culture and developing the Biesse Academy, with a view to supporting the development of internal skills. Any deviations in investment from the 2025 forecast are attributable to the organisational changes that took place during the year, which led to a review and realignment of existing projects.

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The actions taken by the Group in relation to workforce management are aimed at supporting the Group's growth and maximising future opportunities, always taking into account the correct sizing of the organisational structure. The actions taken are aligned with the corporate values set out in the Code of Conduct, with the aim of ensuring that workforce organisation and remuneration management are fair and effective, thereby laying the foundations for transparent career paths. The actions focus on the overall improvement of internal dynamics and the optimisation of human resources management, with a focus on Group employees. The above initiatives respond to emerging needs and new challenges for the Group, and are not limited to pre-existing interventions, but represent an evolution of the strategies adopted so far. In addition, the projects make extensive use of reliable and recognised benchmarks to define analysis and evaluation criteria, thus ensuring that each action is guided by concrete and measurable parameters that reflect industry best practices and the specific needs of the Group. This integrated approach allows decisions to be oriented towards long-term sustainable results, promoting operational efficiency and employee welfare.

In its new Strategic Plan for 2026–2028, the company confirms the central role of people as an essential element for creating sustainable and lasting value. The Plan places particular emphasis on developing responsible leadership and strengthening an inclusive corporate culture based on integrity, collaboration and results orientation.

Among the strategic priorities, the development of people is of particular importance, with a focus on employee training. The Plan provides for significant investments in the growth of internal skills and the professional development of the distribution network, with a view to supporting innovation, service quality and the competitiveness of the organisation.

In line with these principles, specific occupational health and safety objectives have been defined, including the achievement of for the Occupational Health and Safety Management System in accordance with ISO 45001:2018 for all production plants and the reduction of the accident frequency index, with the aim of further improving working conditions and protecting the well-being of people in all the company's operating units.

[S1-6] Characteristics of the undertaking's employees

As at 31 December 2025, the total workforce was 3,397 employees. The countries with significant employment⁸⁸ are Italy and India, with 1,997 employees, or about 59% of the Group's workforce, and 433 employees respectively. As at 31 December 2025, the Group recorded 669 outgoing employees, with a turnover rate⁸⁹ of 19.7%, compared with 15.2% in 2024. Staff turnover is linked to the internal reorganisation process aimed at ensuring that the workforce is aligned with the Group's operational needs and strategic objectives.

In the Group, 98% of the employees have a permanent contract, demonstrating the desire to have a stable and continuous workforce. The organisation does not use intermittent or zero-hour contracts.

Further details on the main characteristics of the Group's workforce are presented in the tables below. The values indicated represent the exact number of persons (*headcount*) in force as at 31 December 2025.

Table 16 - Fixed-term and permanent employees (headcount) by gender

Type of contract	Women	Men	Total
2024			
Permanent	490	3159	3649
Fixed-term	27	61	88
Total	517	3220	3737
2025			
Permanent	459	2863	3322
Fixed term	21	54	75
Total	480	2917	3397

Table 17 - Fixed-term and permanent employees (headcount) by region and gender

Type of contract	EMEA (excluding Italy)		APAC		AMERICAS		ITALY		Total
	Men	Women	Men	Women	Men	Women	Men	Women	
2024									
Time permanent	393	98	588	55	232	58	1946	279	3649
Time fixed-term	3	2	46	14	1	1	11	10	88
Total	396	100	634	69	233	59	1957	289	3737
2025									
Time permanent	360	92	563	53	209	54	1731	260	3322

⁸⁸ Significant employment is defined as those countries in which the company has more than 50 employees representing at least 10% of the total workforce.

⁸⁹ The turnover rate was calculated by taking the number of employees leaving the Group during 2025 as the numerator, while the total number of employees in the Group as at 31 December 2025 was used as the denominator.

Time fixed-term	4	0	48	15	0	2	2	4	75
Total	364	92	611	68	209	56	1733	264	3397

Table 18 - Full-time and part-time employees (headcount) by gender

Type of contract	Women	Men	Total
2024			
Full-time	455	3196	3651
Part-time	62	24	86
Total	517	3220	3737
2025			
Full-time	426	2894	3320
Part-time	54	23	77
Total	480	2917	3397

Table 19 - Full-time and part-time employees (headcount) by region and gender

Type of contract	EMEA (excluding Italy)		APAC		AMERICAS		ITALY		Total
	Men	Women	Men	Women	Men	Women	Men	Women	
2024									
Full-time	388	84	634	67	231	56	1943	248	3651
Part-time	8	16	0	2	2	3	14	41	86
Total	396	100	634	69	233	59	1957	289	3737
2025									
Full-time	355	80	611	67	205	54	1723	225	3320
Part-time	9	12	0	1	4	2	10	39	77
Total	364	92	611	68	209	56	1733	264	3397

For the purposes of the information contained in this paragraph, the data reported is taken directly from the Group's centralised management system.

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

The company relies on 272 non-employees in its own workforce for its activities. Of these, in particular, 6 are workers on atypical contracts⁹⁰ compared with 30 in 2024, whilst 266 are temporary agency workers⁹¹ supplied by recruitment agencies, compared with 235 in 2024. Staff leasing workers, as well as most atypical workers, are mainly involved in the Group's production activities. Only a minority of the self-employed perform administrative activities. As with employees, for the purposes of the above calculation, data was extracted from the centralised management system at Group level. Again, the figures above take into account the actual number of workers employed by Biesse as at 31 December 2025, without using estimates.

[S1-8] Collective bargaining coverage and social dialogue

Approximately 69% of the Group's employees are covered by a collective labour agreement, in line with last year's figures.

Within the European Economic Area (EEA), Italy is the nation of significant employment. For this country, collective bargaining coverage covers 100% of all employees while the percentage of employees covered by workers' representatives is 62.4%⁹².

⁹⁰ Workers with atypical contracts are defined as workers with VAT no. It should be noted that as at 31 December 2025, there were also two interns on staff.

⁹¹ Workers under NACE code N78.

⁹² All employees who are potentially covered by employee representatives were counted, unlike in 2024, when the percentage was 39.7% and only included employees who were members of trade unions.

The following table shows the percentage of employees covered by collective bargaining in regions not included in the EEA area⁹³.

Table 20. Percentage coverage of non-EEA collective bargaining by region

Regions	% of employees covered by collective bargaining
2024	
AMERICAS	7.88%
APAC	25.60%
EMEA (excluding EEA countries)	0%
2025	
AMERICAS	10.8%
APAC	23.42%
EMEA (excluding EEA countries)	0%

Table 21. Collective bargaining coverage and social dialogue

Coverage Rate	Collective Bargaining Coverage		Social dialogue
	Employees – EEA (for countries with more than 50 employees representing more than 10% of total employees))	Employees – Non-EEA (for regions with more than 50 employees representing more than 10% of total employees)	Workplace representation (EEA only) (for countries with more than 50 employees representing more than 10% of total employees)
2024			
0-19%			
20-39%		APAC	
40-59%			
60-79%			ITALY ⁹⁴
80-100%	ITALY		
2025			
0-19%			
20-39%		APAC	
40-59%			
60-79%			ITALY
80-100%	ITALY		

[S1-9] Diversity metrics

Biesse carries out a process of selecting people by ensuring that they have the necessary skills to do their job regardless of their origin, gender, age, background or any other source of discrimination.

The table below shows the gender distribution of senior management, representing first and second level management below the CEO.

Table 22. Gender Distribution in Senior Management⁹⁵

Number of senior management members	
2024	
Women	20

⁹³ Countries not included in the EEA area are: United States, Canada, Brazil, Australia, New Zealand, Asia, Korea, Japan, China, India, Russia, Gulf countries, Turkey, Israel, UK, Mexico, Thailand.

⁹⁴ The data on workplace representation in 2024 underwent a change in methodology, as in 2024, only workers who were members of trade unions were considered for Biesse S.p.A., and the figure was 20-39%. The recalculated figure for 2024 now represents all employees who are potentially covered by a Workers' Representative.

⁹⁵ Senior management refers to managers and executives in the first and second tier below the CEO.

% of women in total senior management	12.35%
Men	142
% of men in total senior management	87.65%
Total	162
2025	
Women	28
% of women in total senior management	16.67%
Men	140
% of men in total senior management	83.33%
Total	168

Table 23. Distribution of employees by age group

Number of employees	
2024	
Under 30 years old	359
% of employees under 30 years of age	9.61%
Between 30 and 50 years	2130
% of employees aged between 30 and 50	57%
Over 50 years	1248
% of employees aged over 50	33.40%
2025	
Under 30 years old	306
% of employees under 30 years of age	9%
Between 30 and 50 years	1874
% of employees aged between 30 and 50	55.2%
Over 50 years	1217
% of employees aged over 50	35.8%

Table 24. Total number of employees by gender

Gender	Total number of employees
2024	
Women	517
Men	3220
Total	3737
2025	
Women	480
Men	2917
Total	3397

[S1-11] Social protection

The coverage of social benefits (sickness, unemployment, accident, leave and retirement) for Group employees may vary according to local laws or company practices specific to each country in which Biesse operates. Consequently, not all workers enjoy the same social protection. The following tables show the percentages of employees covered by social protection, broken down by country. These percentages take into account both public and privately funded social protection programmes.

Table 25. Employees covered by social protection⁹⁶

Coverage Rate 2025	Employees covered by social protection				
	Sickness	Unemployment	Employment injury and acquired disability	Parental leave	Retirement
0-19%	United States of America, Brazil, India,	United States of America, Brazil, India, United Kingdom, United Arab Emirates, Mexico, Thailand, Kazakhstan	United States of America, Brazil, United Kingdom	United States of America, Brazil, India, United Kingdom,	United States of America, Brazil, United Kingdom, United Arab Emirates,
20-39%					
40-59%					
60-79%					
80-100%	Canada, Australia, New Zealand, Singapore, Indonesia, Malaysia, South Korea, Japan, Taiwan, China, France, Germany, Switzerland, the United Kingdom, Ireland, Spain, Portugal, the United Arab Emirates, Turkey, Italy, Kazakhstan, Mexico, Thailand	Canada, Australia, New Zealand, Singapore, Indonesia, Malaysia, South Korea, Japan, Taiwan, China, France, Germany, Switzerland, Spain, Portugal, Turkey, Italy	Canada, Australia, New Zealand, Singapore, Indonesia, Malaysia, South Korea, Japan, Taiwan, China, India, France, Germany, Switzerland, Spain, Portugal, United Arab Emirates, Turkey, Kazakhstan, Italy, Mexico, Thailand	Canada, Australia, New Zealand, Singapore, Indonesia, Malaysia, South Korea, Japan, Taiwan, China, France, Germany, Switzerland, Spain, Portugal, United Arab Emirates, Turkey, Kazakhstan, Italy, Mexico, Thailand	Canada, Australia, New Zealand, Singapore, Indonesia, Malaysia, South Korea, Japan, Taiwan, China, India, France, Germany, Switzerland, Spain, Portugal, Turkey, Kazakhstan, Italy, Mexico, Thailand

⁹⁶ The table above shows data for the year 2025. Compared with 2024, in-depth interviews were conducted with representatives from each country, leading to a more accurate analysis of the indicator. The differences are set out below: in terms of social protection for illness, Malaysia and the United Arab Emirates have gone from 0-19% to 80-100%; With regard to unemployment, Australia, New Zealand and Singapore have gone from 0-19% to 80-100%; for disability, Singapore has gone from 0-19% to 80-100%; for parental leave, the United Arab Emirates has gone from 0-19% to 80-100%; Finally, for retirement, Singapore has gone from 40-59% to 80-100%. The remaining data remained unchanged.

[S1-12] Persons with disabilities

People with disabilities are an integral part of our workforce. Based on voluntary employee declarations, 2% of employees are persons with disabilities in the 25 countries⁹⁷ where the Group operates. This percentage was calculated using the Group's centralised management system.

[S1-13] Training and skills development metrics

Biesse's training programme is aimed at professionals at all levels and covers the following areas:

- *Product training;*
- *Processes and methodologies;*
- *Cyber Security;*
- *Transformation enablers;*
- *Mandatory training (e.g. Health and Safety, Model 231);*
- *Professional specific;*
- *Induction to new joiners.*

In recent years, the need to train an increasingly global workforce has led Biesse to supplement its traditional classroom sessions with a library of e-learning courses available 24/7. In 2025, this project was further enhanced with the help of artificial intelligence-based systems and virtual avatars.

In this context, the Learning Centre, in collaboration with the Product Innovation & Development department, has developed a programme comprising 23 e-learning courses focusing on brand architecture, market segmentation, key product innovations and product portfolio structure.

A second project, consisting of 10 e-learning courses and several classroom sessions, focused on training the manufacturing, service and sales teams on the new interface for glass and stone machines.

The technical department also benefited from a programme aimed at bringing electrical designers up to speed with the new design standards introduced at Biesse and the use of beckhoff programming systems. The following table shows the average hours of training provided to employees.

Table 26. Average hours of training by gender⁹⁸

	Men	Women	Total
2024			
Average number of training hours per employee	21.88	20.43	21.68
2025			
Average number of training hours per employee	13.7	9.4	13.1

The lower number of training hours recorded in 2025 compared to the previous year is mainly attributable to the absence of new product launches, which traditionally lead to an intensification of dedicated training activities. Furthermore, there has been a growing preference for online delivery methods over face-to-face training. Although this organisational choice guarantees greater flexibility and efficiency, it generally means that individual sessions are shorter than classroom-based courses, which affects the total number of hours delivered.

Table 27. Employees who participated in performance reviews

	Men	Women	Total on company population
2024			
Percentage of employees who participated in performance reviews	17.02%	14.12%	16.62%
2025			
Percentage of employees who participated in performance reviews	18.8%	9.6%	17.5%

⁹⁷ The Hong Kong office, which currently has no employees, is not included in the count.

⁹⁸ These are training hours carried out in the classroom, online and do not include 'on-the-job' training hours.

[S1-14] Health and safety metrics

All business activities are conducted in compliance with current regulations on occupational health and safety, as well as in accordance with the provisions of the Code of Conduct and the Integrated Quality, Environment and Safety policy. The Group ensures the protection and physical integrity of workers by adopting safety standards, organisational and management measures and provisions commensurate with the use of new technologies.

100% of the Group's workers are covered by legal requirements and/or national health and safety regulations in each country where each company is based. 66.76% of Biesse's employees are also covered by a health and safety management system compliant with ISO 45001:2018⁹⁹, in line with the 2024 target (66.63%). This system is subject to both internal audits and certification by an accredited external body.

With regard to its own workforce health metrics, Biesse recorded no deaths due to work-related injuries and illnesses among employees and non-employees in 2025. The total number of accidents recorded stands at 48¹⁰⁰, whilst the accident rate¹⁰¹ is 8.19, compared with 73 accidents in 2024 and an accident rate of 12.00. Furthermore, in 2025, there was one accident involving self-employed workers and one case of occupational disease was confirmed among employees; No accidents involving external workers or cases of occupational disease were reported for the reference year 2024.

[S1-15] Work-life balance metrics

Family leave is an important element of company policies aimed at supporting employees in reconciling professional and family needs. The percentage of employees entitled to leave for family reasons, in accordance with the regulations in force in the individual countries where Biesse is present, is 98% (in 2024, this figure was 91.7%). Furthermore, where there is no state protection, Biesse provides such protection separately to around 1% of its workforce (by 2024, this will rise to around 6% of the remaining workforce not covered by current legislation).

Table 28. Employees who have taken family leave¹⁰²

	% employees entitled to family leave who took it
2024	
Women	2.98%
Men	26.65%
Total	29.65%
2025	
Women	3.10%
Men	25.19%
Total	28.28%

[S1-10 and S1-16] Compensation metrics (pay gap and total compensation)

Biesse applies national regulations and, where present, second level bargaining, to ensure that Group employees are paid fairly. In fact, all Group employees receive an adequate salary, according to the applicable benchmarks¹⁰³ in each country where Biesse operates.

⁹⁹ The Group companies from the Safety Management System according to ISO 45001:2018 are: Biesse S.p.A., HSD S.p.A., Biesse India Private Limited, Biesse Tooling S.r.l. and GMM S.p.A.

¹⁰⁰ The number of accidents covers employees.

¹⁰¹ The accident rate is calculated as the ratio of the number of cases of work-related accidents to the total number of hours worked by workers, multiplied by 1,000,000. This value expresses the number of registered accidents per million hours worked. For the calculation of hours worked, data from both Italian and foreign companies within the Group were taken into account. For Italian companies, the data was extracted from internal management systems, while for foreign companies, as precise data was not available, contract hours were used or estimates were made based on the standard working hours of each country, assuming periods of paid absence from work.

¹⁰² The percentage was calculated using the total number of eligible employees as the denominator.

¹⁰³ Where available, the minimum wages set by the relevant federal state or country and the minimum wages set by the relevant collective agreement were taken into account. For those locations where this data was not available, an analysis based on the living wage was carried out by the country HR to determine whether the minimum wage paid to the employee was appropriate for the parameters defined in the analysis.

In 2025, Biesse analysed and reported the annual total remuneration ratio¹⁰⁴ for the entire Group. The goal is to promote transparency and accountability in employee compensation, as well as to encourage the evaluation and improvement of the organisation's compensation policy. This indicator was 29.76 in 2025, compared to 41.32 in 2024. This reduction is due to the change of Chief Executive Officer that took place in 2025.

With regard to the gender pay gap¹⁰⁵, the Group calculated the total gross average remuneration of men and the total gross average remuneration of women for all companies in which the company operates. This figure was weighted on the number of male and female employees in the Group. According to available information, in 2025, the wage gap percentage was 6.68% compared to 6.29% in 2024. The difference, albeit minimal, compared to 2024 is mainly due to a refinement of the methodology used.

[S1-17] Incidents, complaints and severe human rights impacts

During 2025, no complaints of alleged discrimination were received through dedicated channels. Consequently, in 2025 as in 2024, there were no incidents of discrimination and no penalties or damages resulting from them.

During the same year, there were no labour-related human rights incidents. Consequently, there were no fines, penalties or damages for such incidents.

¹⁰⁴ The annual remuneration has been calculated as follows: the fixed salary, including any guaranteed allowances; both short-term and long-term target variable remuneration. These components were selected by considering the remuneration items that could be measured in a standardised manner across the entire workforce, in order to ensure the consistency and comparability of the data analysed.

¹⁰⁵ The wage gap was calculated as the ratio of the difference between the gross hourly weighted average wage of men and women and the gross hourly wage of men for the entire Group. This indicator was calculated assuming an average of 173 hours worked per month for the entire Group, re-proportioning part-time workers.

ESRS S2 – WORKERS IN THE VALUE CHAIN

[S2-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

The analysis carried out by Biesse to identify workers who could be significantly impacted by the company includes both workers in the supply chain and those working in client companies. The representation of the Biesse value chain is reported in the chapter on ESRS2, paragraph SBM-1. As far as suppliers are concerned, both the workers of supplier companies with which Biesse operates directly and those belonging to production activities located further up the supply chain have been taken into account. This analysis was conducted through an understanding of Biesse's value chain and through document analysis. The latter, in particular, was carried out by analysing key industry statistics¹⁰⁶, and where available, the sustainability statements of major customers and suppliers, focusing on issues related to working conditions and respect for human rights. Finally, both customers and suppliers were involved in the Double Materiality analysis in order to understand the relative perspective in terms of IROs related to workers in the supply chain.

Workers operating in the Biesse value chain are mainly skilled workers, administrative staff and transporters. Further up the Biesse supply chain are workers involved in mineral extraction, raw material gathering, refining, and processing into finished and semi-finished products. These workers are part of companies that, although part of Biesse's supply chain, do not interface directly with the Group.

Workers in the downstream value chain include those involved in logistics activities, in particular hauliers, distributors, and customer employees in charge of operating machines and lines.

To date, Biesse has no knowledge of the presence of vulnerable workers¹⁰⁷ in its value chain.

Workers in the value chain also include those who carry out their activities at Biesse's premises although they are not part of its own workforce. In particular, these are employees of service-providing companies such as: consultancy companies, cleaning companies, maintenance companies for facilities and outdoor areas, transport companies, on-call workers and private security companies. This category of workers does not include those made available by enterprises engaged in the recruitment, selection and supply of personnel (so-called 'agency' workers), as well as self-employed workers, as this is dealt with in the chapter on ESRS S1, paragraph S1-7.

Today Biesse has two plants in Asia, one in Bangalore in India and one in Rayong in Thailand. According to the ILO report on child labour and forced labour, these are considered risk areas¹⁰⁸. However, the company has never encountered, either within its production operations or along its value chain, cases of child or forced labour, to the extent of its knowledge. Furthermore, Biesse has also implemented a series of procedures, policies and control activities aimed at preventing, monitoring and mitigating the risk of child labour and forced labour, both in its own operating sites and throughout the supply chain.

Below are the positive and negative¹⁰⁹, current and potential¹¹⁰ material impacts identified by the Group considering the time horizon¹¹¹ and the perimeter within which the impact is identified (Biesse, Upstream¹¹², Downstream¹¹³).

Impacts Description	Positive/Negative	Current/Potential	Time horizon	Biesse	Upstream	Downstream
Job losses and crisis in the supply chain (direct and indirect) due to an economic	Negative	Potential	M/L		x	

¹⁰⁶ The reference sector used for supply chain analysis is mining and raw material processing.

¹⁰⁷ Vulnerable workers are to be considered as such because they have particular intrinsic characteristics or work in a specific context. Examples are trade unionists, migrant workers, remote workers, women and young people.

¹⁰⁸ International Labour Organization (2020) Child Labour Global Estimates 2020, Trends and the Road Forward. Available at the link: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40ipec/documents/publication/wcms_797515.pdf and International Labour Organization (2012): www.ilo.org/it/resources/news.

¹⁰⁹ An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

¹¹⁰ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

¹¹¹ Short period means the period adopted by the company as the reference period for its financial statements. Medium term means up to 5 years, long term means over 5 years.

¹¹² Upstream refers to what is described and defined in ESRS2 regarding value chain information.

¹¹³ Downstream refers to what is described and defined in ESRS2 regarding value chain information.

downturn in the Group.						
Promotion of fair and favourable working conditions, non-discrimination, health and safety protection, freedom of association and skills development for workers in the supply chain (tier 1), thanks in part to the new supplier qualification process.	Positive	Current	NA		x	
Violations of workers' rights in the value chain, such as incidents of forced labour and child labour, resulting in a deterioration of working conditions.	Negative	Potential	M		x	x

The positive impact observed can be attributed to the progressive standardisation of relations between Biesse and its commercial partners. The definition and sharing of common standards and practices, together with the performance of structured due diligence activities on first-tier suppliers, make it possible to strengthen transparency, create more solid relationships and prevent potential social and reputational risks.

As for negative impacts, they should be considered as 'general', taking into account the context in which the company operates, including procurement activities and other business relationships. Although the impacts are of a general nature, they may particularly affect countries that, according to ILO statistics, have been identified as most exposed to risks related to workers' human rights.

Impacts Description	Risk/Opportunity	Time horizon	Biesse	Upstream	Downstream
Developing and strengthening relationships with local or regional suppliers to reduce the risk of supply chain disruptions due to geopolitical or market factors and ensure greater operational resilience	Opportunities	B	x	x	
Any incidents of human rights violations, discrimination or harassment in the supply chain, with possible reputational consequences for the company.	Risk	L		x	

The risk identified, as well as the impacts, relate to all workers in the Biesse value chain. Furthermore, the actions prepared by the Group to respond to the risks identified above are set out in paragraph S2-4 of this standard.

Therefore, no specific IROs were imputed to particular groups of workers.

Finally, it is important to emphasise that the Risk function, liaising with the ESG Manager, constantly monitors corporate risks related to workers throughout the value chain.

[S2-1] Policies related to value chain workers

In 2024, the company defined and published a Human Rights Policy, which emphasises the Group's commitment to respecting and promoting fundamental human rights. It applies to employees, suppliers and partners, and must be read in conjunction with the Biesse Code of Conduct. This policy enshrines the Group's commitment to guarantee, also with regard to workers in the value chain, respect for human rights,

as well as the labour laws applicable in the countries in which Biesse operates. In particular, it includes the prohibition of forced labour, child labour and discrimination, the promotion of safe working environments and respect for freedom of association. The objective of the policy is to prevent potential negative impacts and risks related to workers, including those in the value chain, and, where appropriate, to analyse, assess and prepare a supervisory plan to mitigate them. Compliance is monitored through ESG audits conducted at suppliers, as well as through the analysis of Whistleblowing and other Whistleblowing procedures activated.

The policy was approved by the BoD and was drafted in accordance with the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Conventions, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the UN Global Compact. As of the reporting date, the company does not adhere to any additional third-party standards or initiatives.

Although workers in the value chain are not directly involved, the company takes into account the needs and expectations of key stakeholders, including employees, suppliers and customers, when defining the policy. In addition to being published on the company website, it is made available to all employees.

As already indicated, the policy explicitly addresses issues such as forced labour and child labour, emphasising the company's commitment to preventing and combating them. Currently, Biesse has not adopted a specific code of conduct for suppliers; however, compliance with the Group's Code of Conduct is required in each contractual annex, thus ensuring that the company's ethical principles and values are applied throughout the supply chain. The Group's Code of Conduct contains specific provisions for suppliers in the areas of forced labour, child labour and worker health and safety, emphasising the company's commitment to decent working conditions.

Since the company has never become aware of human rights violations to date, no specific actions have been implemented or planned. However, should similar situations arise in the future, the company is obliged to suspend the relationship with the supplier and report the incident to the relevant authorities.

To date, Biesse has found no instances of non-compliance with the guiding principles used as a reference when drafting the Human Rights Policy.

[S2-2] Worker involvement in the value chain

The company, to date, has not implemented a process for the direct involvement of workers in its value chain. However, in 2025, Biesse's main suppliers¹¹⁴ were involved in specific meetings, coordinated by the ESG Manager and the purchasing department. During these meetings, suppliers shared their perspective in terms of IRO and had the opportunity to highlight aspects related to their workers and those in their value chain.

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

According to the available data, the Group has not generated or contributed to any current negative impacts on workers in the value chain. However, the company has set up a specific channel for reporting concerns, which is also available to the category of workers in question, for European companies based in countries that have adopted Directive 2019/37. This channel is available online on the websites of Biesse S.p.A., HSD S.p.A., Bavelloni S.p.A. and GMM S.p.A. In the event of a report being made, Biesse S.p.A.'s Supervisory Body (SB) will assess the significance of the information received and, where necessary, bring it to the attention of the BoD. During the financial year, the Supervisory Body received a report via the aforementioned channels. The Company, in coordination with the Supervisory Board, promptly initiated the verification and analysis procedures set out in the Corporate Governance Model and current legislation for the handling of reported conduct. Following the investigations carried out, the report was closed as the facts were found to be of no significance under the Decree and the MOG, and the reporter was notified in accordance with the law. Apart from the above, no further reports have been received by the Supervisory Body concerning unlawful conduct as defined under Legislative Decree No. 231 of 8 June 2001 and the Code of Conduct itself.

At the moment, although accessible to all, this reporting channel is not available in workplaces, nor has the company mentioned it in its contracts with its counterparts; in addition, as in 2024, no specific training activities were organised in 2025 on the presence of reporting channels for workers in the value chain.

Please refer to the chapter pertaining to ESRS Standard G1, paragraph G1-1, for the specific treatment of this reporting channel, including the modalities for the handling of the report, as well as those related to the protection of whistleblowers.

¹¹⁴ Strategic suppliers are the main suppliers with whom Biesse actively seeks to grow the business. These suppliers are relevant in terms of technological features and are more integrated in projects/processes with Biesse.

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

Biesse adopts a structured ERM process to identify any risks that could jeopardise the success of the company's Strategic Plan. Once risks have been identified, Biesse structures a series of targeted actions to address significant negative impacts and ensures that these actions are effective and appropriate. In this regard, in order to respond to the negative impacts on workers in the supply chain, the Group has updated its direct supplier assessment system with effect from 2023, adding a section dedicated to evaluating the ESG performance of its business partners. This process has been operational since 2024. The evaluation system includes specific audits of suppliers, aimed at ensuring compliance with environmental, health and safety, and human rights legislation. Audits are conducted according to a defined internal plan, with the aim of progressively increasing the number of evaluated suppliers in the coming years. Furthermore, with the definition of the 2026-2028 Sustainability Plan, new due diligence objectives have been set, increasing the scope of verification and also involving Bavelloni S.p.A. and GMM S.p.A. within the time frame of the Plan. Through this due diligence approach, the Group aims to identify and mitigate risks related to these areas, preventing any negative impacts, and through the constant monitoring of corrective actions prepared by the supplier. The actions taken by the Group reflect the principles outlined in the Code of Conduct and the Human Rights Policy described above, translating them into operational practice. At the reporting date, the Group did not see the need to implement any additional actions, beyond those mentioned above, aimed at producing positive impacts for workers along the supply chain.

The objective of the supplier qualification process is not only to identify and mitigate possible negative impacts resulting from their activities, but also to identify potential risks along the Group's supply chain. In addition, its effectiveness is assessed by actively monitoring the results and making any necessary improvements to ensure continuous monitoring.

As there were no material opportunities for the company in relation to workers in the value chain, the Group has not planned any action to date.

Should critical macroeconomic situations arise that require closer monitoring of the supply chain, Biesse takes action to verify high-risk situations with a view to their stabilisation, through appropriate measures to ensure continuity of supply.

Finally, as at the reporting date for the 2025 Financial Statements, as was the case in 2024, the company had not received any reports of serious human rights problems or incidents related to its value chain, either upstream or downstream.

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

As already highlighted in the previous paragraph, the company has launched a structured supplier qualification process with the aim of verifying, including from an ESG perspective, suppliers representing 60% of ¹¹⁵Biesse's total expenditure by 2026, with a particular focus on environmental, health and safety aspects and respect for human rights. This target was defined in the 2024-2026 Sustainability Plan and was subsequently updated for the three-year period 2026-2028. By 2025, the company had verified suppliers representing 51%¹¹⁶ of the Group's total expenditure, achieving the targets set out in the 2024-2026 Plan, up from 38% in 2024. Furthermore, the new Sustainability Plan formalises additional commitments, including targets for 2028, implementation timelines and monitoring methods. The targets set by the company are consistent with and conducive to achieving the objectives established in the company's policies on human rights and responsible supply chain management. In relation to the implementation of the action plan, the company plans to allocate internal resources dedicated to the verification, monitoring and qualification of suppliers along the supply chain. In particular, these activities are carried out by the Supply Chain department, which is responsible for supplier qualification and verification processes; its procedures also include assessments of the following qualitative aspects of the process: environmental, occupational health and safety, and social issues, including risks associated with child labour and forced labour.

The process of setting objectives was developed in collaboration with the Supply Chain department. In particular, once the need to mitigate potential supply chain risks in relation to ESG issues was identified, a new qualification process was developed, followed by the definition and adoption of specific targets.

¹¹⁵ 60% of expenditure relates to Biesse S.p.A. (including suppliers involved in production). This percentage is initially calculated on the basis of expenditure in 2023 and updated annually, keeping the number of suppliers to be qualified constant.

The targets set are monitored annually and updated, if necessary, by the relevant functions. Following monitoring, any changes to the target setting and qualification process are implemented to ensure their effectiveness.

Objective	Base year	Target values	
	2023	2024	2025
ESG-verified suppliers (Total number)	0	13	29
ESG-verified suppliers (% of total expenditure)	0%	38%	51%

ESRS S3 – AFFECTED COMMUNITIES

[S3-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Biesse has assessed the communities potentially affected by its activities, focusing on those that could be significantly impacted by the Group's operations. To this end, consideration was given to the local communities situated in the vicinity of the commercial premises and production facilities where Biesse operates. Upstream and downstream communities in the value chain have not been considered in the analysis to date.

Below are the positive and negative¹¹⁷, current and potential¹¹⁸ material impacts identified by the Group considering the time horizon¹¹⁹ and the perimeter within which the impact is identified (Biesse, Upstream¹²⁰, Downstream¹²¹).

Impacts Description	Positive/Negative	Current/Potential	Time horizon	Biesse	Upstream	Downstream
Company policies aimed at supporting the community and the local area through social initiatives, charitable activities and sponsorships.	Positive	Current	NA	x		

The following table shows the risks identified by the Group and related to the communities concerned.

Impacts Description	Risk/Opportunity	Time horizon	Biesse	Upstream	Downstream
Potential negative repercussions on institutional relations, concessions, ability to attract customers, investors and qualified resources following a possible loss of credibility in the territory, institutions and commercial partners.	Risk	B	x		

The activities related to the identified impact and its correlation with the business strategy are described in the following paragraphs.

The risks and opportunities described above mainly concern local communities in areas where the Group operates its own production plants or commercial sites and, to a greater extent, communities located in areas where the main suppliers in the value chain operate. At the reporting date, no material risks or opportunities were identified that exclusively affect specific subgroups of affected communities; The potential impacts are considered to affect local communities as a whole. The identified risks will be managed as part of strategic planning through ongoing and developing strategic projects, which represent the main tool for guiding corporate decisions and ensuring a structured approach to risk mitigation.

¹¹⁷ An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

¹¹⁸ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

¹¹⁹ Short period means the period adopted by the company as the reference period for its financial statements. Medium term means up to 5 years, long term means over 5 years.

¹²⁰ Upstream refers to what is described and defined in ESRS2 regarding value chain information.

¹²¹ Downstream refers to what is described and defined in ESRS2 regarding value chain information.

[S3-1] Policies related to affected communities

The company does not currently have a formalised policy to manage material impacts on affected communities; however, for the year 2025, only significant positive impacts were identified. Furthermore, the corporate values contained in the Code of Conduct form the guideline for managing relations with the outside world, including local communities. The list of corporate values is described in the section on corporate policies for business conduct, included in ESRS G1.

[S3-2] Processes for engaging with affected communities about impacts

The company, in orienting its decisions and activities, takes into account the views of the affected communities in order to mitigate any negative impacts on the territory. Although there is no formalised policy, Biesse actively engages in dialogue with local communities, gathering feedback through meetings, consultations and collaborations with local authorities and associations (universities and third-sector organisations). The information obtained through these interactions is used to guide corporate strategies, with a focus on the most sensitive issues, such as the environment, social inclusion and support for culture. The company conducts regular consultations at least once a year with representatives of local associations, and other relevant stakeholders, in order to minimise negative impacts and maximise mutual benefits. The involvement of communities takes place through different modalities, depending on the specific categories involved and the characteristics of each of them. Such arrangements may include direct involvement by community members, the intervention of their legitimate representative or, when appropriate, the involvement of trusted delegates acting on behalf of the community.

Responsibility for ensuring that community engagement activities are carried out in an appropriate manner and consistent with corporate objectives lies with the ESG Manager or HR Managers in the relevant countries, who work in close collaboration with other local stakeholders.

The company has a formalised system for measuring the effectiveness of initiatives carried out in the area by collecting feedback from the associations and organisations involved.

Starting in 2024, the Company has also embarked on a process aimed at strengthening its monitoring processes, with the goal of equipping itself with more structured tools to assess the impact and effectiveness of its listening and engagement activities.

Through stakeholder engagement activities, Biesse collects and analyses the views of its stakeholders in order to increasingly target initiatives that benefit the community and ensure consistency between the company's priorities and local expectations.

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

During 2025, as in 2024, the Group did not experience any significant negative impacts in the affected communities in which it operates. Indeed, Biesse is committed to operating responsibly, monitoring its activities to ensure that there are no negative consequences for the local realities with which it interacts.

The Group adopts a Whistleblowing policy that is accessible not only to its employees and collaborators, but also to the communities concerned and to all those who do business with the company. This reporting channel allows anyone to report misbehaviour or problematic situations safely and anonymously. However, at present, no targeted initiatives have been undertaken to raise awareness among the communities concerned about the existence of this instrument.

The reporting channel and related complaints handling procedure is described in the ESRS G1 section of the Annual Report, paragraph G1-1.

[S3-4] Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

To mitigate this risk, Biesse has strengthened its governance, control and compliance measures, integrating ESG issues into its decision-making processes and corporate risk management system. In particular, the company:

- adopts a Code of Conduct that sets clear standards of behaviour for employees and suppliers;
- implements structured processes for qualifying and monitoring the supply chain;
- sets measurable ESG objectives, with periodic monitoring of results and transparent reporting to the market;
- promotes ongoing stakeholder engagement activities with institutions, local communities and strategic partners.

Transparency of information, constant dialogue with the financial community and alignment between industrial strategy and sustainability objectives are key levers for preserving corporate reputation, strengthening investor confidence and supporting value creation in the medium to long term. The table below shows the financial resources allocated for the actions described in ESRS S3.

	2024	2025	2026
Financial resources allocated for planned actions (OpEx)	440,000	584,000	406,000

The company's main initiatives are planned on an annual basis and aim to provide training for young people, children and teenagers, with a view to equipping them with the necessary skills and ensuring they have healthy and safe environments in which to study and gain experience. There are several projects promoted throughout 2025, both in Italy and in the countries where the Group operates.

Synergy between school and company

Sustainability engineering

In Italy, Biesse contributes to funding the Sustainability Engineering course at the Polytechnic University of Marche. The course covers typical areas of electrical, energy and materials engineering, as well as traditional mechanical engineering. In particular, skills will span various areas such as environmental chemistry, eco-sustainability of materials, environmental safety inside and outside companies, and the circular economy.

Biesse helps train the craftsmen of the future

Also in 2025, Biesse collaborated with the Industria e Artigianato per il Made in Italy Professional Institute, Wood-Furniture Sector, Bramante-Genga in Pesaro, with the aim of training and supporting the craftsmen of the future. The project, focused on sharing technologies, human resources, and expertise, enabled the continuation of the Wood Operator and Designer Draftsperson (leFP) course, in which Biesse actively participated with a series of lessons on specific topics. The young people involved were also able to watch demonstrations carried out directly on the machinery at Biesse's Material Hub in Pesaro, where some pieces related to the project were produced.

Initiatives in support of the local community

In order to maintain close ties with the local community and understand its needs, the Group involves various countries in initiatives aimed at listening to the community and supporting its socio-cultural development. Below are some of the most significant initiatives.

Biesse India

For years, Biesse India Private Limited has entered into long-term collaboration agreements with the Institute of Wood Science and Technology (IWST) and the Hettich Poddar Wood Working Institute (HPWWI), aimed at developing skills in the woodworking sector.

As part of these partnerships, the company contributes to the definition of educational programmes and supports training activities by providing its machines for the practical training of students. In particular, with regard to the IWST, Biesse India Private Limited directly covers the cost of teachers' salaries, in addition to the maintenance costs of the machines installed at the institute.

Biesse Italia

Support for the association "I Bambini delle Fate"

Biesse has confirmed its support for the association "I Bambini delle Fate" (The Children of the Fairies) again this year, having first begun its involvement in 2018. It is a social enterprise that since 2005 has been providing financial support to projects and inclusion programmes run by local partners, benefiting families facing the challenges of autism and disabilities.

Support for the 'Smiling Children Town Onlus' Project - Ethiopia

An international cooperation project to provide accommodation and ensure access to education for street children.

Support for the 'Movement and Health Beyond Care, MoviS' project in collaboration with the University of Urbino

Exercise education pathway associated with a nutritional and motivational programme in the area of oncology.

Support for the Homobonus Foundation

The Homobonus Foundation pursues the objective of promoting the social dignity of people in vulnerable conditions, while at the same time encouraging them to regain their civic dignity by reactivating an active and conscious role within the community.

In this context, the Foundation supports the purchase of basic necessities for families in need, made available through a solidarity store, as a means of providing practical support and social inclusion.

Collaboration with Banco Alimentare and Caritas in the fight against waste

Thanks to the active involvement of Banco Alimentare and Caritas, food prepared by the staff canteen at the Pesaro campus that is not consumed is recovered as part of a project inspired by circular economy models, thereby combating waste and restoring value to food that would otherwise go to waste. Banco Alimentare recovers hot meals, bread, desserts, fruits, and vegetables from the company canteen three times a week and, with the help of its volunteers, redistributes them by the end of the same day in the local community, providing ongoing and tangible support to those in greatest need. Caritas, too, thanks to its ongoing partnership with the Group, collects surplus food from the canteen every day and distributes it to "Casa Tabanelli", an emergency shelter based in Pesaro, ensuring that its guests receive a meal every day. Approximately 2621 complete meals were recovered in 2025.

The effectiveness of the projects promoted is measured in relation to the impact these initiatives generate on the community concerned. To ensure accurate monitoring, Group companies regularly share the results of each project with Head Office, providing Biesse's Marketing & Communications department with detailed reports on sponsorship and donation initiatives carried out at local level.

As of the reporting date, no cases of serious human rights violations or significant incidents affecting the communities concerned arising from the Group's activities or along its value chain have been reported or identified, to the best of the company's knowledge

[S3-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To date, Biesse has not established specific and measurable objectives concerning the management of material negative impacts, the enhancement of positive impacts, or the management of material risks and opportunities in relation to affected communities.

ESRS S4 – CONSUMERS AND END-USERS

[S4-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

Section IRO-1 of ESRS 2 describes the process relating to the identification and assessment of material impacts, risks and opportunities relating to end users. In particular, as part of the above disclosure, Biesse has taken into consideration the end users that could be significantly impacted by the company's activities, also assessing the effects deriving from the company's operations and its products, services and business relationships. The end users identified in the Double Materiality process are mainly Biesse Group customers. They are companies that use the machinery to process different types of materials in sectors such as furniture, automotive, aerospace and other industries. In addition, customers also include companies similar to Biesse that purchase mechatronic components and tools. The customer base thus includes manufacturing companies, craftsmen and industrial operators. Customers also include dealers who collaborate with the company in the distribution and sale of machines.

With the aim of assuring its customers the highest standards of safety in the use of machinery, the Group subjects all models produced to stringent risk analyses during the design phase, with particular attention to risks linked to possible mechanical and electrical elements, as well as to the behaviour of operators, in order to guarantee levels of performance higher than those required by the Machinery Directive 2006/42/EC and further international, community and national standards and regulations. During the testing phase, tests are carried out on the level of noise emitted during machining, electromagnetic compatibility tests with particular reference to the electromagnetic radiation emitted and the immunity of the machine, with reference to the radiation to which it could be subjected in the industrial environment of use, and electrical earthing tests. Furthermore, given the complexity of the machines, the company provides clear, multilingual documentation, digital tutorials and technical support to ensure they are used correctly, minimising operational risks.

The Group's products are equipped with specific digital systems, including remote monitoring software for collecting and analysing data. For this reason, the company pays special attention to the protection of users' personal data, implementing cybersecurity measures to ensure that the data collected is only used to improve the customer experience and preventive maintenance. In addition, all sensitive customer data is processed in accordance with the applicable privacy laws of the relevant countries, excluding any form of discrimination, as stipulated in the company's Code of Conduct. No categories of vulnerable workers have been identified among the Group's end users. The current and potential impacts identified on end users, which include the customers with whom the company interacts, may arise from or be linked to the company's strategy and business model. These impacts, described in the table below, arise in relation to sales services, new digital product interfaces and greater accessibility to the company's products and services. Furthermore, in order to identify risks associated with the company's strategy and business model, Biesse carried out an analysis of its organisation, policies and business model, which highlighted the importance of integrating social and environmental considerations into strategic planning. At the time of the materiality analysis, no widespread or systemic negative impacts emerged in relation to the markets where products are sold or used, as the company adopts preventive measures, such as rigorous quality controls and investment in the training of technicians. As regards material positive impacts, the company contributes significantly to improving its customers' operations by expanding its product portfolio to meet their specific needs and by optimising communication and support services. This approach ensures continuous, timely and effective support, facilitating the use of the solutions offered and improving the overall customer experience. Finally, interaction with customers generates material risks and opportunities for the company. Risks include dependence on customer satisfaction due to changes in market trends and the inability to build stable, long-term relationships. Opportunities include strengthening customer loyalty through high-quality after-sales services and the possibility of expanding into new markets by continuously adapting products to the specific needs of end-users. In particular, regarding risks linked to dependence on end-users, significant changes in the macroeconomic and technological landscape and the entry of new operators into the market could affect the Group's economic activities. This could lead to a decline in demand for machinery, delays in investment or changes in consumption patterns, with potentially significant financial implications for companies in the sector. However, in order to mitigate the potential effects described above, the Group manages these risks by closely monitoring its customer base and market trends.

Below are the positive and negative¹²², current and potential¹²³ material impacts identified by the Group considering the time horizon¹²⁴ and the perimeter within which the impact is identified (Biesse, Upstream¹²⁵, Downstream¹²⁶).

Impacts Description	Positive/Negative	Current/Potential	Time horizon	Biesse	Upstream	Downstream
Protecting end users' safety by installing appropriate safety devices on machinery.	Positive	Current	NA			x
Enhancing the customer experience through market reorganisation, ongoing digitalisation and expansion of the product portfolio.	Positive	Potential	NA	x		x
Adoption of ethical and responsible commercial practices, including flexible payment policies designed to meet customer needs.	Positive	Current	NA	x		x

The table below lists the risks and opportunities related to consumers and end-users, as resulting from the Double Materiality analysis.

Impacts Description	Risk/Opportunity	Time horizon	Biesse	Upstream	Downstream
Reduction of legal risk through effective and secure management of sensitive customer data	Opportunities	B	x		x
Greater transparency and accessibility of product information, including health and safety information, with positive	Opportunities	B	x		

¹²² An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

¹²³ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

¹²⁴ Short period means the period adopted by the company as the reference period for its financial statements. Medium term means up to 5 years, long term means over 5 years.

¹²⁵ Upstream refers to what is described and defined in ERS2 regarding value chain information.

¹²⁶ Downstream refers to what is described and defined in ERS2 regarding value chain information.

effects on consumer confidence and loyalty					
Possible negative effects on reputation and growth resulting from the entry of new operators or a product portfolio that is not aligned with market expectations	Risk	B	x		x
Improving customer satisfaction and loyalty by streamlining communication and support services throughout the entire product lifecycle	Opportunities	B	x		

[S4-1] Policies related to consumers and end-users

To date, Biesse has not defined a policy related to end-users, however, it adopts strict standards to protect customer privacy and security.

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

Consumers and users are mainly engaged by Biesse in the Double Materiality analysis. In addition, the constant dialogue with customers and dealers allows the Group to integrate, via sales managers, any prospects not considered in the Double Materiality phase. For the 2025 financial year, this process included a workshop and subsequent questionnaire interview, with the aim of identifying the IROs deemed material by Biesse's main customers. This process has been explicitly disclosed in the dedicated section of ESRS 2, paragraph IRO-1.

In conjunction with the Double Materiality analysis process, as already indicated, end-user engagement also takes place through direct dialogue with dealers and business partners, as well as with Biesse customers themselves, in order to obtain a broader representation of their needs and expectations. In particular, this engagement takes place at different stages of product life, including machine development, the sales phase and after-sales support. It takes the form of feedback obtained at events, trade fairs and dedicated meetings with customers to gather specific input. The frequency of such initiatives varies throughout the year.

The presence of sales managers ensures that identified stakeholders are relevant to the Group and that IROs are integrated into the ERM process.

As described above, there are no vulnerable groups that are directly impacted by the Group's business due to the type of products the company places on the market.

[S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

To date, Biesse is committed to identifying and reporting to the competent function any significant negative impacts arising from the Double Materiality process, so that they may be analysed and mitigated. However, it has not yet formalised a process for their management. When impacts involve several functions, an integrated project is created that comprehensively addresses the identified issues, with the aim of reducing negative effects and ensuring adequate support for the end customer.

End users can report concerns or needs directly through specific channels provided by the company, such as the Whistleblowing platform on the Biesse website. Alternatively, customers can contact the Legal & Corporate Affairs department directly.

Biesse has made available to stakeholders, including end users, an online platform for Whistleblowing, easily accessible through the company website. This channel is open to users, allowing them to report problems or concerns directly. However, the company has not yet organised specific training sessions to explain to customers the existence and functioning of this tool, limiting itself to making it available online without further direct information activities.

The Whistleblowing policy and its channel can be accessed in the ways described in the chapter on ESRS Principle G1, paragraph G1-1.

[S4-4] Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

During 2025, the company undertook a number of key actions, focusing in particular on the reorganisation of markets and the customer support structure. Among the most relevant initiatives is the Customer Care project, aimed at improving customer service and enhancing communication with customers. The main objectives include strengthening stakeholder relations and increasing customer loyalty by optimising internal organisation and streamlining communication channels.

The project aims to define a standard organisational model of the Customer Care function in the Markets and to create common guidelines on this process for the Group. It also includes the optimisation of IT systems to reduce manual operations and technical training for the staff involved.

During 2025, the project envisaged an extension of the scope of intervention with the aim of:

- Ensuring high and consistent levels of service globally, guaranteeing consistent quality standards and focusing on operational excellence in the *Customer Care* department. This development is aimed at maximising customer retention and strengthening market penetration.
- Strengthen the ability to identify and propose the most suitable technical solution for the customer's needs, while ensuring compliance with appropriate delivery times that are consistent with defined service standards.

In addition, to further minimise the impact on the customer and reduce intervention times, Biesse has a structured system in place to respond to product-related issues that could cause interruptions, delays or reduced customer-side productivity. Support can be provided remotely with a 24/6 service, where available, and a network of highly qualified local technicians, able to effectively serve the target market.

In order to mitigate the risks associated with extraordinary interventions, the company offers preventive maintenance contracts, adopting a proactive approach to ensure a constant presence and continuous support to the customer.

In addition, the company provides dealers with e-learning training packages, aimed at making them autonomous in handling customer issues. This approach allows for improved response and resolution times and greater customer control, optimising the overall efficiency of the service.

With regard to machinery safety risks, the Group subjects all its models to rigorous risk assessments during the design phase, paying particular attention to risks associated with potential mechanical and electrical components, as well as operator behaviour, in order to ensure performance levels that exceed those required by the Machinery Directive 2006/42/EC and other relevant international standards and regulations.

Strategic projects are constantly monitored by the Chief of Staff to assess the effectiveness of the actions implemented and evaluate the results achieved.

The company has implemented a structured process to identify the projects needed to adequately respond to potential negative impacts and risks that may affect consumers and end users. This process is an integral part of strategic planning, which analyses the company's operational environment and the external context, allowing for an accurate assessment of the extent and root causes of identified impacts and risks. With regard to risk management, the process is formalised in the *Risk Management* framework, ensuring a systematic and comprehensive analysis. Once the risks and impacts have been identified and analysed, the company adopts an integrated approach, developing targeted measures and strategic projects as part of its strategic planning, aimed both at mitigating existing impacts and preventing new ones from arising. The company takes a responsible approach to avoid causing or contributing to material negative impacts on end-users by integrating ethical practices into all phases of its activities, including marketing, sales and the use of data by avoiding misleading communications. On the data use front, the company adheres to strict privacy and security standards, ensuring that customer data are collected, processed and used in accordance with applicable regulations and in respect of their rights.

In 2025, there were no reports of serious human rights problems or incidents related to end-users.

The table below shows the financial resources (Euro) allocated to the actions described in ESRS S4.

	2024	2025	2026	2028
Financial resources allocated for planned actions (OpEx)	180,000	55,112	459,000	1,856,000
Financial resources allocated for planned actions (CapEx)				180,000

The use of the above-identified resources is crucial to ensuring full operational capacity and the achievement of the objectives set out in the new 2026-2028 Strategic Plan. The reference projects are illustrated in this chapter in the section dedicated to interventions.

[S4-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Although the company has not yet defined specific objectives for managing impacts, risks and opportunities, it considers projects related to strengthening customer service levels to be fundamental strategic initiatives for ensuring business continuity and enhancing customer satisfaction.

GOVERNANCE

ESRS G1 - BUSINESS CONDUCT

ESRS2 [GOV-1] The role of the administrative, management and supervisory bodies

Biesse's principles and rules of conduct are defined in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (MOGC 231), of which the Group's Code of Conduct is one of the reference tools for the dissemination and application of these principles. 231/2001 (MOGC 231), for which the Group's Code of Conduct serves as one of the key tools for the dissemination and application of these principles. The BoD is responsible for approving and updating the aforementioned Code, whilst the Supervisory Board and the Board of Statutory Auditors are responsible for ensuring compliance with it. Finally, it is the task of Senior Management¹²⁷ to ensure the effective implementation of the Code of Conduct.

The BoD approves the Code and is guided by the principles contained therein when setting corporate objectives. Senior Management implements the Code of Conduct and disseminates it both within and outside the Group; In addition, it has the task of periodically reviewing its contents on the basis of information received from employees and collaborators. The SB is responsible for monitoring compliance with the Code by the addressees of the Code. Annually, the BoD checks, and if necessary updates, the document upon the proposal of the Supervisory Body and after hearing the opinion of the Board of Statutory Auditors. It is the duty of the Supervisory Board to report any concerns to the BoD and the Board of Statutory Auditors regarding conduct that does not comply with the provisions of the Code of Conduct.

The discussion of the competences of administrative, management and supervisory bodies with regard to the conduct of businesses is included in paragraph GOV1 of ESRS Chapter 2.

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

Below are the positive and negative¹²⁸, current and potential¹²⁹ material impacts identified by the Group considering the time horizon¹³⁰ and the perimeter within which the impact is identified (Biesse, Upstream¹³¹, Downstream¹³²).

Impacts Description	Positive/Negative	Current/Potential	Time horizon	Biesse	Upstream	Downstream
Ineffective management of supplier relationships, including late payments, with negative consequences on the continuity of relationships with business partners	Negative	Potential	M	x	x	
Strengthening corporate culture by promoting ethical principles and accountability and adopting robust controls that ensure business transparency and enhance	Positive	Current	NA	x	x	x

¹²⁷ Senior Management refers to the heads of functions reporting directly to the CEO.

¹²⁸ An impact is defined as positive if it generates positive effects on the environment or people. Conversely, it is defined as negative if it generates negative effects on the environment or people.

¹²⁹ An impact is defined as current when it is believed that effects are occurring in the present; conversely, an impact is defined as potential when effects may occur in the future.

¹³⁰ Short period means the period adopted by the company as the reference period for its financial statements. Medium term means up to 5 years, long term means over 5 years.

¹³¹ Upstream refers to what is described and defined in ESRS2 regarding value chain information.

¹³² Downstream refers to what is described and defined in ESRS2 regarding value chain information.

stakeholder trust and reputation.						
Episodes of corruption within the Group and/or along the value chain, which could cause economic and reputational damage.	Negative	Potential	M/L	x	x	x

The material risks and opportunities for Biesse are listed below.

Impacts Description	Risk/Opportunity	Time horizon	Biesse	Upstream	Downstream
Possible financial repercussions arising from deficiencies in the organisational models or training required by Legislative Decree 231/2001 and the Company Code of Conduct.	Risk	L	x		
Financial losses, penalties or legal proceedings resulting from illegal conduct or violations of the Group's Code of Conduct.	Risk	L	x		
Possible exposure to penalties for violations of regulations on corporate governance, personal data protection, whistleblowing, and health and safety (e.g., GDPR, Law 262/2005, Legislative Decree 231/2001, Legislative Decree 81/08).	Risk	L	x		

The mitigation actions for the IROs listed above are described in the following paragraphs.

[ESRS2 IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

The process for identifying IROs relevant to business conduct issues is set out in the relevant section of ESRS 2.

To identify impacts related to business conduct issues, Biesse conducted an analysis of its organisation, policies and business model. The process considered in particular factors such as the business environment, existing policies and procedures relating to the fight against corruption and bribery, relations with suppliers and payment practices, and compliance with whistleblowing procedures. The analysis incorporated relevant criteria, including the location and activity of the transactions, the sectoral context and the structure of the transactions. Please refer to paragraph SBM3 of this standard for the list of material IROs related to business conduct.

[G1-1] Corporate culture and business conduct policies

Corporate conduct policies include the Group Code of Conduct, which defines Biesse's vision, mission and corporate values, as well as the principles and rules of conduct that must be followed by corporate bodies, employees and all those who work in various capacities to pursue the Group's objectives. These are listed below.

Vision

Simplify customers' production process, stimulating their imagination to improve people's daily lives.

Mission

Provide customers with the most suitable solutions, providing them with our expertise to allow them to “unleash the potential” inherent in every material.

Values***International natives***

Belonging without borders that values the uniqueness of individuals.

Insightful curiosity

A constant desire for discovery, which turns into insight.

Genuine mastery

The original “savoir-faire”, the fruit of genuine tradition.

Widespread transparency

The honesty of people, the integrity of the company.

Heartfelt commitment

Commitment to a common project, practised and strengthened on a daily basis.

Respectful sight

Concern for the environment, society, people

Business conduct

Biesse delivers training programmes designed to ensure that employees comply with the Code of Conduct at the same time as the compulsory training required by Legislative Decree 231/2001 on the Organisation, Management and Control Model, of which the Code of Conduct forms an integral part and constitutes implementation.

The company requires compliance with the Code of Conduct by its corporate bodies, employees and those who work, in various capacities, for the pursuit of the Group's objectives.

The purpose of the Code of Conduct is to indicate the conduct to be observed in the performance of the various company activities in compliance with the values that inspire the code itself, and the rules contained therein are aimed at the various parties with which the company relates in the performance of its activities. Contracts of any nature between the Company and any collaborators, consultants, self-employed workers, and other third parties who perform their activities in favour of the Group must provide for the signing of the aforementioned Code or, in any case, adherence to the provisions and principles set out therein. In addition, the Code of Conduct contains inspiring guidelines on how external relations are to be conducted, in particular with regard to: customers, financial institutions, distributors, suppliers, partners, public administration and former employees thereof, public supervisory authorities, political forces, interest groups and the mass media. Senior Management represents the highest management level in the organisation of the company, responsible for the implementation of the Code in question. The Code of Conduct is based on the UN Declaration of Universal Rights, the Core Conventions of the International Labour Organisation, the 10 principles of the UN Global Compact and national laws. In order to identify, assess, manage and/or remedy material IROs related to business conduct issues, the Human Rights policy, the Integrated Quality, Safety and Environment policy and the Group Sustainability policy have also been drawn up, under the inspiration of the Code of Conduct.

The Code of Conduct is approved by the Board of Directors and updated when there is input for the improvement of relations between the Parties.

During 2025, in accordance with the relevant implementing regulations, the Group's European companies subject to Directive (EU) 2019/1937 on whistleblowing adopted this policy with the aim of establishing appropriate communication channels for the receipt, analysis and handling of reports concerning possible unlawful conduct within the Group. A reporting channel has been made available to internal and external recipients, who work directly or indirectly on behalf of the Group, via the online platform available on the Biesse S.p.A.¹³³, HSD S.p.A.¹³⁴, GMM S.p.A.¹³⁵ and Bavelloni S.p.A.¹³⁶ websites. From 2026 onwards, the reporting channels will be consolidated into a single tool on the Biesse S.p.A. website. This report may be submitted in any manner permitted by the applicable regulation. The investigation system also provides that, within seven days of receipt, the person in charge of the channel issues an acknowledgement of

¹³³ <https://biesse.com/it/it/corporate-governance/?Tabs=Canale+di+segnalazione-6>.

¹³⁴ <https://www.hsdmechatronics.com/it/whistleblowing/>.

¹³⁵ <https://whistleblowersoftware.com/secure/9aaecb23-050b-4ba5-b2e6-bfb92a9f0c14>.

¹³⁶ <https://whistleblowersoftware.com/secure/39b35b21-450a-48a8-befa-47fdb10b7ee8>.

receipt and acknowledgement to the whistleblower and, within three months of receipt, feedback on the progress of the investigation and its conclusion. The process provides for an initial check by the person in charge of the channel as to the correctness of the procedure followed by the whistleblower and the content of the report, reporting its appropriateness or otherwise to the internal contact persons. Upon completion of the check, a final report is also prepared. With regard to Biesse S.p.A., HSD S.p.A., GMM S.p.A. and Bavelloni S.p.A., the Supervisory Board is responsible for managing the platform, while in European offices, channel management is delegated to internal parties appointed by the parent company. In the case of relevant reports pursuant to Legislative Decree 231/2001, the Supervisory Body coordinates and monitors the investigation phase with the internal departments or external teams in charge, assesses the outcome of the investigations and any consequent measures, and ensures compliance with the principle of confidentiality.

Biesse guarantees the confidentiality of the identity of the whistleblower, the reported subject and the subjects otherwise indicated in the report, as well as the content of the report and related documentation. Whistleblowers who fall within the scope of the Whistleblowing directive and the 231 Model are protected from retaliation, discrimination or penalisation for reasons directly or indirectly linked to the whistleblowing, by providing for appropriate sanctions, within the disciplinary system, against those who breach the whistleblower protection measures. At the same time, Biesse adopts appropriate sanctioning measures against those who make malicious or grossly negligent reports that prove to be unfounded.

Biesse S.p.A. and its Italian subsidiaries (Biesse Tooling, S.r.l., HSD S.p.A., GMM S.p.A., Mectoce S.r.l. and Bavelloni S.p.A.) have adopted an Organisational, Management and Control Model (Model 231) in order to prevent, as far as possible, the perpetration of the offences envisaged by Legislative Decree 231/2001 and appointed the various Supervisory Bodies which, in addition to overseeing the Whistleblowing channel, as a supervisory function, can investigate facts brought to their attention in the course of business activities and move, making the appropriate internal investigations, reporting to the Board of Directors.

As part of its risk assessment activities in relation to the 231 Biesse Model, Biesse has identified as "sensitive" activities for risks related to the implementation of corrupt conduct those relating to the "purchasing" and "commercial" areas. The assessment, however, did not result in the evaluation of a high risk level. Moreover, in relation to issues concerning the fight against corruption and bribery, the existing controls are further strengthened through the adoption of a control plan for activities at risk of offences pursuant to Legislative Decree 231/2001, providing for periodic audit cycles, aimed at carrying out specific control tests addressed to the Group's Italian companies.

With regard to Italian office staff, from 2024 onwards, a specific training course will be provided on the topics of whistleblowing, the Code of Conduct and Legislative Decree 231/2001. For direct personnel, training related to Model 231 is provided at the same time as compulsory health and safety courses.

[G1-2] Supplier relationship management

The relationship Biesse has with its suppliers has been standardised over the years and includes:

- the sharing of the Supplier Quality Manual;
- the evaluation of suppliers against the requirements mentioned in the Manual.

Furthermore, the company adopts procedures aimed at ensuring compliance with the payment terms agreed with suppliers, monitoring deadlines, with particular attention to SMEs. In addition, based on the risks identified during the Double Materiality process and described within paragraph SBM3 of the S2 standard, Biesse revised the entire supplier qualification process, integrating an analysis of ESG parameters within the evaluation procedure¹³⁷.

The latter includes, in particular, a verification of compliance with health and safety regulations, applicable environmental regulations and those on respect for human rights according to the relevant national and international regulatory framework. The due diligence process allows the company to identify risks to the business related to these issues and any negative impacts on people and the environment related to the supply chain. In this way, the company can identify any areas of risk and ensure that the effectiveness of corrective actions is monitored. These criteria are also taken into account in the initial selection of suppliers among the other parameters the company uses when selecting them.

[G1-3] Prevention and detection of corruption and bribery

Biesse S.p.A. has adopted an Anti-Corruption Code of Conduct applicable to the entire Group. Although it is not aligned with the provisions of the United Nations Convention against Corruption, it has been drafted in compliance with the provisions of the Italian Criminal Code (Art. 318 et seq.), the Civil Code (Art. 2635 et

¹³⁷ This analysis is currently being carried out in relation to the acquisitions of Biesse S.p.A. set out in the 2024–2026 Plan. The procedure is also expected to be integrated into the 26–28 three-year plan for purchases from strategic suppliers made by GMM S.p.A. and Bavelloni S.p.A..

seq.), Law No. 190 of 2012, Legislative Decree No. 231 of 2001 (Art.25-ter, co.1, lett. s-bis), the *UK Bribery Act 2010* and European Directive 2019/1937.

The modalities for reporting, detecting and handling cases of corruption and bribery are the same as those indicated in the previous points regarding reporting channels. The management of the corruption and bribery prevention system is entrusted to the function *Legal & Corporate Affairs*; on the other hand, the external provider of the Whistleblowing platform involves the Supervisory Body, where there are reports.

In the event of a report, Biesse S.p.A.'s SB, having assessed the significance of the information received, shall, where necessary, notify the BoD and the control body.

During 2025, as was the case in 2024, the SB received no reports of active or passive corruption via the channels made available to all interested parties. Furthermore, based on the risk analyses carried out, no specific business functions have been identified as being exposed to significant risks.

In this context, it was not necessary to provide dedicated and extraordinary training on the subject; in any case, the company remains committed to ensuring constant monitoring of the matter and to promptly implementing targeted training initiatives should new risk profiles or specific needs arise. In order to actively promote business ethics and integrity, the key stakeholders and company leaders are periodically trained on topics related to Legislative Decree 231/2001.

The Organisational, Management and Control Models are valid in Italy, while the *Whistleblowing* procedure, despite the fact that the relevant reporting channel is open to potential whistleblowers from all over the world, applies to Group companies based in one of the EU Member States. The Anti-Corruption Code of Conduct and the Code of Conduct apply to all Biesse Group companies, in Italy and abroad, ensuring the adoption of uniform principles and standards of conduct across the Group.

[G1-MDR-A] Actions and resources related to business conduct issues

The key initiatives implemented by Biesse in 2025 in the area of corporate conduct are described in the list below, with reference to the IROs listed above, and form part of the strategic planning framework. In addition, the company constantly monitors the relevant legislation and any updates to respond promptly to changing regulatory scenarios.

With reference to the identified IROs related to the business conduct standard (ESRS G1) and described in SBM3, the company defined the following mitigation actions:

- Continuation of the legal compliance project that monitors regulatory developments in the areas in which Biesse operates with the aim of having a constant watch on possible regulatory changes;
- Establishment of the Risk function to oversee the proper management of corporate risks. Biesse has also defined an internal control system for ESG issues, which will be implemented starting from the current financial year. This system is responsible for carrying out checks on the entire company perimeter with the aim of ensuring that ESG issues are also properly monitored;
- Periodic publication of clear and verified information on institutional and official channels to counter misinformation and strengthen stakeholder confidence.

With regard to objectives related to corporate conduct, at the date of preparation of this document, Biesse has not yet defined specific targets. The 2026-2028 Plan includes specific actions regarding corporate culture, as specified in chapter SBM1 of the ESRS2.

In the reporting period, investments (Euro) in projects related to the conduct of business were as follows.

	2024	2025	2026
Financial resources allocated for planned actions (OpEx)	70,000	70,000	125,000

[G1-4] Cases of corruption and bribery

During 2025, as in 2024, there were no convictions for cases of corruption and bribery and consequently no fines for violations of the above-mentioned cases.

[G1-6] Payment practices

Biesse constantly monitors outstanding payments to suppliers, adhering to the payment terms agreed at the time the contract was signed, which typically range from 90 to 120 days. Any changes are promptly communicated to the counterparties.

The company makes payments mainly on the 10th day of each month, supplementing them with weekly payment sessions to minimise the number of days of delay. The average payment period for 2025 was 104

days,¹³⁸ which was broadly in line with 2024 (103 days). For small and medium-sized enterprises, the average payment period is 89 days¹³⁹, an improvement on 2024, when there was no difference between small and medium-sized enterprises and the total number of payments. As in 2024¹⁴⁰, there are no ongoing legal proceedings due to late payments in 2025. In this regard, a thorough check of the company's accounting records relating to suppliers was conducted in cooperation with the relevant department.

¹³⁸ The precise calculation of payment terms was carried out for all the Group's manufacturing companies except Bavelloni S.p.A. (approximately 94% of total consolidated trade payables), considering the total amount of invoices paid in relation to the amount weighted for payment days. The percentage of payments that comply with these terms is 75%. The calculation was performed using internal management data for all invoices paid from 1 January 2025 to 31 December 2025, in accordance with the scope specified above. Only intercompany payments were excluded from the calculation.

¹³⁹ The calculation of payment terms for small and medium-sized enterprises was based on the total amount of invoices paid in relation to the weighted amount for payment days. However, only the main SME suppliers of Biesse S.p.A. were considered. The percentage of payments that comply with these terms is 85%.

LIST OF INFORMATION ITEMS REFERRED TO IN THE CROSS-CUTTING AND THEMATIC PRINCIPLES DERIVED FROM OTHER EU LEGISLATIVE ACTS

[E2 IRO 2]: Disclosure requirements in ESRS covered by the undertaking's sustainability statement 4.2

The table below illustrates the datapoints in ESRS 2 and topical ESRS that derive from other EU legislation.

Disclosure Requirement		Data Point	SFDR ¹⁴¹	Pillar 3 ¹⁴²	Reference regulations ¹⁴³	European Climate Law ¹⁴⁴	Page/ Materiality
ESRS 2 GOV-1	21 (d)	Gender diversity in the board	✓		✓		43
ESRS 2 GOV-1	21 (e)	Percentage of independent board members			✓		43
ESRS 2 GOV-4	30	Statement on due diligence	✓				45
ESRS 2 SMB-1	40 (d) i	Involvement in fossil fuel related activities	✓	✓	✓		Not Relevant
ESRS 2 SMB-1	41 (d) ii	Involvement in activities related to the production of chemicals	✓		✓		Not Relevant
ESRS 2 SMB-1	42 (d) iii	Participation in controversial weapons-related activities	✓		✓		Not Relevant
ESRS 2 SMB-1	43 (d) iv	Involvement in activities related to tobacco cultivation and production			✓		Not Relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				✓	58
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		✓	✓		58
ESRS E1-4	34	GHG emission reduction targets	✓	✓	✓		60
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	✓				61
ESRS E1-5	37	Energy consumption and mix	✓				61
ESRS E1-5	40-43	Energy intensity associated with activities	✓				61

¹⁴¹ Regulation (EU) (2019/2088) of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317 of 9/12/2019, pg 1).

¹⁴² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27/06/2013, p. 1).

¹⁴³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29/06/2016, p. 1).

¹⁴⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ('European Climate Legislation') (OJ L 243, 09/07/2021, p. 1), as well as its delegated regulations.

		in high climate impact sectors					
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	✓	✓	✓		62
ESRS E1-6	53-55	Intensity of gross GHG emissions	✓	✓	✓		62
ESRS E1-7	56	GHG removals and carbon credits				✓	Not Relevant
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			✓		<i>Phase In</i>
ESRS E1-9	66 (a)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		✓			<i>Phase In</i>
ESRS E1-9	66 (c)	Location of significant assets at material physical risk		✓			<i>Phase In</i>
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		✓			<i>Phase In</i>
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			✓		<i>Phase In</i>
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	✓				28 (a) 71 28 (b) Not Relevant
ESRS E3-1	9	Water and marine resources	✓				Not Relevant
ESRS E3-1	13	Dedicated policy	✓				Not Relevant
ESRS E3-1	14	Sustainable oceans and seas	✓				Not Relevant
ESRS E3-4	28 (c)	Total recycled and reused water	✓				Not Relevant
ESRS E3-4	29	Total water consumption in m ³ per net revenue on own operations	✓				Not Relevant
ESRS 2 SBM 3 - E4	16 (a)	Biodiversity-sensitive areas	✓				Not Relevant
ESRS 2 SBM 3 - E4	16 (b)	Impacts on soil	✓				Not Relevant
ESRS 2 SBM 3 - E4	16 (c)	Endangered species	✓				Not Relevant
ESRS E4-2	24 (c)	Sustainable land / agriculture practices or	✓				Not Relevant

		policies					
ESRS E4-2	24 (d)	Policies to address deforestation	✓				Not Relevant
ESRS E5-5	37 (d)	Non-recycled waste	✓				75
ESRS E5-5	39	Hazardous waste and radioactive waste	✓				75
ESRS 2 SBM 3 - S1	14 (f)	Risk of forced labour	✓				78
ESRS 2 SBM 3 - S1	14 (g)	Risk of child labour	✓				78
ESRS S1-1	20	Human rights policy commitments	✓				80
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			✓		80
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	✓				80
ESRS S1-1	23	The workplace accident prevention policy or submission of an accident management system	✓				80
ESRS S1-3	32 (c)	Mechanisms for dealing with complaints/complaints	✓				81
ESRS S1-14	88 (b), (c)	Number of deaths and rate of work-related injuries	✓		✓		89
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	✓				<i>Phase In</i>
ESRS S1-16	97 (a)	Unadjusted gender pay gap	✓		✓		89
ESRS S1-16	97 (b)	Excessive pay gap in favour of the CEO	✓				89
ESRS S1-17	103 (a)	Discrimination-related incidents	✓				90
ESRS S1-17	104 (a)	Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD	✓				90
ESRS 2 SBM 3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	✓				91
ESRS S2-1	17	Human rights policy commitments	✓				92
ESRS S2-1	18	Policies related to value chain workers	✓				92

ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	✓		✓		92
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			✓		92
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	✓				94
ESRS S3-1	16	Human rights policy commitments	✓				97
ESRS S3-1	17	Non-compliance with UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	✓		✓		97
ESRS S3-4	36	Human rights issues and incidents	✓				97
ESRS S4-1	16	Policies related to consumers and end-users	✓				16 (a) Not Relevant 16 (b) e (c) 102
ESRS S4-1	17	Non-compliance with UNGPs on Business and Human Rights and OECD guidelines	✓		✓		102
ESRS S4-4	35	Human rights issues and incidents	✓				103
ESRS G1-1	10 (b)	United Nations Convention against Corruption	✓				106
ESRS G1-1	10 (d)	Protection of whistle-blowers	✓				106
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	✓		✓		109
ESRS G1-4	24 (b)	Anti-corruption and anti-bribery standards	✓				109

DIRECTORS' REPORT ON OPERATIONS OF BIESSE S.P.A.

The most significant deviations from the values in the financial statements for the year ended 31 December 2024 are commented on in the various sections of the notes to the financial statements.

INCOME STATEMENT

2025 Income Statement highlighting non-recurring items

	31 December 2025	% on sales	31 December 2024	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	385,594	100.0%	425,954	100.0%	(9.5)%
Change in inventories, wip, semi-finished products and finished products	8,185	2.1%	(7,494)	(1.8)%	(209.2)%
Other revenues	6,481	1.7%	5,274	1.2%	22.9%
Value of production	400,260	103.8%	423,734	99.5%	(5.5)%
Raw materials, consumables, supplies and goods	(228,877)	(59.4)%	(229,844)	(54.0)%	(0.4)%
Other operating costs	(67,053)	(17.4)%	(71,820)	(16.9)%	(6.6)%
Personnel expense	(99,778)	(25.9)%	(111,474)	(26.2)%	(10.5)%
Ebitda Adjusted	4,552	1.2%	10,596	2.5%	(57.0)%
Depreciation and amortisation	(13,855)	(3.6)%	(15,559)	(3.7)%	(11.0)%
Provisions	738	0.2%	(2,626)	(0.6)%	(128.1)%
Ebit Adjusted	(8,565)	(2.2)%	(7,589)	(1.8)%	12.9%
Non recurring-items	(2,978)	(0.8)%	(1,818)	(0.4)%	63.8%
Ebit	(11,543)	(3.0)%	(9,407)	(2.2)%	22.7%
Net financial income	(3,797)	(1.0)%	(6,096)	(1.4)%	(37.7)%
Net financial expenses	2,219	0.6%	(1,910)	(0.4)%	(216.2)%
Net exchange rate losses	23,413	6.1%	24,040	5.6%	(2.6)%
Pre-tax result	(18,558)	(4.8)%	3,499	0.8%	(630.4)%
Income taxes	3,352	0.9%	3,131	0.7%	7.1%
Result for the year	(15,206)	(3.9)%	6,630	1.6%	(329.4)%

In 2025, **revenue from sales and services** amounted to € 385,594 thousand, compared to € 425,954 thousand at 31 December 2024, down by -9.5% over the previous year. For more information on the decrease in sales, please refer to the Biesse group's sales analysis.

The **value of production** amounted to € 400,260 thousand, compared to € 423,734 thousand as at 31 December 2024, representing a decrease of about -5.5% over the previous year.

The percentage incidence of **consumption** net of **changes in inventories** remains virtually unchanged.

Other operating expenses decreased by € 4,767 thousand in absolute terms, attributable to service costs of € 4,574 thousand, costs for the use of third-party assets of € 304 thousand, and an increase in "other operating costs" of € 111 thousand. The decrease in service costs is mainly attributable to lower costs for consultancy, sales commissions, staff travel and transfer expenses, and utilities. Costs for the use of third-party assets amounted to € 2,167 thousand (€ 2,471 thousand in 2024) and refer to rental contracts that do not fall under IFRS 16. Other operating costs amounted to € 4,596 thousand (€ 4,485 thousand in 2024).

Personnel expense in 2025 was € 99,778 thousand, compared with € 111,474 thousand in 2024, with a € 11,696 thousand decrease in absolute terms. There was a decrease in employees, whose average number fell from 1,784 to 1,548. The percentage of personnel costs relative to revenues decreased slightly, from 26.2% in 2024 to 25.9% in the current year.

Adjusted EBITDA was positive at € 4,552 thousand (€ 10,596 thousand in 2024), down € 6,044 thousand.

Depreciation and amortisation amounted to € 13,855 thousand, a decrease compared to the previous year (€ 15,559 thousand in 2024). The variance refers mainly to the amortisation of intangible assets.

Provisions and impairment showed a positive balance of € 738 thousand, compared with a negative balance of € 2,626 thousand in 2024, an improvement of € 3,364 thousand. Recurring impairment losses amounting to € 90 thousand (€ 827 thousand in 2024) relate to write-downs of intangible assets.

Adjusted EBIT was negative by € 8,565 thousand compared to a negative balance of € 7,589 thousand in 2024, with a negative change of € 976 thousand.

Non-recurring items amounting to € 2,978 thousand in 2025, € 1,818 thousand in 2024.

EBIT was negative in the amount of € 11,543 thousand, worsening by € 2,136 thousand compared to the loss of € 9,407 thousand in 2024.

As regards **financial operations**, financial expense amounted to € 3,797 thousand, improved compared to the figure for 2024 (€ 6,096 thousand).

Exchange rate risk management resulted in a positive balance of € 2,219 thousand, compared to a negative balance of € 1,910 thousand in the previous year.

Value adjustments to financial assets, the balance of which was negative for € 28,850 thousand (negative for € 3,128 thousand in 2024), are the result of impairment tests conducted on certain investments in shares of Biesse Group companies. Of particular note:

- write-down of the investment in the subsidiary Bavelloni S.p.A. for € 25,800 thousand;
- impairment of the investment in the subsidiary GMM S.p.A. for € 3,100 thousand;
- positive effect on the restoration fund surplus of the subsidiary Biesse Group Israel Ltd € 50 thousand liquidated at the beginning of 2025.

The item **dividends**, relating to the recognition during the year following distribution resolutions by some branches, amounted to € 23,413 thousand, broken down as follows:

- HSD S.p.A.: € 20,000 thousand;
- Biesse Iberica Woodworking Machinery s.l.: € 1,500 thousand;
- Biesse France Sarl: € 1,000 thousand;
- Biesse Group UK Ltd: € 913 thousand.

Pre-tax profit was negative at € 18,558 thousand, a decrease of € 22,057 thousand compared to 2024, when it was positive at € 3,499 thousand.

The balance of the **tax items** was positive for a total of € 3,352 thousand, compared with a positive result of € 3,131 thousand in the previous year.

The Company therefore reported a negative **result for the year of** € 15,206 thousand (positive for € 6,630 thousand in 2024).

STATEMENT OF FINANCIAL POSITION

	31 December 2025	31 December 2024
<i>Euro 000's</i>		
Intangible assets	23,738	26,913
Property, plant and equipment	50,977	60,074
Financial assets	174,514	197,319
Non-current assets	249,229	284,306
Inventories	79,402	77,704
Trade receivables and contract assets	94,026	109,993
Trade payables	(135,411)	(125,229)
Net operating working capital	38,017	62,468
Post-employment benefits	(6,001)	(7,166)
Provision for risk and charges	(15,313)	(21,379)
Other net payables	(11,019)	(27,975)
Net deferred tax assets	17,217	15,098
Other net liabilities	(15,116)	(41,422)
Net invested capital	272,130	305,352
Share capital	27,403	27,403
Profit for the previous year and other reserves	182,040	176,252
Result for the year	(15,206)	6,630
Non-controlling interests	-	-
Equity	188,389	210,285
Bank loans and borrowings and loans and borrowings fr	185,507	272,437
Other financial assets	(76,399)	(52,443)
Cash and cash equivalents	(25,367)	(124,927)
Net financial position	83,741	95,067
Total sources of funding	272,130	305,352

Net intangible assets decreased by € 3,175 thousand compared to 2024. During the financial year, there were increases of € 1,470 thousand, of which € 840 thousand related to capitalisation on R&D projects not yet completed and € 200 thousand to the purchase of a licence to use a patent. The decrease is due to the effect of amortisation of € 4,537 thousand and R&D projects of € 90 thousand.

As regards **property, plant and equipment**, the net value fell by € 9,097 thousand. In the reporting period, capital expenditure of € 3,953 thousand was made (€ 9,537 thousand in 2024), of which € 3,200 thousand related to investments in owned assets and € 753 thousand related to new rights-of-use contracts (IFRS 16). These investments mainly concern the refurbishment of the showroom area for € 1,191 thousand and the purchase of an automated warehouse for € 655 thousand. The remaining amount is related to the normal replacement of work tools necessary for ordinary production activities and extraordinary maintenance on buildings and plants.

During the year, there were decreases totalling € 2,501 thousand, of which € 803 thousand related to early terminations of existing lease agreements prior to their contractual expiry dates and € 1,205 thousand to the sale of a building and associated land, including the facilities, located in Codognè (TV), completed on 19 December by deed drawn up by Notary Salvatore Costantino; the sales amount amounted to € 1,300 thousand, generating a capital gain of € 95 thousand.

The decrease due to depreciation for the period amounts to € 6,454 thousand.

During the financial year, an agreement was signed to transfer the grinding wheel production division to the new wholly-owned subsidiary, Biesse Tooling S.r.l., resulting in a net decrease of € 1,250 thousand, of which € 1,231 thousand related to tangible fixed assets and € 19 thousand to intangible fixed assets.

Financial fixed assets of € 174,514 thousand decreased by € 22,805 thousand; The decrease is mainly attributable to financial investments in subsidiaries. The decreases are attributable to write-downs of € 28,900 thousand, net of increases for the period of € 6,143 thousand, the latter of which are attributable to the contribution of Biesse Tooling S.r.l. for € 2,076 thousand. Trigger events occurred on the equity investments in the subsidiaries Bavelloni S.p.A. and GMM S.p.A., as a result of which they were subjected to impairment tests that resulted in a total write-down of € 28,900 thousand.

Net operating working capital, compared with 31 December 2024, shows a decrease of € 24,451 thousand, mainly due to the decrease in trade receivables and the increase in trade payables, as well as a slight increase in inventories.

The item **other net assets/liabilities**, negative for € 15,116 thousand (negative for € 41,422 thousand in 2024), shows a decrease in total debt mainly attributable to the item "Other net payables/receivables". This decrease is attributable for € 16.9 million mainly to the recognition of receivables from certain subsidiaries following changes in shareholdings between Group companies due to the reorganisation and simplification of the Group structure and the accounting of the results of the national tax consolidation. Also noteworthy is the € 6 million decrease in provisions for risks and charges.

Net financial position

	31st December 2025	31st December 2024
<i>Euro 000's</i>		
Financial assets:	101,766	177,370
<i>Current financial assets</i>	<i>57,474</i>	<i>15,934</i>
<i>Cash and cash equivalents</i>	<i>25,367</i>	<i>124,927</i>
Short-term financial lease payables	(2,353)	(3,119)
Short-term bank loans and borrowings and loans from other financial backers	(42,103)	(73,481)
Short-term net financial position	3,623	9,186
Medium/Long-term financial lease payables	(1,721)	(4,352)
Medium/Long-term bank loans and borrowings	(85,597)	(99,800)
Trade payables and other medium/long-term payables	(46)	(101)
Medium/Long-term net financial position	(87,364)	(104,253)
Total net financial position	(83,741)	(95,067)

In the NFP statement at 31/12/2025, in application of the new provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob which refers to the ESMA Recommendations of 4 March 2021, trade payables due beyond 12 months were included.

The **Net Financial Position** as at 31 December 2025 was negative by approximately € 84 million, an improvement of approximately € 11 million compared with the previous year's figure, which was negative by approximately € 95 million. The decrease is mainly due to the collection of dividends for € 36.4 million, partially offset by investments in fixed assets for € 11 million, the purchase of treasury shares for € 6 million and the payment of dividends to shareholders for € 1 million. Operations drained cash amounting to € 2 million.

RELATED-PARTY TRANSACTIONS

As regards transactions with related parties, reference should be made to the notes to the separate financial statements of Biesse S.p.A..

OTHER INFORMATION

Finally, it should be noted that the Company does not own shares/stakes of parent companies nor did it own or trade them during 2025. There is therefore nothing to disclose for the purposes of Art. 2428, paragraph 2, sections 3 and 4 of the Italian Civil Code

EVENTS AFTER THE REPORTING DATE

Please refer to the information under *SIGNIFICANT EVENTS AFTER 31 DECEMBER 2025 AND OUTLOOK* in the Directors' Report on Operations of the consolidated financial statements.

PROPOSALS TO THE ORDINARY SHAREHOLDERS' MEETING

Dear Shareholders,

You are invited to approve the financial statements for the year ended 31 December 2025, with the present Directors' Report on Operations, as they stand.

The Board of Directors, having taken note of the economic and financial results achieved in the 2025 financial year, proposes not to allocate dividends to shareholders.

We therefore invite you to deliberate on covering the operating loss of € 15,206,361.27 by using the extraordinary reserve. Furthermore, it is proposed to withdraw € 673,808.74 from the latter to be allocated to the reserve for foreign exchange gains.

Pesaro, 13/03/2026

The Chairman of the Board of Directors

Roberto Selci

Consolidated Financial Statements as at 31 December 2025

Biesse S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

CONSOLIDATED INCOME STATEMENT

'Euro 000's	Note	31 December	
		2025	2024
Revenue	7	662,482	754,698
Other operating income	8	7,989	9,260
Change in inventories of finished goods and work in progress		7,573	(3,150)
Purchase of raw materials and consumables	9	(279,036)	(300,457)
Personnel expense	10	(230,073)	(247,263)
Depreciation, amortisation and impairment	11	(48,587)	(42,763)
Other operating costs	12	(137,054)	(155,430)
Operating profit		(16,705)	14,895
Share of profit of associates		-	-
Financial income	13	5,555	3,380
Financial expense	13	(7,643)	(6,928)
Income (expense) on foreign exchange	13	(1,061)	(3,378)
Pre-tax profit		(19,854)	7,969
Income taxes	27	284	(4,220)
Profit for the year		(19,570)	3,750
Attributable to:		-	-
Attributable to owners of the parent		(19,570)	3,750
Attributable to non-controlling interests		-	-
Earnings per share	14	(0.71)	0.14
Diluted (€/cents)	14	(0.71)	0.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Euro 000's</i>	Note	December	
		2025	2024
Result of the period		(19,570)	3,750
Translation differences of foreign operations	24	(10,753)	1,593
Income/(losses) on financial assets valuated at fair value OCI		219	257
Taxes on Income/(losses) on financial assets valuated at fair value OCI		(47)	(67)
Total items that may be reclassified to profit and loss of the year		(10,582)	1,783
Measurement of defined-benefit plans		287	55
Income taxes on items that will not be reclassified to profit and loss		(82)	(16)
Total items that will not be reclassified to profit or loss		205	39
Total comprehensive income for the year		(29,946)	5,572
Attributable to:			
Non-controlling interests		-	-
Owners of the parent		(29,946)	5,572

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ '000	Note	December 2025	December 2024
Property, plant and equipment	15, 16	135,101	137,923
Goodwill	17	61,473	72,083
Other intangible assets	18	46,905	56,692
Deferred tax assets	27	32,487	28,826
Other financial assets and receivables (including derivatives)	19	2,216	2,797
Other revceables	21	169	169
Total non current assets		278,351	298,491
Inventories	20	175,761	177,331
Trade receivables and contract assets	21	101,113	120,801
Other revceables	22	15,141	17,507
Other financial assets and receivables (including derivatives)	19	62,859	23,077
Cash and cash equivalents	23	69,112	181,012
Total current assets		423,986	519,727
TOTAL ASSETS		702,337	818,218

€ '000	Note	December 2025	December 2024
EQUITY AND LIABILITIES			
Share capital		27,403	27,403
Reserves		218,519	232,221
Result of the period		(19,570)	3,750
Equity attributable to the owners of the parent	24	226,352	263,373
Non-controlling interests		-	-
TOTAL EQUITY		226,352	263,373
Financial liabilities	16, 25	103,152	119,426
Post-employment benefits	26	11,120	11,860
Deferred tax liabilities	27	12,407	15,311
Other liabilities	28	118	176
Total non current liabilities	31	126,797	146,773
Financial liabilities	16, 25	53,199	88,963
Provisions for risks and charges	28	26,694	33,318
Trade payables	29	139,695	120,937
Contract liabilities	30	69,419	99,572
Other liabilities	31	57,968	63,286
Income tax liability	27	2,212	1,996
Total Current liabilities		349,187	408,072
LIABILITIES		475,984	554,845
TOTAL EQUITY AND LIABILITIES		702,337	818,218

CONSOLIDATED STATEMENT OF CASH FLOWS

€ '000	Note	December 2025	2024
OPERATING ACTIVITY			
Result for the year		(19,570)	3,750
Change for:			
Income taxes	27	(284)	4,220
Depreciation and amortisation of current and non-current owned assets	11	24,128	24,651
Depreciation and amortisation of current assets in leasing	11	10,971	11,977
Gains/losses from sales of property, plant and equipment		(607)	(1,448)
Impairment losses on intangible assets	11	11,748	827
Accrual to post-employment benefits		3,156	7,693
Income from investment activities		(476)	(623)
Net Financial expense		3,358	6,852
SUBTOTAL OPERATING ACTIVITIES		32,424	57,898
Change in trade receivables and contract assets		14,755	11,265
Change in inventories		(7,016)	34,262
Change in trade payables and contract liabilities		(5,536)	(57,531)
Change in post-employment benefits and in others funds		(7,665)	(12,322)
Other changes in operating assets and liabilities		1,611	(6,330)
Cash flow Cash flow generated / (absorbed) by operating activities		28,574	27,242
Tax paid		(6,126)	(9,601)
Interest paid		(2,517)	(3,346)
NET CASH FLOWS FROM OPERATING ACTIVITIES		19,931	14,296
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	15	(19,169)	(16,355)
Proceeds from sale of property, plant and equipment		1,798	3,092
Acquisition of intangible assets	18	(1,630)	(3,148)
Proceeds from sale of intangible assets			194
Investments in other companies			2
Cash flow from acquisition of business combinations		(3,207)	(52,988)
Cash flow from sale of business combinations			(1,638)
Change in other financial assets		(40,414)	(5,774)
Interest/income received from investment activities		476	477
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(62,145)	(76,137)
FINANCING ACTIVITIES			
Loan refunds	25	(46,928)	52,211
New bank loans	25		99,800
Finance lease payments	16, 25	(11,068)	(11,357)
Acquisition of additional controlling interest			852
Other changes		(138)	(21)
Acquisition of own shares		(5,848)	0
Dividend paid		(1,089)	(3,846)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(65,071)	137,638
NET INCREASE\DECREASE) IN CASH AND CASH EQUIVALENTS		(107,286)	75,797
CASH AND CASH EQUIVALENTS AS AT 1st January	23	181,012	104,473
Effect of exchange rate fluctuations on cash held		(4,615)	742
CASH AND CASH EQUIVALENTS AS AT 31th December	23	69,112	181,012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euro 000's	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT										TOTAL EQUITY
	Note	Share Capital	Equity reserves	Hedging and translation reserves	Actuarial reserve	Financial asset OCI reserve	Others reserves	Result for the year	Equity attributable to the owners of the parent	Non Controlling Interests	
Opening balances at 01/01/2024	24	27,403	36,202	(15,204)	(4,392)	(32)	204,989	12,483	261,448	0	261,448
Other comprehensive income				1,593	39	190			1,822		1,822
Result for the year 31.12.2023								3,750	3,750		3,750
Total comprehensive income/expense for the year				1,593	39	190		3,750	5,572		5,572
Dividends distribution								(3,836)	(3,836)		(3,836)
Allocation of profit for the previous year							8,647	(8,647)			
Transactions with minority shareholders											
Other changes							190		190		190
Closing balances at 31/12/2024	24	27,403	36,202	(13,611)	(4,354)	158	213,826	3,750	263,373	0	263,373

'Euro 000's	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT											
	Note	Share Capital	Equity reserves	Hedging and translation reserves	Actuarial reserve	Finalcial asset OCI reserve	Others reserves	Result for the year	Own shares	Equity attributable to the owners of the parent	Non Controlling Interests	TOTAL EQUITY
Opening balances at 01/01/2025	24	27,403	36,202	(13,611)	(4,354)	158	213,826	3,750	0	263,373	0	263,373
Other comprehensive income				(10,753)	205	171				(10,376)		(10,376)
Result for the year 31.12.2024								(19,570)		(19,570)		(19,570)
Total comprehensive income/expense for the year				(10,753)	205	171		(19,570)		(29,946)		(29,946)
Dividends distribution								(1,089)		(1,089)		(1,089)
Allocation of profit for the previous year							2,661	(2,661)				
Transactions with minority shareholders									(5,848)	(5,848)		(5,848)
Other changes							(138)			(138)		(138)
Closing balances at 31/12/2025	24	27,403	36,202	(24,364)	(4,148)	329	216,349	(19,570)	(5,848)	226,352	0	226,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The subject preparing the financial statements

Biesse S.p.A. (hereinafter the 'Company' or the 'Parent Company') is an Italian company, with registered office in Pesaro, Via della Meccanica 16.

The Biesse group (hereinafter the 'Group') operates in the mechanical engineering sector and is fully controlled by BI.Fin. S.r.l., a company active in the production and sale of machinery and systems for working wood, glass and stone. Biesse S.p.A. is listed on the Milan Stock Exchange in the Euronext Star segment.

The Consolidated Financial Statements at 31 December 2025 include the financial statements of Biesse S.p.A. and its subsidiaries, over which it directly or indirectly exercises control (hereinafter the "Group"). The draft consolidated financial statements as at 31 December 2025 were submitted to the Board of Directors on 13 March 2026.

Reporting criteria

The currency in which the Financial Statements are presented is the Euro. Balances are expressed in thousands of Euros, unless otherwise stated. It should also be noted that some differences might be found in tables due to the rounding of values shown in thousands of Euro.

Scope of consolidation

The consolidated statement of financial position and income statement as at 31 December 2025 include the financial statements of the Parent company Biesse S.p.A. and of its subsidiaries, which are listed below.

List of companies consolidated on a line-by-line basis

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse group
<i>Parent Company</i>						
Biesse S.p.A. Via della Meccanica, 16 Chiusa di Ginestreto (PU) - Italy	EUR	27,402,593				
<i>Italian subsidiaries:</i>						
HSD S.p.A. Via della Meccanica, 16 Chiusa di Ginestreto (PU) - Italy	EUR	1,141,490	100%			100%
Biesse Tooling S.r.l. Via della Meccanica, 16 Chiusa di Ginestreto (PU) - Italy	EUR	50,000	100%			100%
Gmm S.p.a. Via Nuova 155/B Gravellona Toce (VB) - Italy	EUR	1,000,000	100%			100%
Bavelloni S.p.A. Via Giulio Natta 16 Lentate sul Seveso (MB) - Italy	EUR	2,000,000	100%			100%
Mectoce S.r.l. Via Nuova 155/B Gravellona Toce (VB) - Italy	EUR	62,500		100%	GMM S.p.A.	100%
<i>Foreign subsidiaries:</i>						
Biesse America Inc. 4110 Meadow Oak Drive Charlotte, North Carolina - USA	USD	11,500,000	100%			100%

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
Biesse Canada Inc. 18005 Rue Lapointe – Mirabel (Quebec) – Canada	CAD	180,000	100%			100%
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda Rua Liege 122 - Vila Vermelha - Sao Paulo - Brazil	BRL	45,311,833	100%			100%
Biesse Group UK Ltd. Lamport Drive – Daventry Northamptonshire – Great Britain	GBP	655,019	100%			100%
Biesse France Sas 4, Chemin de Moninsable Brignais - France	EUR	1,244,000	100%			100%
Biesse Group Deutschland GmbH Gewerberstrasse, 6 Elchingen (Ulm) - Germany	EUR	1,432,600	100%			100%
Biesse Schweiz GmbH Luzernerstrasse 26 6294 Ermensee – Switzerland	CHF	100,000		100%	Biesse Deutschland GmbH	100%
Biesse Iberica Woodworking Machinery s.l. C/De La Imaginació, 14 Poligon Ind. La Marina – Gavà Barcelona – Spain	EUR	699,646	100%			100%
Biesse Portugal, Unipessoal, Ida. Sintra Business Park, 1, São Pedro de Penaferrim – Sintra – Portugal	EUR	5,000		100%	Biesse Iberica W. M. s.l.	100%
Biesse Group Australia Pty Ltd. 3 Widemere Road Wetherill Park – Sydney – Australia	AUD	15,046,547	100%			100%
Biesse Group New Zealand Ltd. Unit B, 13 Vogler Drive Manukau – Auckland – New Zealand	NZD	3,415,665	100%			100%
Biesse India Private Limited Jakkasandra Village, Sondekoppa rd. Nelamanga Taluk – Bangalore – India	INR	721,932,182	100%			100%
Biesse Asia Pte. Ltd. Zagro Global Hub 5 Woodlands Terr. – Singapore	EUR	1,548,927	100%			100%
Biesse Indonesia Pt. Jl. Kh.Mas Mansyur 121 – Jakarta – Indonesia	IDR	2,500,000,000	10%	90%	Biesse Asia Pte. Ltd.	100%
Biesse Malaysia SDN BHD No. 5, Jalan TPP3 47130 Puchong - Selangor, Malaysia	EUR	1,435,704		100%	Biesse Asia Pte. Ltd.	100%
Biesse Korea LLC Geomdan Industrial Estate, Oryu-Dong, Seo-Gu – Incheon – South Korea	KRW	500,000,000		100%	Biesse Asia Pte. Ltd.	100%
Biesse (HK) Ltd. Room 1530, 15/F, Langham Place, 8 Argyle Street, Mongkok, Kowloon – Hong Kong	HKD	203,263,887	100%			100%
Biesse Trading (Shanghai) Co. Ltd. Room 301, No.228, Jiang Chang No. 3 Road, Zha Bei District, – Shanghai – China	RMB	118,581,740		100%	Biesse (HK) Ltd.	100%
Biesse Turkey Makine Ticaret Ve Sanayi A.S. Şerifali Mah. Bayraktar Cad. Nutuk Sokak No:4 Ümraniye, Istanbul – Turkey	TRY	229,214,500	100%			100%
Biesse Kazakhstan LLP. 9th floor, "Baykonyr" business-center, 42 Abay ave., 050022, Almaty, Republic of Kazakhstan	KZT	94,300,000	100%			100%

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
Biesse Gulf FZE Dubai, free Trade Zone	AED	30,159,477	100%			100%
Biesse Taiwan Ltd. 6F-5, No. 188, Sec. 5, Nanking E. Rd., Taipei City 105, Taiwan (ROC)	TWD	500,000		100%	Biesse Asia Pte Ltd.	100%
Biesse Japan K.K. C/O Mazars Japan K.K., ATT New Tower 11F, 2-11-7, Akasaka, Minato-ku, Tokyo	JPY	5,000,000		100%	Biesse Asia Pte Ltd.	100%
HSD Mechatronic (Shanghai) Co. Ltd. D2, 1 st floor, 207 Taiguroad, Waigaoqiao Free Trade Zone – Shanghai – China	RMB	2,118,319		100%	Hsd S.p.A.	100%
Hsd Usa Inc. 3764 SW 30 th Avenue – Hollywood, Florida – USA	USD	250,000		100%	Hsd S.p.A.	100%
HSD Deutschland GmbH Brückenstrasse, 2 – Gingen – Germany	EUR	25,000		100%	Hsd S.p.A.	100%
Gmm Steinbearbeitungsmaschinen GmbH Karlshöhlchen 6 76872 Freckenfeld – Germany	EUR	100,000		100%	GMM S.p.A.	100%
Gmm Usa Inc. 8610 Airpark West Drive Suite 100, Charlotte – USA	USD	182,283		100%	GMM S.p.A.	100%
Gmm International Ltd. Unit 1717, New Tech Plaza, 34 Tai Yau Street, Kowloon – HONG KONG	CNY	156,386		100%	GMM S.p.A.	100%
Waterjet Production Academy GmbH Zeppelinstrasse 7a – Karlsruhe – Germany	EUR	25,000		100%	GMM S.p.A.	100%
Techni Waterjet Pty. Ltd. 47 Barry road – Campbellfield (Victoria) – Australia	AUD	441,001		100%	Biesse Group Australia Pty Ltd.	100%
Biesse Thailand Ltd. 300/21 Moo 1, Tambol Tasith – Ampur Pluakdaeng, Rayong – Thailand	THB	15,000,000		100%	Biesse Asia Pte. Ltd.	100%
Techni Waterjet LLC. 8610 Air Park West Drivesuite 100 Charlotte – Usa	USD	2,150,000		100%	Biesse America Inc.	100%
Bavelloni America Inc. 4361 Federal Drive Suite 160 – Greensboro – Usa	USD	200,000		100%	Bavelloni S.p.a.	100%
Z. Bavelloni Mèxico Sa de CV Privada calle nr.30 no.2646 zona industrial – Guadalajara – Mexico	MXN	390,405		100%	Bavelloni S.p.a.	100%

Compared to the consolidated financial statements for the year ended 31 December 2024, the scope of the Biesse Group has changed as a result of the liquidation of the subsidiary Biesse Group Israel Ltd. on 4 February 2025, the subsidiary HSD Mechatronic Korea on 9 July and the subsidiary Bavelloni France Sasu on 31 July.

In addition to the above transactions, the Group's scope of consolidation was further modified by the following transfers: the transfer of 100% of the investment in Biesse Thailand Ltd. (formerly Techni Waterjet Ltd.) from the Australian subsidiary Techni Waterjet Pty Ltd. to the subsidiary Biesse Asia Pte Ltd. Singapore, which took place on 14 March 2025, the transfer of 100% of the shareholding of Techni Waterjet Pty Ltd. from the subsidiary GMM S.p.A. to the subsidiary Biesse Australia Ltd. which took place on 1 July 2025 and the transfer of 100% of the shareholding of Techni Waterjet LLC from the Australian subsidiary Techni Waterjet Pty Ltd. to the subsidiary Biesse America Inc. which also took place on 1 July 2025. It should be noted that these disposal transactions, since they occurred within the Group, have no impact on the consolidated financial statements.

Finally, it should be noted that on 31 October 2025, the subsidiary Bavelloni do Brasil comércio de máquinas LTDA merged with Biesse Brasil comércio e indústria de máquinas e equipamentos Ltda (its affiliate and subsidiary of Biesse S.p.A.), with accounting and tax effect from 1 November 2025. Please note that this merger has no accounting effects on the consolidated financial statements.

2. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND GENERAL STANDARDS

The consolidated financial statements as at 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union, as well as with the implementing provisions issued pursuant to Art. 9 of Italian Law Decree 38/2005 and the Consob regulations and provisions regarding financial statements.

The financial statements have been prepared on the historical cost basis, with the exception of derivative financial instruments, held-for-sale financial assets and financial instruments classified as available for sale, which are measured at fair value.

The Directors believe that, due to the financial strength of the Biesse group and the Company's forecasts for the foreseeable future, there are no uncertainties, as defined by paragraph 25 of IAS 1, regarding the going concern assumption.

This disclosure was prepared in compliance with the provisions of Consob (Commissione Nazionale per le Società e la Borsa – the regulatory authority for the Italian securities' market), with particular reference to resolutions No. 15519 and 15520 of 27 July 2006 and to communication No. DEM6064293 of 28 July 2006. It should be noted that, with reference to said Consob Resolution No. 15519 of 27 July 2006 on the format of financial statements, specific additional statements of income and of financial position were included, highlighting significant related-party transactions, so as to improve the readability of the information. With reference to the consolidated statement of cash flows, transactions with related parties refer to trade receivables and payables, other receivables and payables, and the distribution of dividends. As far as the consolidated statement of comprehensive income is concerned, no transactions with related parties have been identified. In regard to the consolidated statement of changes in equity, transactions with related parties related to the distribution of dividends.

The accompanying consolidated financial statements of Biesse S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

Financial statements

All statements conform to the minimum content requirements set by the International Financial Reporting Standards and the applicable provisions laid down by national legislation and Consob. The statements used are considered adequate for fair presentation of the Biesse group's financial position, results of operations and cash flows. In particular, it is believed that the income statements reclassified by nature provide reliable and relevant information for a correct representation of the Biesse group's economic performance. The statements comprising the Financial Statements are:

Consolidated Income Statement

Expenses are classified based on their nature, highlighting interim results with respect to operating and pre-tax profit. Specifically, this operating result is defined as Profit (Loss) for the year before income taxes, financial income and expenses, and foreign exchange losses and gains. This indicator is not identified as an accounting measure under IFRS (NON-GAAP measures) and the determination criteria applied by the Biesse group may not be consistent with those adopted by other groups.

Consolidated Statement of Comprehensive Income

This statement includes the items that make up the profit or loss for the financial year. For each group of categories, it also shows income and expenses that have been recognised directly in equity pursuant to IFRSs.

Consolidated Statement of Financial Position

This statement shows a breakdown of current and non-current assets and liabilities.

An asset/liability is considered to be current when it satisfies any of the following criteria:

- it is expected to be recovered/settled or intended for sale or consumption in the Biesse group's

normal operating cycle

- it is held primarily to be traded
- it is expected to be recovered/settled within 12 months after the reporting date

In the absence of all three conditions, the assets/liabilities are classified as non-current.

Consolidated Statement of Changes in Equity

This statement shows the changes in equity items related to:

- the allocation of the Parent Company's and subsidiaries' profit/(loss) for the year to non-controlling interests;
- amounts relating to transactions with shareholders (purchase and sale of treasury shares);
- any gains or losses net of any tax effects which, as required by IFRSs, are either recognised directly in equity (gains or losses from trading of treasury shares, actuarial gains or losses arising from the measurement of defined-benefit plans) or have an offsetting entry under equity (share-based payments for stock option plans);
- changes in valuation reserves relating to derivative instruments hedging future cash flows, net of any tax effects.

Consolidated Statement of Cash Flows

The Statement of Cash Flows is prepared using the indirect method, whereby net profit (loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents recognised in the statement of cash flows include the balance of this item at the reporting date. Foreign currency cash flows have been translated at the average exchange rate for the period.

Interest and taxes paid are classified within operating activities, while interest and dividends received are presented within investing activities.

3. MEASUREMENT CRITERIA AND USE OF ESTIMATES

The preparation of the financial statements and related notes pursuant to IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosures relating to contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on historical experience and other factors deemed as material. Estimates and assumptions are reviewed on an ongoing basis and the effect of any resulting changes is reflected in the income statement in the reporting period in which the estimates are reviewed if the review affects only that reporting period, or also in subsequent reporting periods if the review affects both the current year and future years.

A summary follows of the critical judgements and the key assumptions made by Management in applying the accounting standards with regard to the future and which may have a significant impact on the amounts recognised in the Biesse group financial statements or have the risk of resulting in material adjustments to the carrying amount of assets and liabilities in the following financial year.

Allowance for impairment

The allowance for impairment reflects Management's estimates of impairment losses on the portfolio of receivables due from end customers and the sales network. The estimate of the allowance for impairment is based on losses expected by the Biesse group, calculated on the basis of past experience for similar receivables, current and historical overdue receivables, losses and collections, the careful monitoring of credit quality, and projections of economic and market conditions, also taking into account uncertainties related to significant events (as in the case of COVID-19) from a forward-looking perspective.

Allowance for inventory write-downs

The allowance for inventory write-downs reflects the Management's estimate of impairment losses expected by the Biesse group and is calculated on the basis of past experience as well as historical and expected trends in the market for second-hand equipment and spare parts, and any losses due to specific activities implemented by the companies included in the scope of consolidation.

Recoverable amount of non-current assets (including goodwill)

Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. When events and circumstances call for such review, management regularly reviews the carrying amount of non-current assets owned and used and of assets to be disposed of. For goodwill and intangible assets with an indefinite useful life, this analysis is carried out at least once a year and whenever events and circumstances so require. The analysis of the recoverability of non-current assets' carrying amount is generally performed using estimates of cash flows expected from the use or sale of the assets and appropriate discount rates to calculate their present value. When the carrying amount of a non-current asset is impaired, the Biesse group recognises an impairment loss equal to the difference between the carrying amount of the asset and the amount recoverable through its use or sale calculated with reference to the cash flows projections in the Biesse group's latest plans.

Product warranties

When a product is sold, the Biesse group provides for the relevant estimated warranty costs (annual and multi-year). Management establishes the amount of this provision based on historical information regarding the nature, frequency and average cost of repairs under warranty. The Biesse group is working to improve product quality and to minimise the cost of repairs under warranty.

Pension plans and other post-employment benefits

The provisions for employee benefits, the relevant assets, costs and net finance expenses are measured with an actuarial method that uses estimates and assumptions for measuring the net value of the liability or asset. The actuarial method considers financial variables such as, for instance, the discount rate or the long-term expected return on plan assets and the growth rates of salaries, and considers the probability that potential future events will occur using demographic variables such as, for instance, mortality rates and employee turnover or retirement rates.

More precisely, the discount rates taken as reference are the rates or rate curves on high-quality corporate bonds (Euro Composite AA interest-rate curve) in the respective reference markets. The expected return on assets is calculated based on the different data provided by experts on long-term expectations of capital market yields, inflation, current yield on bonds, and other variables. It may be adjusted to take account of the asset investment strategies. The rates of future salary increases reflect the Biesse group's long-term expectations for the reference markets and the trend in inflation. Any change in these variables may affect future contributions to the provisions.

Commercial, legal and tax disputes

The Biesse group is subject to possible legal and tax cases involving a wide range of issues that are subject to the jurisdiction of different states and possible commercial disputes. Owing to the uncertainties inherent to these issues, it is hard to estimate the outflow of resources that could arise from said disputes. The claims and disputes against the Biesse group frequently arise from complex and difficult legal issues, subject to varying degrees of uncertainty, including the facts and circumstances inherent to each case and the jurisdiction and the different laws applicable to each case. In the ordinary course of business, Management consults with its legal advisors and experts in legal and tax matters, as well as with the corporate functions most involved in cases of customer disputes. The Biesse group recognises a liability for said disputes when it seems probable that an outflow of financial resources will be required to settle the obligation, and the appropriate amount can be measured reliably, taking into account information related to historical trends. If a financial outlay becomes probable, but its amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Restructuring provision

The estimate of the provision for restructuring is made using the information available regarding the status and terms of negotiations with counterparties, as well as taking into account applicable laws and practices.

4. ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA ADOPTED

Main accounting standards adopted

The accounting standards adopted in the consolidated financial statements for the year ended 31 December 2025 have also been consistently applied to the comparative period, as the changes described in section 5.a) below “IFRS accounting standards, amendments and interpretations applied for the first time by the Biesse group as of 1 January 2024” had no effect.

The main accounting standards used to prepare these consolidated financial statements are shown below.

A. CONSOLIDATION CRITERIA

General standards

The consolidated financial statements as at 31 December 2024 include the financial statements of the Parent Company Biesse S.p.A. and of its subsidiaries. Control exists when the parent is exposed to variable returns deriving from its relationship with the entity, or has rights to such returns, while at the same time having the ability to influence those returns by exercising its power over the entity itself.

Financial statements of subsidiaries are included in the consolidated financial statements from the time when the parent begins to exercise control until the date on which such control ceases.

Where material differences arise, these financial statements are reclassified and adjusted as appropriate to conform to the accounting policies and measurement criteria adopted by the Parent Company. All Biesse group companies end their financial year on 31 December, except for the Indian subsidiary whose financial year ends on 31 March and which, as a result, is consolidated using specific interim financial statements as at 31 December.

The carrying amount of equity investments in consolidated companies is eliminated to offset the corresponding share of equity of the investees by attributing their fair value at the date of acquisition to the relevant individual assets or liabilities. Any residual difference, if positive, is included in non-current assets and, secondarily, in the goodwill item; if negative, it is recognised in the income statement.

The results of subsidiaries acquired or divested during the year are included in the consolidated income statement from the effective date of acquisition to the effective date of disposal.

Non-controlling interests in the acquiree are initially measured at their proportionate interest in the fair value of reported assets, liabilities and contingent liabilities.

Receivables and payables, income and expense, and gains and losses arising from intra-group transactions are eliminated. Capital gains and losses on intra-group sales of capital goods are eliminated where they are deemed to be material. Any share in net equity and profits attributable to third parties are recorded under the corresponding item of the financial statements.

Translation of foreign currency financial statements

The financial statements of companies whose functional currency is different from the presentation currency of the Consolidated Financial Statements (Euro) and that do not operate in countries with hyperinflationary economies, are translated as follows:

- a) assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at the closing exchange rate;
- b) income and expense are translated at the average exchange rate for the year, considered as a reasonable approximation of the exchange rate at the dates of the transactions.

It should be noted that with reference to the Turkish subsidiary, which operates in a country with a hyper-inflationary economy, the Biesse group has proceeded to translate income statement balances at the average exchange rate and balance sheet balances at the year-end spot exchange rate in consideration of the insignificance of the Turkish subsidiary's economic contribution to the Biesse group's income statement.

Exchange rate gains (losses) emerging from the conversion process are recorded in other comprehensive income and included under equity in the hedging and translation reserve.

On disposal of the economic entity that gave rise to exchange rate gains (losses), the cumulative amount of exchange differences recognised in a separate component of equity will be recognised in the income statement.

Shown below are the exchange rates used as at 31 December 2025 and 31 December 2024 for converting finance and equity entries in foreign currency (source www.bancaditalia.it). It should be noted that with

reference to the Chinese Renmimbi Yuan, the source 'China National Interbank funding Centre' was used for the conversion of income statement and balance sheet items as at 31 December 2025.

Currency	December 2025		December 2024	
	<i>Closing</i>	<i>Final</i>	<i>Closing</i>	<i>Final</i>
US Dollar / Euro	1.1300	1.1750	1.0824	1.0389
Brazilian Real / Euro	6.3072	6.4364	5.8283	6.4253
Canadian Dollar / Euro	1.5787	1.6088	1.4821	1.4948
Pound Sterling / Euro	0.8568	0.8726	0.8466	0.8292
Swedish Krone / Euro	11.0663	10.8215	11.4325	11.4590
Australian Dollar / Euro	1.7518	1.7581	1.6397	1.6772
New Zealand Dollar / Euro	1.9422	2.0380	1.7880	1.8532
Indian Rupee / Euro	98.5239	105.5965	90.5563	88.9335
Chinese Renmimbi Yuan / Euro	8.0965	8.2355	7.7885	7.5257
Swiss Franc / Euro	0.9370	0.9314	0.9526	0.9412
Indonesian Rupiah / Euro	18623.0600	19640.8300	17157.6800	16820.8800
Hong Kong Dollar /Euro	8.8104	9.1464	8.4454	8.0686
Malaysian Ringgit /Euro	4.8339	4.7682	4.9503	4.6454
South Korean Won /Euro	1605.4500	1696.9400	1475.4000	1532.1500
Turkish Lira/Euro	44.8161	50.4838	35.5734	36.7372
Russian Rouble/Euro	94.0522	92.0938	100.2801	106.1028
UAE Dirham/Euro	4.1499	4.3152	3.9750	3.8154
Taiwan Dollar/Euro	35.1488	36.8620	34.7483	34.0566
Japanese Yen/Euro	169.0435	184.0900	163.8519	163.0600
Israeli Shekel/Euro	3.8927	3.7471	4.0067	3.7885
Mexican Peso/Euro	21.6705	21.1180	19.8314	21.5504
Thai Baht/Euro	37.1160	37.2180	38.1810	35.6760
Tenge Kazakhstan/Euro	589.5300	592.3300	507.9100	544.9800
Singapore dollar/Euro	1.4756	1.5105	1.4458	1.4164

Business combinations

Business combinations are accounted for using the acquisition method. This method requires that the consideration transferred in a business combination be measured at fair value, calculated as the sum of the acquisition-date fair value of the assets transferred and the liabilities assumed and the equity instruments issued by the Biesse group in exchange for control of the acquiree. Transaction-related ancillary charges are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at fair value at the acquisition date. The following items, which are valued in accordance with their reference principle, are an exception:

- deferred tax assets and liabilities;
- employee benefits assets and liabilities;
- liabilities or equity instruments relating to share-based payments of the acquiree or Biesse group-related share-based payments issued in exchange for contracts of the acquiree;
- assets held for sale and Discontinued Operations.

In accordance with IFRS 3 (Business Combinations), goodwill is recognised at the date the Group obtains control of a business, and is measured as the excess of (a) over (b) in the following way:

- a) the aggregate of:
 - the consideration transferred (measured in accordance with IFRS 3, i.e. generally determined on the basis of the acquisition-date fair value);
 - the amount of any non-controlling interest in the acquiree measured in proportion to the non-controlling interest's share in the recognised amounts of the acquiree's identifiable net assets

measured at their fair value;

- in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree;
- b) the fair value of the identifiable assets acquired, net of the identifiable liabilities and contingent liabilities assumed, at the date control is obtained.

IFRS 3 also requires:

- recognition in profit or loss of ancillary costs relating to the business combination;
- in a business combination achieved in stages, the acquirer shall remeasure its previously held equity investment in the acquiree at the acquisition-date fair value, and separately recognise the resulting gain or loss, if any, in profit or loss for the year.

Any considerations subject to conditions set out in the business combination contract are measured at the acquisition-date fair value and included in the consideration paid during the business combination in order to determine goodwill. Any subsequent changes in this fair value, classifiable as measurement period adjustments, are included retrospectively in goodwill. Changes in fair value, classifiable as measurement period adjustments, are those deriving from additional information about facts and circumstances that existed at the acquisition date, obtained during the measurement period (which shall not exceed one year from the date of the business combination).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurred, the Biesse group recognises the provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the amounts of the assets and liabilities recognised as of that date.

As of 1 January 2020, with respect to business combinations and asset acquisitions, the Biesse group applies the new requirements issued by the IASB regarding the definition of a business. In particular, to meet the definition of a business, an integrated set of activities/processes and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output.

B. FOREIGN CURRENCY TRANSACTIONS

All transactions are accounted for in the functional currency of the primary economic environment in which each company of the Biesse group operates. Transactions denominated in currencies other than the functional currency of the Biesse group's companies are initially translated into the functional currency using the exchange rate at the date of the transaction. Subsequently, monetary assets and liabilities (defined by IAS 21 as assets or liabilities held for collection or payment, where the amount is set in advance or able to be established) are translated using the closing rate; non-monetary assets and liabilities, which are valued at historical cost in foreign currencies, are translated using the exchange rate at the date of the transaction; and non-monetary assets and liabilities, which are measured at fair value in a foreign currency, are translated at the effective exchange rate at the date of determination of fair value.

Exchange rate gains or losses arising from conversion are recognised in profit or loss for the year.

To hedge its exposure to currency risk, the Biesse group has entered into some forward and option contracts (see below the Biesse group's accounting policies relating to these derivative instruments).

C. REVENUE RECOGNITION

Revenue from the sales of goods and services is recognised when the effective transfer of control to the customer takes place. For these purposes, the Biesse group analyses the contracts signed with customers in order to identify the contractual obligations, which may involve the transfer of goods or services, and the possible existence of a number of elements to be recognised separately. In the presence of single contract including a number of services, the Biesse group determines the amount referring to each of the services. The method of recognising revenue from sales of goods and services depends on how the individual services are performed: performance at a given time or performance over time. In the former case, revenue is recognised when the customer obtains control of the good or service, a moment which is influenced by the delivery conditions envisaged by the contract. In the case of obligations over time, depending on the characteristics of the underlying service, revenues are recorded linearly, over the term of the contract.

In reference to the main types of sales realised by the Biesse group, the recognition of revenue takes place on the basis of the following criteria:

- a) Sales of machines and systems: revenue is generally recognised when the machine is delivered to the customer, which normally coincides with the moment when the customer obtains control of the good. The advances obtained from customers before completion of the sale are recorded as advances from customers, under the item Contract liabilities.
- b) Mechanical and electronic components, and other goods. The related revenue is recognised when the customer obtains control of the good, taking account of the delivery conditions agreed with the customer. Any advances paid by the customer before the sale of the good are recognised as such under Contract liabilities.
- c) Installation of machines and systems for machining wood, glass, stone and other materials. These are services generally sold together with the machines and systems as set out in point a) above, the revenue from which is recognised in the income statement over time on the basis of the progress of the service to be provided to the customer.
- d) Other services. These are services provided over time and the related revenue is consequently recognised in the income statement on a straight-line basis over the duration of the contract.

D. GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the entity will comply with all the conditions attaching to the grant and that the grant will be received. Grants are recognised in the income statement over the period in which the entity recognises as expense the related costs which the grants are intended to compensate.

For accounting purposes, a benefit arising from a government loan granted at a below-market rate of interest is treated as a government grant. This benefit is measured at the inception of the loan as the difference between the initial carrying amount of the loan (fair value plus any costs directly attributable to obtaining it) and the proceeds received, and it is subsequently recognised in the income statement in accordance with the regulations relating to the recognition of government grants.

E. EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits are recognised as costs as at the time when the service giving rise to those benefits is provided. The Biesse group recognises a liability for the amount that is expected to be paid when there is a current, legal or implicit obligation to make such payments due to past events, and it is possible to make a reliable estimate of the obligation.

Post-employment benefits

Provisions for post-employment benefits include the severance indemnity ("TFR") provision of the Parent Company and the pension funds of some foreign subsidiaries. The severance indemnity ("TFR") provision and some pension funds of subsidiaries are recorded in accordance with the arrangements of defined-benefit plans under IAS 19.

Provisions for defined-benefit plans are recorded at the expected future value of the benefits that employees will receive upon termination of employment. This obligation is determined on the basis of actuarial assumptions. The measurement is carried out at least annually, with the support of an independent actuary, and using the projected unit credit method. The actuarial method considers financial variables such as, for instance, the discount rate or the long-term expected return on plan assets and the growth rates of salaries, and considers the probability that potential future events will occur using demographic variables such as, for instance, mortality rates and employee turnover or retirement rates. More precisely, the discount rates taken as reference are the rates or rate curves on high-quality corporate bonds (Euro Composite AA interest-rate curve) in the respective reference markets. The rates of future salary increases reflect the Biesse group's long-term expectations for the reference markets and the trend in inflation.

Actuarial gains and losses that emerge following the revaluation of liabilities for defined-benefit plans are immediately recognised in other comprehensive income, while net interest and other costs relating to defined-benefit plans are recognised in the income statement.

Contributions to defined contribution plans are recognised as an expense in the income statement over the period in which the employees are employed. Contributions paid in advance are recognised as an asset to the extent that the prepayment will result in a reduction in future payments or a refund.

F. COSTS AND CHARGES

The costs relating to the purchase of goods and services are recognised when their amount can be measured reliably. Costs for the purchase of goods are recognised at the time of delivery, which, on the basis of the existing contracts, is the time when all related risks and rewards are transferred. Service costs are recognised on an accrual basis as the services are rendered.

G. FINANCE INCOME AND EXPENSE

Interest income and expenses are recorded in the income statement on an accrual basis, using the effective interest method. The effective interest method is a rate that accurately discounts expected future cash flows, based on the expected life of the financial instrument and the net carrying amount of the financial asset or liability.

H. INCOME TAXES

Taxes are recognised in the income statement, with the exception of those relating to transactions recognised directly in equity, in which case the related effect is also recognised in equity. Income taxes include current tax and deferred tax assets and liabilities.

Current taxes are recognised on the basis of the estimated amount that the Biesse group expects to have to pay, calculated by applying to the tax base of each company in the Biesse group the applicable tax rate at the reporting date in force in the respective countries. Income taxes relating to dividend distribution are recognised when a liability to pay the dividend is recognised.

Deferred tax assets and liabilities are stated using the liability method, i.e. they are calculated on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount for consolidated financial reporting purposes. Deferred tax assets and liabilities are not recognised on goodwill and on assets and liabilities that do not affect tax base.

Deferred tax assets are recognised only if the taxes are considered recoverable in the light of the expected taxable income of future years. The recoverability is assessed at the end of each reporting period, and any amount no longer likely to be recovered is recognised in the income statement.

The tax rates used in recognising deferred tax assets and liabilities are those expected to be in force in the relevant country in the tax period in which the temporary differences are expected to be realised or settled.

Offsetting between deferred tax assets and liabilities is only done for homogeneous positions, and if there is a legal right to offset current tax assets and liabilities; otherwise, assets and liabilities are recognised for such securities.

I. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit or loss attributable to the owners of the Parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing profit or loss attributable to the owners of the Parent by the weighted average number of shares outstanding, taking into account the effects of all potential dilutive ordinary shares.

J. PROPERTY, PLANT AND EQUIPMENT OWNED BY THE GROUP

Recognition and measurement

Items of property, plant and equipment owned by the Group are measured at acquisition or production cost, including ancillary charges, less any subsequent accumulated depreciation and any impairment losses.

Any financial charges incurred in the acquisition or construction of capitalised assets – where a certain period of time typically passes in making the asset ready for use or sale – are capitalised and depreciated over the life of the class of assets to which they refer. All other financial charges are recognised in the income statement during the financial year to which they refer.

If an item of property, plant and equipment owned by the Group consists of various items with different useful lives, those items are accounted for separately (if material).

Leasehold improvements are classified under property, plant and equipment in accordance with the nature of the cost incurred. The depreciation period is the shorter of the asset's residual useful life and the residual lease term.

Assets under construction are recorded at cost in "assets under construction" until their construction is complete. Once they become available for use, the cost is reclassified to the corresponding item line and becomes subject to depreciation.

The profit or loss generated by the sale of property, plant, machinery, equipment and other assets is determined as the difference between the net consideration received on disposal and the net residual value of the asset. It is recognised in the income statement for the year in which the sale takes place.

Subsequent costs

Costs incurred after assets are acquired as well as the costs associated with replacing various parts of assets in this category are added to the carrying amount of the item to which they refer and capitalised only when the inherent future economic benefit of the asset increases. In this case, the costs are also depreciated on the basis of the remaining useful life of the asset. All other costs are recognised in the income statement when incurred.

When the cost of replacing asset parts is capitalised, the residual value of the parts being replaced is charged to the income statement.

Depreciation

Depreciation periods start from when the asset is available for use, and end at either the date when the asset is classified as being held for sale in compliance with IFRS 5, or on the date on which useful life of the asset is concluded.

Any changes to the depreciation schedules only apply prospectively. The amount to be depreciated represents the original book value less the net expected disposal value of the asset at the end of its useful life when it is material and can be reasonably determined.

Depreciation amounts are determined by using special financial rates that correspond to the estimated useful life of each individual non-current asset. The annual rates applied by the Biesse group are as follows:

Category	Rate
Property	2% -3%
Plant and machinery	10% -20%
Equipment	12% - 25%
Furniture and fittings	12%
Office machinery	20%
Motor vehicles	25%

K. RIGHT OF USE AND LEASING LIABILITIES

In compliance with the provisions of IFRS 16, the Biesse group identifies as leases those contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration. The Biesse group has chosen to use the modified retroactive method, therefore the cumulative effect of IFRS 16 has been recognised as an adjustment to the opening balance as at 1 January 2019, date of first adoption of this standard.

For every lease, starting from its commencement date, the Biesse group records an asset (right-of-use asset) against a corresponding financial liability (lease liability), except for the following cases:

- short-term leases, i.e. those whose term is twelve months or less;
- low-value leases applied to situations in which the leased asset has a value of no more than Euro 5 thousand (value as new). The contracts for which the latter exemption has been applied fall mainly within the following categories: computers, phones and tablets, printers, other electronic devices, furniture and furnishings.

Therefore, for short-term and low-value contracts the financial lease liability and the corresponding right-of-use asset are not recognised, but the lease payments are charged to the income statement on a straight-line basis for the duration of their respective contracts.

In the case of a complex contract that includes a lease component, the latter is always managed separately compared to the other services included in the contract.

Lease liabilities

Lease liabilities are shown under Financial liabilities (current and non-current), together with other financial payables of the Biesse group.

On initial recognition, the lease liability is recognised at the present value of the lease payments to be settled determined using the interest rate implicit in the contract (i.e. the interest rate that makes the present value of the sum of the payments and the residual value equal to the sum of the fair value of the

underlying asset and the initial direct costs incurred by the Biesse group). Where this rate is not specified in the contract or is not easily determinable, the present value is determined using the incremental borrowing rate, i.e. the incremental interest rate that, in a similar economic context and in order to obtain an amount equal to the value of the right of use, the Biesse group would have recognised for a loan with similar duration and guarantees.

Discounted lease payments include fixed lease payments; fees that are variable due to an index or a rate; the redemption price, if any, and where the Biesse group is reasonably certain to use it; the amount of the payment envisaged in respect of any release of guarantees on the residual value of the asset; the amount of penalties to be paid in the event that early termination options are exercised, where the Biesse group is reasonably certain to exercise them.

After initial recognition, the lease liability is increased to reflect the interest accrued, determined on the basis of the amortised cost, and is decreased by the lease payments made.

In addition, the lease liability is remeasured to reflect any changes in leases or other situations envisaged by IFRS 16 which entail a change in the amount of the lease payments and/or term. In particular, given situations which entail a change in the estimate of the likelihood of exercise (or non-exercise) of the options for renewal or early termination of the lease or in the possible redemption (or non-redemption) of the asset upon expiry of the lease, the lease liability is remeasured by discounting the new value of the lease payments due on the basis of a new discount rate.

Right-of-use assets

Right-of-use assets are set out under “Property, plant and equipment” together with items of property, plant and equipment owned by the Group, and are broken down by category on the basis of the nature of the asset used through the lease.

At the time of initial recognition of the lease, the right-of-use asset is recognised at a value corresponding to the lease liability, determined as described above, plus the lease payments made in advance and ancillary costs and net of any incentives received. Where applicable, the initial value of the right-of-use asset also includes the related costs for decommissioning and restoring the area.

Situations entailing the remeasurement of the lease liability imply a corresponding change in the value of the right-of-use asset.

After initial recognition, the right-of-use asset is depreciated on a straight-line basis, as from the commencement date of the lease, and subject to write-down in the case of impairment.

Depreciation is provided over the shorter of the lease term and the useful life of the underlying asset. However, if the lease provides for the transfer of ownership, possibly also as a result of the use of redemption options included in the value of the right of use, depreciation is provided over the useful life of the asset.

L. INTANGIBLE ASSETS AND GOODWILL

Goodwill

Goodwill is an intangible asset with an indefinite useful life that arises from business combinations accounted for using the acquisition method. It is recognised as the positive difference between the acquisition cost and the Biesse group’s interest, having measured at fair value all other identifiable assets, liabilities and contingent liabilities attributable to both the Biesse group and non-controlling interests (full fair value method) at the acquisition date.

Goodwill is an intangible asset with an indefinite useful life, and is therefore not subject to amortisation. However, it remains subject to impairment test at least once a year, generally at the consolidated financial statements date, in order to verify that there has been no impairment loss, unless market or management indicators identified by the Biesse group suggest that the impairment test is necessary also when preparing interim reports.

Goodwill is measured by identifying the cash-generating units (CGUs) that benefit from the synergies of the acquisition. The cash flows are discounted at the cost of capital in relation to the specific risks of the unit.

Impairment losses are recognised in the income statement whenever the discounted cash flow calculation indicates that the recoverable amount of the CGU is lower than its carrying amount. Losses identified in this way are not subject to any subsequent reversal of impairment.

Development costs and other intangible assets

Intangible assets generated by developing Biesse group products are entered as assets only when the following requirements are met:

- the cost attributable to the asset during its development can be reliably measured;
- the product or process is feasible in both technical and commercial terms;
- future economic benefits are likely;
- the Biesse group has sufficient resources available and intends to complete the asset's development, and to use or sell the asset

These intangible assets are amortised on a straight-line basis over their useful lives. Whenever the above criteria are not met, development costs are recognised in the income statement for the financial year in which they are incurred.

Capitalised development costs are recognised at cost less accumulated amortisation and/or any accumulated impairment losses.

Research and development costs are recognised in the income statement as incurred.

Other intangible assets including trademarks, patents and licences, which have a finite useful life, are initially recognised at acquisition cost, and are systematically amortised on a straight-line basis over their useful life or over a period not exceeding that established by the underlying licence or purchase contract.

The annual rates applied by the Biesse group are as follows:

Category	Rate
Trademarks	10%
Patents	10% - 33.33%
Know-how	10%
Customer relationship	10%
Development costs	10% - 50%
Software and licences	20% - 25%

Subsequent costs

Subsequent costs are only capitalised when the expected future economic benefit that can be attributed to the corresponding asset increases. All other subsequent costs are recognised in the income statement as incurred.

M. FINANCIAL ASSETS AND LIABILITIES

Recognition and measurement

Trade receivables and issued debt securities are recognised at the time they originate. All other financial assets and liabilities are initially recognised on their trading date, i.e. when the Biesse group becomes a contractual party to the financial instrument.

Except for trade receivables which do not involve a significant financing component, financial assets are initially measured at fair value plus or minus – in the case of financial assets or liabilities not measured at FVTPL – the transaction costs directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables which do not have a significant financing component are measured at their transaction price.

Subsequent classification and measurement

Upon initial recognition, a financial asset is classified according to its valuation: amortised cost; fair value recognised in other comprehensive income (FVOCI) - debt securities; FVOCI – capital stock; or at fair value through profit/(loss) for the year (FVTPL).

Financial assets are not reclassified after their initial recognition unless the Biesse group changes its business model to manage financial assets. In this case, all affected financial assets are reclassified on the first day of the first year following the change of the business model.

A financial asset must be measured at amortised cost if both the following conditions are met and it is not measured at FVTPL:

- the financial asset is held as part of a business model whose objective is the possession of financial assets aimed at collecting the relevant contractual cash flows; and
- the contractual terms of the financial asset include cash flows on certain dates consisting solely of payments of principal and interest on the principal amount to be repaid.

A financial asset must be measured at FVOCI if both the following conditions are met and it is not measured at FVTPL:

- the financial asset is held as part of a business model whose objective is achieved by both collecting the contractual cash flows and by selling the financial assets; and
- the contractual terms of the financial asset include cash flows on certain dates consisting solely of payments of principal and interest on the principal amount to be repaid.

At the time of initial recognition of an equity security not held for trading purposes, the Biesse group can make the irrevocable decision to report subsequent changes in fair value through other comprehensive income. This choice is made for each asset.

All financial assets not classified as measured at amortised cost or at FVOCI, as indicated above, are measured at FVTPL. All derivative financial instruments are included. At the time of initial recognition, the Biesse group can irrevocably report the financial asset as measured at fair value through profit or loss for the year if this eliminates or significantly reduces an accounting mismatch that would otherwise result from the measurement of the financial asset at amortised cost or at FVOCI.

For the purposes of measurement, “principal” is the fair value of the financial asset at the time of initial recognition while “interest” is the compensation for the time value of money as well as for the credit risk associated with the amount of principal to be repaid during a given period of time and for other risks and basic costs related to the loan (for example, liquidity risk and administrative costs) as well as for the profit margin.

In assessing whether the contractual cash flows are represented solely by payments of principal and interest, the Biesse group considers the contractual terms of the instrument. Therefore, it evaluates, among other items, whether the financial asset contains a contractual clause that modifies the timing or the amount of the contractual cash flows such as to not satisfy the following condition. For measurement purposes, the Biesse group considers:

- contingent events that would change the timing or amount of financial flows;
- clauses that could adjust the contractual coupon rate, including variable rate items;
- advance payments and extensions; and
- clauses that limit requests for cash flows by the Biesse group from specific activities (for example, items without recourse).

The advance payment element is in line with the criterion of “cash flows represented solely by payments of principal and interest” if the amount of the advance payment substantially consists of principal amounts due and the interest accrued on the principal amount to be repaid, which may include reasonable additional compensation for the early termination of the contract. In addition, in the case of a financial asset acquired with a premium or at a significant discount on the contractual nominal amount, any element that allows or requires an advance payment equal to an amount that substantially represents the nominal contractual amount plus the contractual interest which was accrued (but not paid) (which may include reasonable additional compensation for the early termination of the contract) is recognised in accordance with this criterion if the fair value of the advance payment element is not significant at the time of initial recognition.

Financial liabilities are measured at amortised cost or at FVTPL. A financial liability is classified at FVTPL when it is held for trading, or is a derivative or is designated as such at the time of initial recognition. Financial liabilities at FVTPL are measured at fair value and any changes, including payable interest, are recognised in profit/(loss) for the year. Other financial liabilities are subsequently measured at amortised cost by using the effective interest method. Payable interest and exchange rate gains/(losses) are recognised in profit/(loss) for the year, as are any profits or losses deriving from derecognition.

Impairment of financial assets

At the end of each reporting period, the Biesse group recognises an allowance for expected losses on trade receivables, contract assets and other financial assets measured at amortised cost; For these purposes,

the Biesse group uses an impairment model based on expected credit losses. Provisions to the allowance for impairment are made on the basis of specific assessments of expired credit positions and positions due to expire, and the amount of the relevant provisions is determined on the basis of the current value of the estimated recoverable flows, after taking into account the related recovery costs and the fair value of any collaterals given to the Biesse group. With respect to other receivables, provisions are determined on the basis of information updated as at the financial statement date, taking account both of past experience and of losses expected over the life of the receivable.

The value of trade receivables, contract assets and other financial assets is shown in the financial statements net of the relevant allowance for impairment, while impairment losses are recognised in the income statement under “Amortisation, depreciation, impairment and provisions”.

Derecognition

Financial assets are derecognised from the financial statements when the contractual rights to the cash flows deriving from them expire, or when the contractual rights to receive the cash flows as part of a transaction in which substantially all the risks and benefits derive from ownership of the financial asset are transferred, or when the Biesse group neither transfers or substantially maintains all the risks and benefits deriving from ownership of the financial asset and does not maintain control of the financial asset.

The Biesse group is involved in transactions that involve the transfer of assets recognised in the statement of financial position, but retains all or substantially all the risks and benefits deriving from the transferred asset. In these cases, the transferred assets are not derecognised.

The Biesse group derecognises a financial liability when the obligation specified in the contract has been fulfilled or cancelled or has expired. The Biesse group derecognises a financial liability even if the related contractual terms change and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised at fair value on the basis of the modified contractual terms.

The difference between the carrying amount of the derecognised financial liability and the amount paid (including assets not represented by transferred liquid funds or assumed liabilities) is recognised in profit/(loss) for the year.

N. PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recorded where there are legal or implicit, contractual or otherwise obligations towards third parties, deriving from past events, which are likely to require an outlay of resources whose amount can be reliably estimated.

Whenever it is estimated that these obligations will mature after twelve months and that the related effects will be material, they are discounted at a rate that reflects the time value of money and the risks specific to the recognised liability. In those cases, the increase in the provision due to the passage of time and any effect arising from a change in the discount rate are recognised as a finance expense. Any change in the estimate of provisions is reflected in profit or loss in the reporting period in which they arise.

Commercial, legal and tax disputes

The Biesse group is subject to legal and tax disputes falling under the jurisdiction of several states, in relation to which a liability is ascertained when it is considered probable that a financial outlay will occur, and the amount of the resulting losses can be reasonably estimated. If an outflow of financial resources becomes probable but its amount cannot be determined, this fact is reported in the notes to the financial statements.

In the normal course of business, Management monitors the status of litigation also with the support of its legal advisors and experts in legal and tax matters, as well as with the corporate functions most involved in matters of customer disputes.

Product warranties

The Biesse group allocates provisions to cover the estimated costs of providing warranty services on products sold. The provisions are determined based on a model that uses available historical information regarding the nature, frequency and cost of warranty actions, for the purpose of assigning estimated costs against the corresponding sales revenue.

O. INVENTORIES

Inventories are valued at the lesser of cost (determined using the weighted average cost method) and the net realisable value, namely, the estimated sale price less all estimated costs related to finalising the

goods, the cost of sales, and distribution costs that must be incurred in order to finalize the sale.

The cost comprises the cost of direct materials and, where appropriate, direct labour, general production overheads and other costs incurred in bringing the inventories to their present location and condition.

Obsolete and slow moving inventories are written down in relation to the possibility that they can be used or sold.

The allowance for inventory write-downs reflects Management's estimate of impairment losses expected by the Biesse group and is calculated on the basis of past experience as well as historical and expected trends in the market for second-hand equipment and spare parts, and any losses due to specific activities put into place by the Biesse group.

P. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank deposits and cash equivalents that can be liquidated within three months. Items included in cash and cash equivalents are measured at fair value, and any corresponding changes are recognised in profit or loss.

Q. SHARE CAPITAL

Share capital represents subscribed and paid-up capital. Any incremental costs that are directly attributable to issuing ordinary shares are recognised as a decrease in equity. Income tax relating to capital transaction costs are recognised in accordance with IAS 12.

As provided for under IAS 32, any treasury shares are recognised as a reduction in equity. Any consideration received from a subsequent sale or reissue of such treasury shares would then be recognised as an increase in equity. Gains and losses from trading, if any, are recognised under equity, net of tax effects.

R. IMPAIRMENT LOSSES ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At each reporting date, the Biesse group assesses whether any events or circumstances occurred that may impair the recoverable amount of property, plant and equipment and intangible assets with a finite useful life, and, if an indication of impairment exists, it estimates the recoverable amount of the assets in order to quantify the extent to which they are impaired.

Goodwill, other intangible assets with an indefinite useful life and intangible assets in progress are tested for impairment annually and whenever there is any indication of impairment.

The recoverability of the recognised amounts is tested by comparing the carrying amount with the higher of its fair value less costs to sell, where an active market exists, and the value in use. The value in use is determined based on the present value of the future cash flows expected to be derived from continuing use of an asset or group of assets and from its disposal at the end of its useful life.

The Directors determine the recoverable amount of goodwill by calculating the value in use for the cash-generating units to which goodwill is allocated. The Cash Generating Units have been defined as a group of similar assets that generate independent cash inflows through continuing use of the assets attributable to it. In line with the provisions of the reference accounting principles, and consistent with the business and organisational structure control methods, the Biesse group has identified 2 CGUs that correspond to the two Operating Sectors (Machinery and Systems and Mechatronics), consistently with the 2024 financial year.

Management makes several assumptions in calculating the present value of future cash flows, including estimates of future increases in sales, gross operating profit, operating expense, the growth rate of terminal values, investments, changes in working capital and the weighted average cost of capital (discount rate), taking account of the specific risks of the asset or of the cash-generating units. The expected cash flows used in the model are determined during the Biesse group's budgeting and planning processes and represent the best estimate, based on the Biesse group's budget, which is updated annually and reviewed by Strategic Management and approved by the Parent's Board of Directors, and based on the Biesse group's medium/long-term plan, which is updated periodically and also subject to approval.

The carrying amount attributed to the cash-generating unit is determined with reference to the consolidated statement of financial position by direct, where applicable, or indirect allocation criteria.

If the recoverable amount of a tangible or intangible asset (including goodwill) is less than the carrying amount, then the latter is reduced and it is adjusted to match the recoverable amount. This reduction reflects an impairment loss, which will be recognised in profit or loss.

Where there are indications that an impairment loss, recorded in previous years and relating to assets other than goodwill, may no longer exist or may have been reduced, then the recoverable amount of the asset is estimated anew. If the revised value is higher than the net carrying amount, the latter will be increased to match the recoverable amount. The reversal of the impairment loss cannot exceed the carrying amount that would have been determined (net of amortisation, depreciation and write-downs) if no impairment had been recognised in previous years.

The reversal of the impairment loss on an asset other than goodwill is recognised in profit or loss.

S. DIVIDENDS

Dividend and Interest Income

Dividend and interest income are recognised respectively:

- dividends, when the right to receive payment is determined (with credit at the time of the distribution resolution);
- interest, applying the effective interest rate method.

Dividends distributed

Dividends are recognised when the shareholders' right to receive payment arises, which normally corresponds to the date of the annual shareholders' meeting that resolves on the distribution of dividends.

Dividends distributable to Biesse group Shareholders are recognised as a movement in equity in the year in which they are approved by the Shareholders' Meeting.

5. ADOPTION OF NEW ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS

a) ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED AS OF 1 JANUARY 2025

The following accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union have been applied as of 1 January 2025.

- On 15 August 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 verify if one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the information to be provided in a supplementary note. The adoption of this amendment had no impact on the consolidated financial statements of the Group.

b) ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT YET ADOPTED IN ADVANCE BY THE GROUP AS AT 31 DECEMBER 2025

The following IFRS accounting standards, amendments and interpretations have been approved by the European Union but are not yet compulsorily applicable and were not adopted in advance by the Group as at 31 December 2025:

- On 30 May 2024, the IASB published the document '**Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**'. The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
 - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
 - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions.

With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.

The amendments will apply as of the financial statements for financial years beginning on or after 1 January 2026. The directors do not expect the adoption of this amendment to have a significant impact on the consolidated financial statements of the Group.

- On 18 December 2024, the IASB published an amendment entitled '**Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7**'. The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). On the basis of these contracts, the amount of electricity generated and purchased can vary 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 the "own use" requirements to this type of contract;
 - of the criteria for allowing such contracts to be accounted for as hedging instruments; and,
 - of new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The change will apply from 1 January 2026, but an early application is allowed. The directors do not expect the adoption of this amendment to have a significant impact on the consolidated financial statements of the Group.

- On 18 July 2024, the IASB published a document entitled "**Annual Improvements Volume 11**". The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The amended standards are:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and related guidance 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 the financial statements for financial years beginning on or after 1 January 2026. The directors do not expect the adoption of this amendment to have a significant impact on the consolidated financial statements of the Group.

c) **ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION AS AT 31 DECEMBER 2025**

At the reporting date, the relevant authorities of the European Union have not yet completed the necessary endorsement process for the adoption of the amendments and standards mentioned above.

- On 9 April 2024, the IASB published a new standard '**IFRS 18 Presentation and Disclosure in Financial Statements**', which will replace **IAS 1 Presentation of Financial Statements**. The new standard aims to improve the presentation of the financial statements, with particular reference to the income statement. In particular, the new standard requires:
 - the classification of revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
 - the presentation of two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).

The new standard also:

- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and,

- introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will enter into force on 1 January 2027, but earlier application is permitted. The Directors are currently assessing the possible effects of the introduction of this new standard on the consolidated financial statements of the Biesse group.

- On 9 May 2024, the IASB published a new standard **IFRS 19 Subsidiaries without Public Accountability: Disclosures**. The new standard introduces some simplifications with regard to the disclosure required by the IFRS Accounting Standard in the financial statements of a subsidiary that 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 accordance with IFRS.

The new standard will enter into force on 1 January 2027, but earlier application is permitted. This standard is not applicable to the consolidated financial statements of the group.

- On 13 November 2025, the IASB published a document entitled "**Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21**" which clarifies the conversion procedures for an entity whose presentation 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 translating its economic performance and financial position into the currency of a hyperinflationary economy; or,
 - is converting the economic results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy into the currency of a hyperinflationary economy.

The amendments will apply as of the financial statements for financial years beginning on or after 1 January 2027. The directors do not expect the adoption of this amendment to have an impact on the consolidated financial statements of the Group.

- On 30 January 2014, the IASB issued **IFRS 14 - Regulatory Deferral Accounts**, which allows an entity that is a first-time adopter of IFRS to continue to account for Rate-Regulated Activities in accordance with the previous accounting standards adopted. Since the Group is not a first-time adopter, this standard is not applicable

6. REVENUE AND ANALYSIS BY OPERATING SEGMENT AND GEOGRAPHICAL AREA

ANALYSIS BY OPERATING SEGMENT

IFRS 8 - Operating Segments - defines an operating segment as an entity:

- that engages in business activities generating both revenues and expenses;
- whose operating results are reviewed regularly by the chief decision maker; and
- for which discrete financial information is available.

In particular, the Biesse group monitors business performance based on the following two operating sectors, with no changes compared to what was already recorded in the previous year:

- Machines and Systems – production, distribution, installation, and after-sales service of wood, glass, stone, and advanced materials processing machines, grinders, tools, components, and systems;
- Mechatronics – production and distribution of industrial mechanical and electronic components.

Revenue

The information relating to the revenues of the Operating Segments mentioned above is as follows:

€ '000	31 December			
	2025	%	2024	%
Machines and Systems Division	611,673	92.3%	699,499	92.7%
Mechatronics Division	72,879	11.0%	76,465	10.1%
Inter-segment eliminations	(22,069)	-3.3%	(21,265)	-2.8%
Group Total	662,482	100.0%	754,698	100.0%

In 2025, net revenue from sales and services amounted to € 662,482 thousand, compared to € 754,698 thousand as at 31 December 2024, down by 12.2% compared to the previous year.

The breakdown of revenues by segment shows that the Machines and Systems segment remains the main segment of the Biesse Group, contributing 92.3% to consolidated revenues (92.7% in December 2024); sales decreased by 12.6%, from € 699,499 thousand at 31 December 2024 to € 611,673 thousand at 31 December 2025. The operating result for this segment fell from € 5,371 thousand to a loss of € 22,207 thousand, mainly due to a decline in sales volumes. The Mechatronics segment, in terms of revenues, recorded a decrease of 4.7% (going from € 76,465 thousand at 31 December 2024 to € 72,879 thousand at 31 December 2025), slightly increasing its contribution to consolidated revenues. The operating result for the Mechatronics segment fell from € 9,524 thousand to € 6,988 thousand.

Operating profit (loss)

The table below summarises the operating result by Segment as at 31 December 2025 and 31 December 2024:

December 2025				
€ '000	Machines and Systems	Mechatronics	Eliminations	Group Total
Total revenue	611,673	72,879	(22,069)	662,482
Operating profit of segment	(23,469)	6,988		(16,481)
Financial income and expenses				(3,373)
Pre-tax profit				(19,854)
Income taxes				284
Pre-tax profit				(19,570)

December 2024				
€ '000	Machines and Systems	Mechatronics	Eliminations	Group Total
Total revenue	699,499	76,465	(21,265)	754,698
Operating profit of segment	5,371	9,524	0	14,895
Financial income and expenses				(6,926)
Pre-tax profit				7,969
Income taxes				(4,220)
Profit for the year				3,750

Inventories

The following table shows an inventory breakdown by Operating Segment:

€ '000	Machines and Systems	Mechatronics	Group Total
2025	156,480	19,280	175,761
2024	159,163	18,168	177,331

This level of detail is in line with what is periodically analysed by Management at the level of internal reporting.

BREAKDOWN BY GEOGRAPHICAL AREA

Revenue

€ '000	2025	December %	2024	%
EMEA	414,225	62.5%	473,979	62.8%
AMERICAS	157,985	23.8%	180,697	23.9%
APAC	90,272	13.6%	100,022	13.3%
Group Total	662,482	100.0%	754,698	100.0%

The analysis of turnover by geographic area shows that the decrease is generalised across all areas, EMEA (Europe, Middle East and Africa) -12.6%, America -12.6% and APAC (Asia Pacific) -9.7% compared to the previous year. The EMEA area remains the Biesse group's reference area, closing with a turnover of € 414,225 thousand, representing 62.5% of the total (€ 473,979 thousand at 31 December 2024, representing 62.8% of the total).

7. REVENUE

Revenue from the sale of goods and services provided by the Biesse group as at 31 December 2025 are detailed below:

€ '000	December 2025	December 2024
Revenues from services	589,507	680,616
Revenues from services	71,905	73,088
Other revenues	1,070	995
Revenues	662,482	754,698

In 2025, revenue from sales and services amounted to € 662,482 thousand, compared € 754,698 thousand at 31 December 2024, down by 12.2% over the previous year, as analysed in note 6 above.

In line with the provisions of IFRS 15, the Biesse group considers the sale of the good as a performance obligation separate from ancillary services, which are accounted for separately.

8. OTHER INCOME

An analysis of the Biesse group's other income as at 31 December 2025 is as follows:

€ '000	31 December 2025	31 December 2024
Lease and rental income	118	276
Income-related grants	764	1,977
Gains on sales of assets	187	1,674
Other non-recurring income and prior year income	6,921	5,333
Total other operating income	7,989	9,260

The item "Government grants" refers to contributions for research provided by the European Commission and other bodies and contributions for the share of expertise relating to funded training courses. The amount is mainly attributable to Biesse S.p.A., for the following projects: € 249,000 for the current year relating to the funded project *Intelligence 5.0: from cyber-physical systems for the creation of 'self-aware' machine tools to innovative models of advanced industrial services*, application area *'Intelligent Factory'*; € 110 thousand allocated to two projects funded by the European Union. Contributions for training financed by Fondimpresa and Fondirigenti amount to a total of € 198 thousand.

The item "Capital gains from disposals" amounting to € 187 thousand is attributable for € 95 thousand to the proceeds from the sale of a building, with related facilities and land, located in Codognè (TV) by the parent company, which was completed on 19 December 2025; the remaining amounts are split between Biesse S.p.A. and its subsidiaries.

"Other income and contingent assets" are mainly attributable to the parent company, amounting to € 3,341, of which the portion pertaining to the year of the income from the R&D tax credit amounts to € 548 thousand, while the remainder refers to fragmented amounts on both Biesse S.p.A. and its subsidiaries.

9. CONSUMPTION OF RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

As at 31 December 2025, this item amounted to € 278,809 thousand, down 7.2% on the previous year (€ 300,457 thousand), partly due to the decline in sales. The item includes all supply costs related to production, and consists mainly of costs for the purchase of raw materials and spare parts and finished products of € 294,704 thousand, net of the recovery of raw material costs of € 15,880 thousand, and the negative change in raw material inventories of € 1,132 thousand and the positive change in spare parts inventories of € 1,460 thousand. For further details the change in this item, reference should be made to the Director's Report on Operations.

10. PERSONNEL EXPENSE

Personnel expense, which also includes temporary staff, is detailed below:

€ '000	2025	Decemer 2024
Wages, salaries and social security contributions	217,971	234,508
Accruals to pension plans	7,984	9,092
Other personnel expense	5,008	5,309
Reimbursements and capitalization of personnel costs	(890)	(1,646)
Personnel expense	230,073	247,263

Personnel expense fell from € 247,263 thousand at 31 December 2024 to € 230,073 thousand at 31 December 2025, a decrease of € 17,190 thousand, or 7.0%, compared to the previous financial year, mainly due to the reduction in headcount as a result of the restructuring process and the implementation of the solidarity scheme.

The change is mainly related to the component of wages, salaries and related social security costs (-7.1% compared to 2024) amounting to € 16,537 thousand) and lower capitalisation of personnel costs (-45.9% compared with 2024).

The number of employees, including agency workers, is set to fall from 3,972 as at 31 December 2024 to 3,663 as at 31 December 2025, a decrease of 309, mainly attributable to the corporate reorganisation process.

The item “reimbursements and capitalisation of personnel expense” entirely refers to capitalised costs for the development of new products, mainly attributable to the Parent company.

11. AMORTISATION, DEPRECIATION, IMPAIRMENT AND PROVISIONS

€ '000	December 2025	2024
Tangible amortization	24,219	24,364
Intangible amortization	10,881	12,264
Impairment of tangible or tangible assets	11,748	827
Provision	1,739	5,308
Amortizations, depreciation and provision	48,587	42,763

The item “Amortisation, depreciation, impairment and provisions” increased from € 42,763 thousand as at 31 December 2024 to € 48,587 thousand as at 31 December 2025, up by € 5,824 thousand compared to the previous year.

Depreciation and amortisation decreased by 4.2% overall (from € 36,628 thousand at 31 December 2024 to € 35,100 thousand at 31 December 2025). This change is mainly attributable to the decrease in depreciation and amortisation relating to intangible assets, which were subject to write-downs. For further details, please refer to note 18.

The item “Write-downs (revaluations) of property, plant and equipment and intangible assets” at 31 December 2025 refers to € 10,609 thousand for the write-down of goodwill allocated to the CGU Machinery and Systems. Please refer to note 17 for further details. The remaining amounts are spread across both Biesse S.p.A. and the other companies in the Group.

Provisions for the 2025 financial year (€ 1,739 thousand) are down compared to the 2024 financial year (€ 5,308 thousand). In the 2025 financial year, the balance of this item mainly consists of € 839 thousand from the adjustment of the corporate restructuring provision, future liabilities and legal disputes (non-recurring). The remainder of the item relates to the supplementary customer indemnity provision and the product warranty provision.

For further information on allowances for impairment and on the provision for risks and charges, please refer to notes 21 and 28 below, respectively.

12. OTHER OPERATING EXPENSE

The item Other operating expense of the Biesse group as at 31 December 2025 is detailed below:

€ '000	December	
	2025	2024
Production services	31,516	31,641
Maintenance	7,016	7,015
Sales commissions and transport	14,332	18,870
Consultancy fees	12,575	18,121
Utilities	6,520	7,108
Exhibitions and advertising	7,069	7,924
Insurance	2,790	2,718
Directors, statutory auditors and consultant's remuneration	2,860	2,626
Travel	17,138	20,562
Car costs	4,505	5,132
Property Taxes	5,882	6,408
Use of third party assets	1,661	1,643
Other services	23,190	25,662
Other operating costs	137,054	155,430

This item decreased by a total of € 18,376 thousand compared to 2024 (-11.8%), in line with the slowdown in production and sales trends.

Production services are essentially in line with last year, down by € 125 thousand. Commissions and transport on sales decreased by € 4,538 thousand (-24.1%). Consultancy services decreased by € 5,546 thousand (-30.6%), influenced by the completion of the integration process of the GMM group, which mainly accounted for the value of the previous year. Costs for trade fairs and advertising decreased by € 855 thousand (-10.8%). Staff travel and transfer costs decreased by € 3,424 thousand (-16.7%).

The item costs for the use of third-party assets includes rents for the year excluded from the application of IFRS 16 as they are of short duration or low value (€ 4,505 thousand), as better detailed in note 16 below.

As required by Art. 149-duodecies of the Consob Issuers' Regulations, details of the fees paid to the Independent Auditors and its network, which are included in the item Other operating expense, are provided below:

Services	Provider	Beneficiary	2025 Fees
Audit and quarterly reviews	Deloitte & Touche S.p.A.	Biesse S.p.A.	160
	Deloitte & Touche S.p.A.	Subsidiaries	209
	Network Deloitte	Subsidiaries	42
Other certification services			1
Other services			80
Total			492

13. FINANCE INCOME AND EXPENSES AND EXCHANGE RATE GAINS AND LOSSES

The item "Finance income" is detailed below:

€ '000	December	
	2025	2024
Bank interest	1,318	2,294
Interest from customers	7	12
Interest from others	689	33
Other financial income	3,541	1,041
Total financial income	5,555	3,380

The item Finance expense is detailed below:

€ '000	At 31 December	
	2025	2024
Bank, mortgage and financing interest	5,324	4,318
Right of Use interest	1,036	1,058
Interest expense to others	268	438
Impairment losses on current financial assets	33	89
Other financial expense	982	1,026
Financial expense	7,643	6,928

Financial income increased by € 2,174 thousand compared to the previous year, where the item “Interest on bank deposits” decreased by € 976 thousand due to lower interest accrued on bank deposits, particularly in relation to the parent company and the Indian subsidiary; There was an increase of € 656 thousand in “interest income from others” and € 2,500 thousand in “Other financial income” deriving from interest relating to the management of financial assets in the bond market. For further details, please refer to note 19.

Financial expenses, on the other hand, increased by € 715 thousand compared to 2024 due to the takeover of loans in the previous year related to the acquisition of the GMM group, where the item 'Other financial expenses' includes financial expenses from discounting and financial discounts payable.

Exchange rate gains and losses include realised and unrealised exchange rate differences, arising both from the conversion into Euro of ordinary transactions and from the adjustment of receivables and payables expressed in foreign currency to the exchange rate at the end of the period.

As at 31 December 2025, the Biesse group had recorded net exchange rate losses of € 1,061 thousand, of which € 461 thousand came from realised exchange losses and € 600 thousand from net unrealised exchange losses.

14. BASIC AND DILUTED EARNINGS PER SHARE

The following table shows the calculation of basic net earnings per share (Basic EPS) and diluted net earnings per share (Diluted EPS) as shown in the consolidated income statement:

As there were no dilutive effects, the calculation used for Basic EPS is also applicable to Diluted EPS.

€ '000	31 December 2025	31 December 2024
Result for the year	(19,570)	3,750
Weighted average number of shares used to calculate basic and diluted earnings per share	27,403	27,403
Base and diluted profit for the year (in Euro)	(0.71)	0.14

€ '000	31 December 2025	31 December 2024
Weighted average number of outstanding shares – for the calculation of basic earnings	27,403	27,403
Effect of treasury shares	-	-
Weighted average number of outstanding shares – for the calculation of basic earnings	27,403	27,403
Dilutive effects	0	0
Weighted average number of outstanding shares – for the calculation of diluted earnings	27,403	27,403

Basic EPS as at 31 December 2025 totalled a loss of € (0.71) and was calculated by dividing the profit attributable to the owners of the parent, amounting to a loss of € (19,570) thousand, by the weighted average number of ordinary shares outstanding during the period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15. PROPERTY, PLANT AND EQUIPMENT

Historical cost	Land-Property- Right of Use property	Plant and Machinery- Right of Use plant and machinery	Industrial and trade equipment	Other asset- right of Use Cars, Fixtures, Office equipment	Under construction - Right of Use assets under costruction	Total
Value at 31/12/2023	126,102	86,800	32,339	47,975	1,433	294,649
Increases	12,001	6,113	1,635	11,501	2,106	33,355
Disposals	(7,030)	(1,492)	(1,106)	(4,753)	-	(14,382)
Change in the consolidation area	12,959	9,956	6,936	6,018	16	35,885
Depreciations	(500)	-	-	-	-	(500)
Exchange diff, reclassification and ott	1,695	396	128	81	(979)	1,320
Value at 31/12/2024	145,226	101,772	39,932	60,822	2,576	350,328
Increases	17,144	2,739	1,861	5,805	3,140	30,690
Disposals	(7,459)	(1,351)	(751)	(5,344)	(58)	(14,963)
Change in the consolidation area	-	0	(0)	-	-	(27)
Depreciations	(7)	(413)	(17)	-	-	(437)
Exchange diff, reclassification and ott	(5,212)	(512)	(549)	(853)	(2,485)	(9,584)
Value at 31/12/2025	149,691	102,235	40,476	60,430	3,173	356,006
Depreciation fund						
Value at 31/12/2023	51,629	60,613	29,417	35,778	-	177,437
Amortisation of the period	10,048	5,608	1,458	7,250	-	24,364
Closing of funds for disposals	(5,071)	(573)	(1,155)	(3,258)	-	(10,058)
Change in the consolidation area	2,047	5,724	6,509	5,402	-	19,682
Depreciations	220	74	4	19	-	316
Exchange diff, reclassification and ott	253	206	70	134	-	664
Value at 31/12/2024	59,127	71,652	36,302	45,324	-	212,405
Amortisation of the period	9,445	5,775	1,578	7,432	-	24,231
Closing of funds for disposals	(4,979)	(1,021)	(670)	(5,101)	-	(11,772)
Change in the consolidation area	(0)	(0)	(0)	(0)	-	(0)
Depreciations	-	-	-	-	-	-
Exchange diff, reclassification and ott	(1,857)	(855)	(347)	(901)	-	(3,960)
Value at 31/12/2025	61,735	75,551	36,864	46,754	-	220,904
Net book value						
Value at 31/12/2024	86,100	30,119	3,631	15,497	2,576	137,922
Value at 31/12/2025	87,956	26,684	3,614	13,676	3,173	135,103

Compared to 31 December 2024, fixed assets decreased by € 2,819 thousand.

New investments amounted to € 30,690 thousand; they include increases relating to leased assets and refer to the routine replacement of work tools, necessary for ordinary production activities, with respect to both owned and leased assets.

During the year, write-downs were made on an appraised building plot and on assets at leased buildings to be disposed of in the future. For more information, please refer to note 11 above.

Land and buildings owned by the Biesse group are not subject to mortgages.

For further information on Right-of-use assets, please refer to note 16 below.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The following table sets out the breakdown of Right-of-use assets, shown net of the related accumulated depreciation, and the related financial liabilities. As already highlighted, right-of-use assets are included under Property, plant and equipment, separately by category, while lease liabilities are included under current and non-current Financial liabilities.

€ 000's	December	
	2025	2024
Non current asset		
Right of Use Land and Property	18,060	19,075
Right of Use Vehicles (included in other assets)	6,725	9,189
Right of Use Equipment (included under Plant and machinery)	151	2,124
Total	24,936	30,388
Non current liabilities		
Non current lease liabilities	17,512	19,569
Current Liabilities		
Current lease liabilities	8,588	10,139
Total	26,100	29,708

As of 31 December 2025, rights of use increased by a total of € 5,452 thousand, while related liabilities decreased by € 3,608 thousand.

Increases for the year amounted to € 10,287 thousand, net of net decreases for early repayments of € 1,267 thousand.

The following tables show the breakdown of the depreciation of right-of-use assets and the amount of the other items relating to leases.

€ 000's	December	
	2025	2024
Depreciation of Right of Use :		
Right of Use - Property	5,892	6,738
Right of Use - Vehicles	5,022	4,663
Right of Use - Equipment	58	576
Total	10,971	11,977

€ 000's	December	
	2025	2024
Other items in Profit & Loss		
Interest expense	1,036	1,058
Expense for short term leasing	4,240	4,680
Expense for low value leasing	265	450
Total	5,540	6,188

Interest expense on right-of-use assets is included under finance expense. The costs relating to short-term or low-value leases, which are excluded from application of IFRS 16, are shown under other operating expense, as costs for the use of third-party assets.

During 2025, the outflows for payments connected to leases totalled € 13,682 thousand, of which € 11,068 thousand for the repayment of lease payables and the residual amount of € 2,614 thousand for interest payments made on these payables and on short-term or low-value leases.

The breakdown of lease payables by expiry is set out in note 25 below.

17. GOODWILL

Goodwill is allocated to cash-generating units ('CGUs'), where CGUs are identified as the smallest group of assets that generate cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets. In line with the provisions of the reference accounting principles, and consistent with the business and organisational structure control methods, the Biesse group has identified 2 CGUs that correspond to the two Operating Sectors (Machinery and Systems and Mechatronics), with no changes to the approach adopted in the previous year.

The following table shows the allocation of goodwill to the Biesse group's two CGUs:

€'000	December	December
	2025	2024
Machines and systems	55,874	66,484
Mechatronics	5,599	5,599
Total	61,473	72,083

The changes that occurred during 2025 are due to a lesser extent to the exchange rate effect on the goodwill of the Australian and American branches and, for the most part (€ 10,609 thousand), to the impairment of goodwill relating to the Machinery and Systems CGU.

As required by accounting standards, at least once a year the Directors determine the recoverable amount of goodwill by calculating the value in use. By its nature, this method requires the Directors to materially assess the performance of operating cash flows during the period being used for the calculation, as well as assessing the discount rate and growth rate for said cash flows.

The recoverable amount of the Cash Generating Unit was verified by determining its value in use, taken as the present value of future cash flows generated by the CGU, and calculated in accordance with the discounted cash flow method.

The Directors deemed it necessary to carry out the impairment test also on the Biesse group, as a second level test, in the presence of a value of consolidated shareholders' equity higher than the stock market capitalisation value of Biesse shares, as recommended by the Bank of Italy / Consob / Isvap document no. 4 of 3 March 2010.

Assumptions based on the applied parameters

The primary assumptions used by the Biesse group to the parameters used for the purposes of the impairment test are as follows:

Parameter	December	
	2025	2024
WACC	11.4%	11.3%
Growth rate terminal value	2.0%	2.0%

The following factors were considered to determine the discount rate:

- with reference to the yield on risk-free securities, reference was made to the yield curve German government bonds with a maturity of 15 years on 31 December 2025;
- With regard to the systematic riskiness ratio(β), the specific risk determined on the basis of the average unlevered *beta* of comparable companies (Source Beta Bar) was considered, then levered on the basis of the ratio of debt to the average total capitalisation of comparable companies and the tax rate;
- as for the market risk premium (MRP), it was assumed to be 5.5%;
- With regard to the additional risk premium, a value of 2.7% was assumed, corresponding to the additional risk associated with investing in smaller companies, and a country risk premium estimated as the weighted average of the countries in which the companies belonging to the Machinery and Systems CGU operate, amounting to 0.8%, and 0.6% for the Mechatronics CGU;
- Finally, a rate of 4.1% was considered as the gross cost of debt, determined on the basis of the yield on risk-free bonds increased by a spread estimated on the basis of the spread between the 15-year EUR Composite (BBB) index (source: Bloomberg) and the yield on 15-year German government bonds of 3.2%.

Assumptions underlying cash flow estimates

The estimated operating cash flows for future years (five years 2026-2030) have been made by reference to: i) in relation to the years 2026-2028, to the data that can be inferred from the new 2026-2028 Three-Year Plan of the Biesse Group approved by the Board of Directors on 13 March 2026; ii) in relation to 2029 and 2030, projecting revenue growth equal to the expected long-term inflation rate in the Eurozone (average 2030-2054), maintaining the assumptions made for the last explicit year of the Three-Year Plan.

An analysis of the risks associated with climate change, as outlined in the section “Biesse’s main risks” and in the Consolidated Sustainability Statement, has shown that there are no expected significant financial effects on the company’s performance; nor are there any significant financial impacts to be taken into account or that affect the estimation of operating cash flows for future financial years. The goodwill impairment tests were approved by the Board of Directors on 13 March 2026.

The expected future cash flows refer to the individual CGU in its current condition and exclude the estimates of future cash flows that may arise from future restructuring plans or other structural changes.

The key assumptions used to determine the projected cash flows set out in the new Business Plan are set out below and are based on internal assessments of future events that may not occur or may occur in a different manner or at a different time than forecast. These factors mean that actual results may differ from the forecasts provided. Given the nature of the Plan from which they are derived, the projections used for the impairment test incorporate assumptions subject to a degree of uncertainty; however, appropriate mitigation measures will be implemented should significant deviations from the expected scenarios arise.

Assumption	December	
	2025	2024
Prospective revenue CAGR	4.14%	3.14%
Average impact of COGS on the plan revenues	40.2%	41.1%
Average impact of personnel cost on the plan revenues	34.4%	31.3%
Average impact of opex on the plan revenues	18.8%	19.4%

Considering the actual results for the 2025 financial year, which were below expectations, the Directors have revised—compared to the previous year—the assumptions underlying the cash flows used for the impairment test, also taking into account the updated market outlook.

Impairment test results

	December
€ '000 (BIESSE GROUP)	2025
CGU carrying amount (VC)	260.0
CGU recoverable amount (VR)	287.7
Impairment	-

	December
€ '000 (MACHINE & SYSTEMS DIVISIONS)	2025
Book value Net Invested Capital	229.8
CGU recoverable amount (VR)	219.2
Impairment	-10.6

	December
€ '000 (MECATRONIC DIVISION)	2025
CGU carrying amount (VC)	29.2
CGU recoverable amount (VR)	69.6
Impairment	-

The results of the test described above revealed the need to write down the goodwill values relating to the Machinery and Systems CGU recorded in the consolidated financial statements at 31 December 2025 for an amount of € 10,609 thousand.

Finally, it should be noted that the estimates and data of the Business Plan to which the parameters indicated above are applied, are determined by the Management of the Biesse group on the basis of past experience and a view of expectations regarding the developments of the markets in which the Biesse

group operates, it being understood that the estimation of the recoverable value of the cash-generating unit requires discretion and the use of estimates by Management.

Sensitivity analysis and Break-even point

A sensitivity analysis of the results was performed for both the Biesse group and the CGUs under review; With reference to the Group and the Mechatronics CGU, the value in use remains higher than the carrying amount even assuming negative changes in key parameters such as:

- 1% increase in the discount rate;
- 0.5% reduction in the growth rate;
- half-point reduction in EBITDA margin % of terminal value;

The break-even point between use value (recoverable value) and book value, in relation to the impairment check carried out for the year ended 31 December 2025, both for the Biesse group and the CGU Mechatronics, would be determined in the following alternative scenarios:

€ 000	Biesse Group	Mechatronics
Wacc	12.4%	23.6%
Growth rate	0.4%	NC*
EBITDA % of terminal value	-8.5%	-66.0%

* to reach the breakeven point, the growth rate would have to be significantly negative

18. INTANGIBLE ASSETS

	Development costs	Patents, brands and other intangible assets	Asset under construction and advances	Total
€ '000				
Value at 01/01/2024	84,686	73,636	8,088	166,410
Increases	40	1,227	1,881	3,148
Disposals	(13)	(217)	0	(229)
Depreciations	3,270	35,964	3	39,237
Reclassifications	0	0	0	0
Exchange diff and other changes	2,781	0	(2,781)	0
Value at 31/12/2024	90,764	110,792	7,191	208,748
Increases	2,971	1,212	1,022	5,205
Disposals and Closing of funds for disposals	(1,033)	(465)	0	(1,497)
Changes in the consolidation area	0	0	0	0
Depreciations	(474)	(2)	(90)	(567)
Reclassifications	0	0	(3,375)	(3,375)
Exchange diff and other changes	0	(427)	0	(427)
Value at 31/12/2025	92,229	111,110	4,748	208,088
Depreciation fund				
Value at 01/01/2024	77,833	51,823	0	129,656
Amortisation of the period	3,181	9,082	0	12,264
Closing of funds for disposals	(13)	(22)	0	(35)
Changes in the consolidation area	3,128	6,853	0	9,981
Write-downs and reversals for impairment	10	0	0	10
Reclassifications	0	0	0	0
Exchange diff, reclassification and other changes	0	179	0	179
Value at 31/12/2024	84,140	67,916	0	152,055
Amortisation of the period	2,862	8,022	0	10,884
Closing of funds for disposals	(1,033)	(450)	0	(1,483)
Changes in the consolidation area	0	0	0	0
Write-downs and reversals for impairment	0	135	0	135
Reclassifications	0	(4)	0	(4)
Exchange diff and other changes	0	(406)	0	(406)
Value at 31/12/2025	85,969	75,213	0	161,182
Net book value				
Value at 31/12/2024	6,624	42,877	7,191	56,693
Value at 31/12/2025	6,259	35,897	4,748	46,906

As at 31 December 2025, the consolidated financial statements include assets that represent new product development costs of € 6.3 million, patents, trademarks and other intangible assets of € 35.9 million, and assets under construction and advances of € 4.7 million, consisting mainly of costs for the current development of products.

Capitalising development costs involves the Directors making estimates, since the recoverability of these costs depends on cash flows from the sale of products marketed by the Biesse group.

These estimates are characterised both by a complexity of assumptions underlying the revenue and future margin projections, and by strategic industrial choices made by the Directors.

Intangible assets are unencumbered.

19. OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

Other current and non-current financial assets are summarised as follows:

	December	
	2025	2024
€ '000		
Other financial assets - Non current	2,216	2,797
Other financial assets - Current	62,859	23,077

Non-current financial assets mainly relate to security deposits paid by various companies in the Biesse Group.

Current financial assets mainly relate to the fair value of derivative instruments for € 223 thousand (€ 338 thousand as at 31 December 2024), investments in immediately liquidated administered securities deposits of € 57,474 thousand made by the Parent Company, € 1,163 thousand made by the Australian subsidiary, and € 3,968 thousand made by the Indian subsidiary.

These investments were made with the aim of utilising cash surpluses in temporary uses of readily liquid assets for short-term financial needs.

As at 31 December 2025, the Biesse group, in compliance with the current Treasury Policy, has financial investments in place in order to optimise liquidity and avoid the imposition of fees on inventories.

20. INVENTORIES

	December 2025	December 2024
€ '000		
Raw materials, consumables and suppliers	58,556	62,316
Work in progress and semi-finished goods	26,776	28,478
Finished goods	71,454	66,846
Spare parts	18,975	19,689
Inventories	175,761	177,331

Inventories, amounting to € 175,761 thousand, are shown net of obsolescence provisions amounting to € 8,051 thousand for raw materials, € 6,177 thousand for spare parts, and € 9,721 thousand for finished products.

Compared to the 2024 figure, raw materials decreased by € 3,760 thousand, as did spare parts by € 714 thousand, while finished products increased by € 4,608 thousand.

The allowance for write-downs of raw materials on the historical cost of the related inventories is 13.7%, that of the provision for spare parts is 32.5%, and that of the provision for finished products is 13.6%.

The allowance for inventory write-downs reflects Management's estimate of impairment losses expected by the Biesse group and is calculated on the basis of past experience as well as historical and expected trends in the market for second-hand equipment and spare parts.

The Biesse Group's inventories show an overall net decrease of € 1,570 thousand compared to the previous year, which had instead recorded an increase due to the change in the scope of consolidation following the acquisition of the GMM Group.

21. TRADE RECEIVABLES

The Biesse group's trade receivables as at 31 December 2025 and 31 December 2024 are detailed below:

	December 2025	December 2024
€ '000		
Trade receivables due from third parties	108,383	127,898
Trade receivables due from third parties	(145)	4
Trade receivables due from parent company	(7,125)	(7,101)
Trade Receivable	101,113	120,801

Management believes that the carrying amount of trade receivables is a reasonable approximation of their fair value.

Trade receivables amounting to € 101,113 thousand reflect a decrease of € 19,688 thousand as compared to the previous year (€ 120,801 thousand in 2024).

The decrease in trade receivables from third parties is directly influenced by the decrease in turnover.

Changes in the allowances for impairment are shown below:

€ '000	December	
	2025	2024
Opening balance	7,101	6,212
Change in the consolidation area	-	306
Accrual for the year	2,495	2,166
Derecognition of excess provisions	(469)	(273)
Utilised	(1,951)	(1,205)
Exchange rate difference	(51)	(105)
Closing balance	7,125	7,101
Final Found	7,125	7,101

Provisions to the allowance for impairment are made on the basis of both an assessment of specific credit positions where specific disputes exist (and are generally supported by an accompanying legal opinion) and of general, well-founded assessments of historical experience related to other credit positions, also taking into account forward-looking considerations.

The amount of the provisions is calculated on the basis of the present value of estimated recoverable amounts, accounting for the related recovery expenses, if any, and the fair value of the collateral given to the Biesse group, if any.

In any case, the Directors monitor overdue receivables by conducting a periodic analysis of the main positions; receivables that are objectively non-collectable, either partially or totally, are impaired.

For further details on credit management, please see note 33. For an analysis of trade receivables from related parties, please see note 35.

22. OTHER RECEIVABLES

A breakdown of other current receivables as at 31 December 2025 is as follows:

€ '000	At 31 December	
	2025	2024
Consumption tax receivables and other tax receivables	5,678	7,051
Income tax assets	3,554	3,944
Other receivables from parent company	-	-
Other receivables from third parties	5,909	6,512
Other receivables	15,141	17,507

Consumption tax receivables and other tax receivables of € 5,678 thousand decreased by € 1,373 thousand compared to the previous year. This item includes indirect tax receivables and other receivables from the tax authorities.

The Parent company Biesse S.p.A. participates in the Biesse Group national tax consolidation scheme, along with the other Italian subsidiaries. In this context, pursuant to articles 117 et seq. of Presidential Decree 917/86, the IRES tax has been determined at an aggregated level by offsetting the positive and negative taxable amounts of the Italian companies. The financial relationships and the mutual responsibilities and obligations between the companies are defined in the regulation governing participation in the Biesse group's tax consolidation scheme.

The item "Other receivables from third parties" decreased by € 603 thousand compared to 2024 and

includes discounts on accruing costs for subsequent years and sundry receivables.

23. CASH AND CASH EQUIVALENTS

€ '000	At 31 December	
	2025	2024
Bank deposit	68,383	179,902
Cash and cash equivalents	728	1,110
Cash and cash equivalents	69,112	181,012

Cash and cash equivalents include bank deposits of € 68,383 thousand and cash or cash equivalents on hand of € 728 thousand, with an overall decrease over the previous year of € 111,900 thousand.

For further details on the dynamics affecting Cash and cash equivalents, please refer to the Biesse group Cash Flow Statement; please refer to note 25 for more details on the net financial position.

For the purposes of preparing the Statement of Cash Flows, transactions of a financial and investment nature that have been carried out without changes in cash flows were not included.

No term deposits exist as at the reporting date.

24. CONSOLIDATED EQUITY

The statement of changes in consolidated equity as at 31 December 2025 is shown in the accounting schedules section.

Share capital of € 27,403 thousand was unchanged from the previous financial year, and the number of the Parent company's ordinary shares was 27,402,593, with a nominal value of € 1 each.

At the date of approval of these financial statements, the Parent Company held 822,448 treasury shares at an average cost of € 7.11 per share, for a total of € 5,848 thousand.

Based on the resolution passed by the shareholders' meeting on 18 November 2024, treasury shares may be used in existing and future incentive plans, including long-term plans, reserved for directors and/or employees and/or collaborators of the Company.

No treasury shares were held at the end of 2024.

Hedging and translation reserve

The item wholly consists of the translation reserve, which includes all the exchange rate gains (losses) arising from the conversion of the financial statements in foreign currency, for the part relating to the Biesse group, and was negative for € 24,338 thousand as at 31 December 2025, up compared to the prior year (€ 13,611 thousand in 2024). The change of € 10.7 thousand is mainly attributable to significant exchange rate fluctuations in the Chinese, Hong Kong, Indian and American markets. The "Translation reserve" also includes the exchange rate gains (losses) arising from the consolidation in the Parent company's separate financial statements of the financial statements of the Dubai branch (loss of € 26 thousand).

Share capital reserves

This item consists entirely of the Parent company's share premium reserve, unchanged from the previous year (€ 36,202 thousand).

Other reserves

Other reserves are as follows:

€ '000	At 31 December	
	2025	2024
Legal reserve	5,479	5,479
Extraordinary reserve	135,217	135,524
Reserve for treasury shares	5,848	-
Retained earnings and other reserves	69,779	72,823
Other reserves	216,323	213,826

The legal reserve includes the Parent company's earnings provision of 5% for each financial year. During this financial year the reserve was not increased, as it had already reached 20% of the total value of the share capital (€ 5,479 thousand).

The extraordinary reserve, amounting to € 135,217 thousand as at 31 December 2025, decreased by € 307 thousand compared to the previous financial year due to the withdrawal of € 5,848 thousand for the establishment of the "Reserve for treasury shares in portfolio", an amount equal to the value of treasury share purchases, and for the allocation of the 2024 profit.

Retained earnings and other reserves totalling € 69,779 thousand (€ 72,823 thousand in 2024) decreased by € 3,044 thousand. The item other reserves consists of consolidated undistributed profits and other Parent company's reserves.

For an analysis of the changes in these reserves, please refer to the Statement of changes in equity.

Actuarial gains and losses reserve

The reserve for actuarial gains/losses, negative for € 5,689 thousand, is shown net of the tax effect of € 1,541 thousand.

Non-controlling interests

As of 31 December 2025, there are no third-party participations.

25. FINANCIAL LIABILITIES

The following table shows a breakdown of current and non-current financial liabilities as at 31 December 2025 and 31 December 2024.

Euro 000's	December	
	2025	2024
Non-current liabilities		
Lease liability	17,512	19,569
Other non current financial debt	85,640	99,857
	103,152	119,426
Current liabilities		
Lease liability	8,588	10,139
Payables to bank and financial institutions	44,328	77,470
Other loans		
Derivatives	283	1,354
Financial liabilities from parent company	-	-
	53,199	88,963
Financial liabilities	156,352	208,389

Lease liabilities

The breakdown of lease payables by expiry is set out below:

€ '000	December	
	2025	2024
Leasing Liabilities:		
-due within a year	9,625	10,887
-due over one year, but within five year	15,253	18,840
-due over five year	4,527	1,753
Total	29,406	31,480
After deduction of changes for future financial charges	(3,306)	(1,772)
Present Value of lease liabilities	26,100	29,708
whose:		
Current	8,588	10,139
Non current	17,512	19,569

Payables relating to right-of-use assets include liabilities due to related parties of € 66 thousand (of which € 17 thousand in the short term) and due to parents for € 13 thousand all in the short term.

For further information on Lease liabilities, please refer to note 16 below.

Bank overdrafts and other financial liabilities

At 31 December 2025, the Biesse group has credit lines equal to € 235.9 million, of which € 93.6 million revocable with duration within 12 months, € 40.0 million committed with duration within 12 months. As at 31 December 2025, revocable lines had not been utilised, while committed credit lines were utilised for € 27 million as at the same date. All credit lines are unsecured and with no collateral.

As at 31 December 2025, the outstanding debt for unsecured loans amounts to € 100 million, still in the pre-amortisation phase. It should be noted that these loans are subject to a financial covenant relating to the consolidated financial statements, defined as a ratio of less than 3 between the net financial position net of IFRS 16 and EBITDA; this financial parameter will be met as at 31 December 2025.

Finally, as at 31 December 2025, the outstanding debt for unsecured loans owed by GMM S.p.A. amounts to € 1.8 million and that owed by Bavelloni S.p.A. amounts to € 0.5 million.

Derivatives

Liabilities consisting of derivative instruments are equal to the fair value of foreign currency hedging transactions ("forward" contracts) in place as at 31 December 2025, amounting to € 283 thousand. The Biesse group has chosen not to adopt hedge accounting policies to recognise this instrument.

Net financial position

Below is the detail of the Net Financial Position at 31 December 2025 and 31 December 2024. It should be noted that the Net Financial Position is presented in accordance with the provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob which refers to the ESMA Recommendations of 4 March 2021.

€ '000	December	
	2025	2024
Cash	728	1,110
Cash and cash equivalents	68,383	179,902
Cash and cash equivalents	69,112	181,012
Financial Assets (including active derivatives)	62,636	22,739
Short-term lease liabilities	(8,588)	(10,139)
Current bank debts	(29,516)	(76,350)
Short-term and current portion of non-current indebtedness	(14,812)	(1,120)
Other current financial liabilities	(283)	(1,354)
(Current Financial Indebtedness)	(53,199)	(88,963)
(Net current financial debt)/availability	78,549	114,787
Long-term financial indebtedness	(17,512)	(19,569)
Medium/Long term bank debts	(85,640)	(99,857)
Trade receivables and other medium/long term debts	(46)	(101)
Non current financial Indebtedness	(103,198)	(119,526)
Net financial position	(24,649)	(4,739)

For the sake of clarity, the fair value of derivatives outstanding have been excluded from financial assets.

The Net Financial Position of the Biesse group at 31 December 2025 was negative for € 24,649 thousand, a decrease of € 19,910 thousand compared to the figure for the previous year (negative for € 4,739 thousand), while the final figure, without considering the effects of payables for rent and leasing deriving from the application of IFRS 16, was positive for € 1,541 thousand (positive for € 24,969 thousand at 31 December 2024). Compared with the end of 2024, the change is mainly influenced by the purchase of treasury shares, the payment of dividends, the settlement of the debt relating to the price adjustment for the acquisition of the GMM Group, non-recurring financial outlays arising from the payment of exit incentives and investments in tangible and intangible fixed assets, only partially offset by the results achieved in terms of operations.

For further details, reference should be made to note 33 below, to the comments in the report on operations concerning the trend in net financial position, and to the analysis in the cash flow statement.

Reconciliation of cash flows

The following table provides details on the changes in financial liabilities, with separate specification of those that generated cash flows and are therefore reported in the statement of cash flows, in the "cash flows from financing activities" section, with respect to other changes that did not have a monetary impact.

€ '000	No cash movements					31/12/2025
	31/12/2024	Cash flow	New leasing	Changes in consolidation area	Other movements	
Loans and derivatives	178,681	(46,928)	-	-	(1,501)	130,252
Leasing	29,707	(11,068)	9,008	-	(1,547)	26,100
Total	208,388	(57,996)	9,008	-	(3,048)	156,352

26. EMPLOYEE BENEFITS

Defined-contribution plans

As a result of the Supplementary Pension Reform, the amounts accruing from 1 January 2007 – and at the discretion of employees – are allocated to supplementary pension schemes or transferred by the company to the treasury fund managed by INPS (the Italian National Social Security Institution), taking the form of defined-contribution plans (no longer subject to actuarial measurement), starting from when the employee's choice has been formalised. These costs are in addition to those incurred by foreign subsidiaries for defined-contribution plans. The total cost of these employee plans amounts to € 8,105 thousand (€ 9,475 thousand in the previous year).

Defined-benefit plans

This item mainly includes the severance indemnity set aside by the Parent company and its Italian subsidiaries in compliance with current Italian legislation, which guarantees a severance indemnity payment to the employee when the employment relationship ends. The item is broken down as follows.

€ '000	December	
	2025	2024
Defined benefit plans	12,049	12,900
Activities serving the plan	(930)	(1,040)
Total	11,120	11,860

Changes in defined-benefit plans are as follows:

€ '000	December	
	2025	2024
Opening balance at 1 January	12,900	10,903
Change in the consolidation area	-	3,021
Current services	368	594
Financial (expenses)/ revenues	419	416
Benefits paid out	(1,609)	(2,008)
Actuarial gain/(losses)	(287)	(55)
Exchange differences and other movements	258	29
Closing balance at 31 December	12,049	12,900

Changes in defined-benefit plan assets are as follows:

€ '000	December	
	2025	2024
Opening balance at 1 January	1,040	862
Increases	97	139
Financial revenue	66	65
Benefit paid out	(75)	(52)
Exchange differences and other movements	(198)	26
Closing balance at 31 December	930	1,040

The severance indemnity fund of Italian companies represents approximately 87% of defined-benefit plans. The assumptions used for measuring severance indemnity obligations are:

Economic assumptions	December	
	2025	2024
Annual rate of inflation	2%	2%
Annual actualisation rate	from 2.38% of 2025 to 4.29% of 2040	from 2.61% of 2025 to 3.32% of 2038

	December	
Demographic assumptions	2025	2024
Death	ISTAT 2022	ISTAT 2022
Disability	INPS tables broken down by age and sex	
Retirement	100% upon reaching the AGO requirements	
Anticipation probability	3,0% (1,0% GMM)	3,0% (1,0% GMM)
Turnover	4,0% (7,5% GMM)	4,0% (7,5% GMM)

The pension fund recorded in the financial statements of the Indian subsidiary ("Gratuity Benefit") represents approximately 7% of the defined benefit plans. The main assumptions adopted in the valuation of the relevant obligation are a discount rate of 6.95% (6.9% in 2024), a salary growth rate of 7%, in line with the previous year, and a probability of utilisation of 5%, equal for all ages and in line with the previous year. In addition, the mortality tables provided by the Indian Assured Lives Mortality were used.

The remeasurement of defined-benefit plans resulted in a positive change in the equity reserve of € 287 thousand, gross of the effects of the taxes calculated on the same.

Average number of employees

The average headcount in 2025 was 3,718 (4,103 in 2024).

27. INCOME TAXES

Income taxes recognised in profit or loss

€ '000	December 2025	2024
IRES and other deferred taxes	(5,337)	(3,716)
Income tax related to foreign subsidiaries	4,175	6,644
Other taxes	20	(176)
IRES and other taxes for the year	(1,142)	2,752
IRAP and other current taxes	282	389
Income taxes relating to previous years	576	1,078
Income taxes	(284)	4,220

Articles 8 et seq. of Legislative Decree 209/2023 transposed into Italian law Directive 2022/2523/EU on the so-called "European Union". 'Global Minimum Tax', i.e. a new tax mechanism whereby multinational companies with consolidated revenues of more than € 750 million must ensure a minimum level of income taxation of 15% in each of the countries in which these groups operate.

The scope of application of this new form of taxation has been regulated by the OECD/G20 BEPS in the Pillar Two anti-Base Erosion rules ('GloBE Rules'); these rules have been implemented by various jurisdictions in which the Biesse Group operates and are applicable as of the consolidated financial statements for the year ending 31 December 2024.

The scope of Pillar Two is identified with that of the Consolidated Financial Statements of Bi.Fin S.r.l. (which qualifies as the parent company 'Ultimate Parent Entity' or 'UPE', directly holding a controlling interest in Biesse S.p.A. equal to 67.53%) and includes all the entities consolidated with an integral method.

As a UPE, Bi. Fin. S.r.l. is responsible for preparing the calculation of the jurisdictional effective tax rate ('ETR') and is obliged to pay a tax on the profits earned in Italy:

- by subsidiaries located in the same jurisdiction (i.e. Italy) - determined in accordance with the provisions of Legislative Decree 209/2023 and by means of the so-called 'national minimum tax'; and
- by subsidiaries located in jurisdictions that have not implemented the GloBE Rules in their jurisdictions - determined in accordance with the provisions of the GloBE Rules and by means of the so-called 'income inclusion rule (IIR)' or 'minimum supplementary tax';

if those jurisdictions achieve a jurisdictional ETR of less than 15%.

Given that the conditions for the application of the above-mentioned legislation are met, the Biesse Group has therefore assessed its potential exposure to these rules on the basis of the financial statements of the Group companies, as well as the information that will be included in the Country-by-Country Report, in order to carry out a preliminary analysis of the so-called “Transitional CbC Safe Harbours” with reference to the 2025 financial year.

Following preliminary analyses, the current tax item has not undergone any changes as a result of the Pillar Two regulations, nor have any critical issues emerged that would suggest that the aforementioned regulations could have a significant impact on the consolidated financial statements as at 31 December 2025.

IRES and other deferred taxes, positive to the tune of € 5,337 thousand overall (positive to the tune of € 3,716 thousand in 2024), relates primarily to the IRES liability for the period (determined under the national tax consolidation scheme, which includes all Italian companies), the recognition of deferred taxes, and the utilisation of deferred tax assets recognised in previous financial years.

The balance of tax items was positive to the tune of € 284 thousand. The positive balance is determined as a result of the following factors: IRES taxes and other deferred taxes (positive for € 5,337 thousand) and IRAP (negative for € 282 thousand); provisions for income taxes of foreign companies (negative for € 4,195 thousand) and taxes relating to previous years (negative for € 576 thousand).

The provision for taxes of the year can be reconciled with the profit or loss for the year shown in the financial statements as follows:

€ '000	2025	December	2024	
Pre-tax profit	(19,854)		7,969	
National income tax 24%	4,765	24.0%	(1,913)	24.0%
Tax effect from permanent differences	(1,732)	(8.7)%	1,275	(16.0)%
Tax effect on losses unrecognised	(1,982)	(10.0)%	(2,042)	25.6%
Other consolidation effects	91	0.5%	(73)	0.9%
IRAP and other current taxes	(282)	(1.4)%	(389)	4.9%
Income taxes for the year and effective tax rate	860	4.3%	(3,142)	39.4%
Income taxes relating to previous rate	(576)	(2.9)%	(1,078)	13.5%
Income taxes for the year and effective tax rate	284	1.4%	(4,220)	52.9%

The tax rate for the year, calculated on the negative pre-tax result and adjusted to exclude the component relating to taxes for previous years, shows a significant deviation from the theoretical positive value of 24%. This difference is mainly attributable to the negative effect of permanent differences and the non-recognition of deferred tax assets on tax losses accrued by certain foreign companies of the Group, for which – in accordance with the principle of prudence and in light of the prospects for recoverability – the conditions necessary for the recognition of deferred tax assets were not met. The combined effect of these elements therefore results in an effective tax rate that is not aligned with the theoretical value.

Deferred tax assets/liabilities

Here below are the main items of deferred tax assets and liabilities.

€ '000	At 31 December	
	2025	2024
Accrual to provisions for risks and charges	11,293	11,738
Intercompany profits included in the amount of closing inventories	4,553	4,611
Recoverable tax losses	10,780	6,779
Other	5,861	5,699
Deferred tax assets	32,487	28,826
Amortisation	11,761	14,766
Other	646	545
Deferred tax liabilities	12,407	15,311
Net deferred tax assets	20,080	13,516

As at 31 December 2025, the Biesse group recorded deferred tax assets and liabilities with a net positive balance of € 20,080 thousand (€ 13,516 thousand in 2024). Management recognised such deferred tax assets to the extent they are likely to be recovered. The budget results and forecasts for subsequent years, consistent with those used for impairment testing, were taken into account in determining the items.

Deferred tax assets on past year losses not recognised in the financial statements as at 31 December 2025 were approximately € 5.2 million.

Income tax payables

Income tax payables amounted to € 2,212 thousand (€ 1,996 thousand as at 31 December 2024) and include income tax payables still to be paid as at the reporting date.

28. PROVISIONS FOR RISKS AND CHARGES

€ '000	Guarantees	Retirement of agents	Restructuring	Legal disputes and Others	Total
Value at 31/12/2024	7,156	2,751	10,831	12,581	33,319
Provisions	677	499	2,065	2,695	5,936
Reduction of excess funds	(1,989)	-	(2,530)	(1,704)	(6,223)
Utilised	(241)	(1,442)	(4,175)	(508)	(6,366)
Exchange diff, reclassification and other changes	(217)	-	(3)	248	28
Value at 31/12/2025	5,386	1,808	6,188	13,312	26,694
				<i>Current</i>	23,901
				<i>Non current</i>	2,793

The product warranty provision represents the best estimate made by the Parent company's Directors with respect to the obligations deriving from the warranty on products sold by the Biesse group. The provision derives from estimates based on past experience and on the analysis of the level of reliability of the marketed products.

Due to the nature and complexity of the Biesse group's business, the obligations arising from problems related to the quality of the equipment and the guarantees given on the same, imply a careful, constant and complex evaluation by the Management, which requires the preparation of estimates, which by their nature imply a high degree of judgement.

The provisions for agents' retirement benefits refers to the liabilities related to existing agency agreements.

The restructuring provision set aside during the financial year represents the best estimate of current expenses relating to the organisational transformation process aimed at achieving an appropriate size for the structure in line with the current business model. To do this, a series of initiatives were implemented, such as the defensive solidarity contract for the period November 2023 - October 2024, renewed until the end of June 2025 and subsequently extended until 31 December 2025, from which redundancies were identified on the basis of technical-organisational criteria, territorial location and the principle of non-

opposition to redundancies favoured by economically incentivised redundancies. The outlays that occurred during the 2024 and 2025 financial years, against which the provision set aside in previous financial years was partially utilised, confirm the appropriateness of the estimate of the costs reflected in the amount of the remaining provision as at 31 December 2025 for the completion of the organisational transformation process.

The decrease in the provision for legal disputes resulted from the positive balance between openings and closures of legal risks and for penalties and customer disputes. These provisions represent the Directors' best estimate with respect to the probable liability that could arise from outstanding disputes.

29. TRADE PAYABLES

The group's trade payables as at 31 December 2025 and 31 December 2024 are detailed below:

€ '000	December	
	2025	2024
Trade payables to suppliers	138,827	120,334
Trade payables to related parties	871	569
Trade payables to parent company	(3)	35
Trade payables	139,695	120,937

Trade payables amounted to € 139,695 thousand (€ 120,937 thousand in the previous year), with an increase of € 18,758 thousand. The increase is mainly attributable to the normal course of business and year-end payment patterns. It should be noted that trade payables are due within the next year and it is believed that their carrying amount at the reporting date is a reasonable approximation of their fair value.

For an analysis of trade payables to related parties and the parent, please see note 35.

30. CONTRACT LIABILITIES

Contract liabilities amounted to € 99,572 thousand as at 31 December 2025 (€ 108,049 thousand as at 31 December 2024) and are made up as follows:

€ '000	December	
	2025	2024
Advances from customers before the sale of the goods	58,709	85,788
Net advances from customers for services	10,710	13,784
Contract liabilities	69,419	99,572

Contract liabilities mainly relate to customer advances for products not yet delivered and for which revenue is recognised when the customer obtains control of the asset. For the remaining part, they relate to advances received from customers for services recognised over time, for the part that exceeds the activities already carried out. The decrease in these liabilities was influenced by the slowdown in order intake that had already become apparent in the previous year.

31. OTHER CURRENT AND NON-CURRENT PAYABLES

As of 31 December 2025, there are no other non-current payables.

A breakdown of other current payables as at 31 December 2024 is as follows:

€ '000	December	
	2025	2024
Other liabilities to related parties	8	-
Tax liabilities	10,994	13,185
Social security liabilities	10,005	11,180
Other payables to employees	26,696	26,087
Other payables to third parts	10,265	12,834
Other liabilities	57,968	63,286

Other payables amounted to € 57,968 thousand, decreased by € 5,318 thousand compared to the previous year.

Other payables to third parties, amounting to € 10,265 thousand, decreased compared to the previous financial year (€ 12,834 thousand in 2024). The decrease is mainly due to changes in the Parent Company's cash flows and the payment of € 3,528 thousand in debt for the price adjustment relating to the acquisition of the GMM group in 2025. The remaining portion mainly contains deferred income relating to subsequent financial years.

32. FINANCIAL ASSETS/LIABILITIES FOR DERIVATIVE INSTRUMENTS

€ '000	31 December 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Currency derivatives	223	283	338	1,354
Total	223	283	338	1,354

As from 2016, the Biesse group no longer records financial derivatives with the method envisaged for hedge accounting.

33. FINANCIAL RISK MANAGEMENT

The Biesse group is subject to the following financial risks connected to its operations:

- market risks, consisting primarily of risks relating to fluctuations in exchange and interest rates;
- credit risk, relating specifically to trade receivables and, to a lesser extent, to other financial assets;
- liquidity risk, with reference to the availability of financial resources to meet the obligations related to financial liabilities.

The Biesse group's risk management policies aim to identify and analyse the risks to which the Biesse group is exposed. They also endeavour to establish appropriate limits and controls, and to monitor risk and compliance with these limits. These policies and associated procedures are regularly reviewed in order to reflect any changes to market conditions or Biesse group activities.

With regard to the risk connected with the fluctuation in raw material prices, the Biesse group tends to transfer the relevant management and economic impact to its own suppliers by agreeing fixed purchase costs for three-month periods. The impact of the main raw materials, steel in particular, on the average value of the Biesse group's products is marginal compared to the final production cost.

The following paragraphs use sensitivity analysis to assess the potential impact on actual results that hypothetical fluctuations in benchmarks may cause. As required under IFRS 7, these analyses are based on simplified scenarios being applied to actual data for benchmark periods. By their very nature, these analyses cannot be considered to truly evidence the effect of future changes in the benchmark in view of different financial and equity structures as well as different market conditions. Nor are they able to reflect the interrelations and complexity of the reference markets.

Market risk

Market risk is the risk that the fair value of a financial instrument (or future cash flows from that instrument)

will fluctuate as a result of changes in market prices due to changes in exchange rates, interest rates or share prices. The purpose of market risk management is managing and controlling the Biesse group's exposure to that risk within acceptable limits, while at the same time optimising investment returns.

Exchange rate risk

The varied geographical distribution of production and commercial activities brings about an exposure to exchange rate risk, in terms of both transactions and translations.

a) Transaction exchange rate risk

This risk comes about due to the individual companies carrying out commercial and financial transactions in currencies other than their normal operating currency. Exchange rates may fluctuate between the time when the commercial/financial relationship begins and the time when the transaction is completed (collection/payment), thus originating gains or losses.

The Biesse group manages such risk by making use of derivative instrument purchases, such as forward exchange contracts and cross currency swaps. As from 2016, the Biesse group, following Biesse S.p.A. Board of Directors' resolution of 11 March 2016 which approved the new exchange rate risk management policy for the Biesse group, has put on hold the use of hedge accounting techniques for recognising derivative instruments, since the rules set out in the reference standards were found to be quite stringent to be applied effectively and in full to business operations.

The following table provides a quantitative summary of the Biesse group's exposure to exchange rate risk:

	Financial asset	Financial liabilities
€ '000	31/12/2025	31/12/2025
Australian Dollar	1,049	844
Canadian Dollar	4,419	44
Pound Sterling	4,666	1,776
Indian Rupee	9,248	5,695
US Dollar	24,193	1,577
Chinese Renmimbi Yuan	4,956	11
Other currencies	9,979	11,847
Total	58,511	21,794

In defining the amount exposed to interest rate risk, the Biesse group also includes foreign currency orders acquired in the period before they become trade receivables (shipping-invoicing).

A sensitivity analysis follows, illustrating the expected impact on the income statement of a +15%/-15% appreciation/depreciation of the Euro.

	Impact on income statement	
€ '000	If exchange rate > 15%	If exchange rate < 15%
Australian Dollar	(27)	36
Canadian Dollar	(571)	772
Pound Sterling	(377)	510
Indian Rupee	(463)	627
US Dollar	(2,950)	3,991
Chinese Renmimbi Yuan	(645)	873
Total	(5,033)	6,809

This analysis assumes that all other variables, in particular interest rates, remain unchanged.

The above amounts are shown gross of hedging.

b) Translation exchange rate risk

The Biesse group holds a controlling interest in companies that prepare their Financial Statements in

currencies other than the Euro, which is the currency used for presenting the consolidated financial statements. Therefore this exposes the Biesse group to translation risk, which arises from converting assets and liabilities of these subsidiaries into Euro.

The effects of these changes are accounted for directly under equity in the translation reserve.

The main exposures to translational exchange rate risk are continuously monitored. At the balance sheet date, it was decided not to adopt specific hedging policies for these exposures.

c) Interest rate risk

Interest rate risk represents exposure to changes in the fair value of, or future cash flows from, financial assets or liabilities, due to changes in market interest rates.

The sensitivity analysis aimed at assessing the potential impact of a hypothetical sudden and unfavourable 10% change in short-term interest rates on financial instruments (typically cash and some financial payables) reveals no significant impact on the results or the equity of the Biesse group.

Credit risk

Credit risk represents the Biesse group's exposure to potential financial losses deriving from the failure of commercial and financial counterparties to fulfil their contractual obligations.

Total trade receivables as at 31 December 2025 amounted to € 101,113 thousand. As required by IFRS 9, the table below shows the allocation by maturity band of receivables from customers due within and beyond 12 months that are subject to credit risk, which as at 31 December 2025 amounted to € 101,950 thousand, and the related provision for bad debts of € 7,125 thousand. The difference includes other items not covered by the analysis. In order to limit this risk, the Biesse group has established procedures for assessing the financial potential and soundness of its customers, monitoring expected cash flows from collections and for any debt collection activities.

Such procedures typically involve the finalisation of sales against the receipt of advances; in the case of customers considered strategic by the Management, the credit limits granted to them are defined and monitored.

The carrying amount of financial assets, net of any impairment for expected losses, represents the maximum exposure to credit risk.

For more information on how the allowance for impairment was determined and on the characteristics of overdue receivables, please refer to note 19 above on trade receivables.

31 December 2025

At 31 December 2025						
€ '000	Current	Overdue by 1 to 30 days	Overdue by 30 to 180 days	Overdue by 180 to 365 days	Overdue more than 365 days	Total
% Estimated loss	0.8%	2.4%	11.8%	17.8%	85.9%	7.0%
Receivables	64,521	15,438	11,686	5,879	4,426	101,950
Estimates credit losses	528	367	1,383	1,047	3,801	7,125

31 December 2024

At 31 December 2024						
€ '000	Current	Overdue by 1 to 30 days	Overdue by 30 to 180 days	Overdue by 180 to 365 days	Overdue more than 365 days	Total
% Estimated loss	0.7%	0.9%	6.5%	28.0%	69.3%	5.1%
Receivables	74,762	21,981	21,781	3,674	5,674	127,872
Estimates credit losses	523	207	1,409	1,030	3,933	7,101

Liquidity risk

Liquidity risk is the risk that available financial resources will be insufficient to meet financial and commercial obligations as and when they fall due.

Negotiation and management of banking relationships are centralised at the Biesse group level, by virtue of the Cash Pooling agreement, so as to ensure that short and medium-term financial needs will be met at the lowest possible cost. Raising medium and long-term capital funds on the market is also optimised with centralised management.

The type of prudent risk management described above implies maintaining an adequate level of cash and/or easily convertible short-term securities. The portfolio of trade receivables and the conditions attaching to them contribute to balancing the working capital and, in particular, to hedging payables to suppliers.

The following table shows the expected flows based on the maturities of financial liabilities other than derivatives. Balances relating to bank overdrafts and bank loans are expressed at their contractual value without being discounted, which includes both principal and interest amounts. Loans and other financial liabilities are classified on the basis of the earliest maturity date, and revocable financial liabilities, as well as other liabilities whose maturities are not available, are considered payable on demand ("worst case scenario").

31 December 2025

At 31 December 2025						
€ '000	Less than 30 days	30-180 days	180 days-1year	1-5 years	After 5 years	Total
Trade and other payables	96,881	67,540	19,915	1,338	115	185,789
Bank loans and borrowings	-	1,925	45,413	67,137	29,931	144,406
Total	96,881	69,465	65,328	68,475	30,047	330,195

31 December 2024

At 31 December 2024						
€ '000	Less than 30 days	30-180 days	180 days-1year	1-5 years	After 5 years	Total
Trade and other payables	77,830	73,083	12,322	1,114	18	164,367
Bank loans and borrowings	-	1,926	74,077	72,775	45,717	194,496
Total	77,830	75,009	86,399	73,889	45,736	358,863

The Biesse group monitors liquidity risk by controlling net flows on a daily basis in order to ensure financial resources are managed efficiently.

The portfolio of trade receivables and the conditions attaching to them contribute to balancing the working capital and, in particular, to hedging payables to suppliers.

As at 31 December 2025, the Biesse group had lines of credit arranged for the entire Biesse group through the Parent Company Biesse S.p.A.

Classification of financial instruments

Below are the types of financial instruments included in the financial statements:

€ '000	At 31 December 2025	At 31 December 2024
FINANCIAL ASSETS		
Designated at fair value through profit or loss:		
<i>Derivative financial assets</i>	223	338
<i>Designated at fair value through OCI:</i>		
Other current financial assets	62,636	22,739
Measured at amortised cost :		
Trade receivables	101,113	120,801
Other assets	4,383	5,631
- other financial assets and non current receivables	2,385	2,966
- other current assets	1,997	2,665
Cash and cash equivalents	69,112	181,012
FINANCIAL LIABILITIES		
Designated at fair value through profit or loss:		
<i>Derivative financial liabilities</i>	283	1,354
Measured at amortised cost :		
Trade payables		
<i>Bank loans, borrowings and lease liabilities</i>	139,695	120,937
<i>Financial leasing liabilities</i>	129,969	177,327
<i>Other liabilities</i>	26,100	29,708
<i>Other current liabilities</i>	38,606	43,361
<i>Other not current liabilities</i>	38,488	43,185
- other financial liabilities and non current debts	118	176

The carrying amount of the above financial assets and liabilities is equal to or a reasonable approximation of their fair value.

For financial instruments recognised at fair value in the statement of financial position, IFRS 7 requires that fair value measurements be classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. To this end, IFRS 13 identifies the three levels of FV that have already been indicated in the early part of these financial statements:

Level 1 – input data used in the measurements are represented by quoted prices in active markets for assets or liabilities identical to those being measured;

Level 2 – input data other than quoted prices included within level 1 that are observable in the market, either directly (i.e. prices) or indirectly (i.e. derived from prices);

Level 3 – input data that are not based on observable market data.

Derivative financial instruments measured at fair value and current financial assets measured at FVOCI are classified under Level 2 (same as in 2023). Other financial liabilities at fair value through profit or loss are classified in Level 3. There were no transfers of Level during the year.

34. RELATED-PARTY TRANSACTIONS

Biesse S.p.A. is owned by BI.Fin. S.r.l.

Set out below are the Biesse group financial and income balances arising from related-party transactions for the years 2025 and 2024. It should be noted that commercial transactions with these entities were carried out at arm's length and that all transactions were in the interest of the Biesse group.

Furthermore, it should be noted that related parties also include companies owned by close relatives of Board of Directors' members.

	Revenues		Costs	
	For Year ended 31/12/2025	For Year ended 31/12/2024	For Year ended 31/12/2025	For Year ended 31/12/2024
<i>Euro 000's</i>				
Parent	1	1	-	1
Bi. Fin. S.r.l.	1	1	-	1
Other related companies	-	-	2,262	863
Se. Mar. S.r.l.	-	-	2,262	863
Wirutex	-	-	-	-
Other	-	-	-	-
Members of the Board of Directors	-	-	2,498	3,684
<i>Selci Giancarlo</i>	-	-	-	41
<i>Selci Roberto</i>	-	-	1,389	1,419
<i>Potenza Massimo</i>	-	-	759	2,014
<i>Baronciani Alessandra</i>	-	-	30	28
<i>Ricceri Federica</i>	-	-	67	60
<i>Borsani Ferruccio</i>	-	-	-	10
<i>Schiavini Rossella</i>	-	-	64	59
<i>Bruni Massimiliano</i>	-	-	-	32
<i>Sgubin Cristina</i>	-	-	34	21
<i>Giordano Salvatore</i>	-	-	64	-
<i>Bedogni Pier Giorgio</i>	-	-	9	-
<i>CDA GMM</i>	-	-	83	-
Members of the Board of Statutory Auditors	-	-	262	189
Members of the Board of Statutory Auditors	-	-	262	189
Executives with strategic functions	-	-	1,649	1,873
Total	1	1	6,670	6,610

	Receivables		Payables	
	For Year ended 31/12/2025	For Year ended 31/12/2024	For Year ended 31/12/2025	For Year ended 31/12/2024
<i>Euro 000's</i>				
Parent	-	-	-	44
Bi. Fin. S.r.l.	-	-	-	44
Other related companies	15	-	909	317
Se. Mar. S.r.l.	15	-	909	317
Other	-	-	-	-
Members of the Board of Directors	-	-	185	73
Members of the Board of Directors	-	-	185	73
Members of the Board of Statutory Auditors	-	-	40	71
Members of the Board of Statutory Auditors	-	-	40	71
Total	15	-	1,134	505

For all the financial years considered, no guarantee has been given or received. The Biesse group has not accounted for any losses on receivables from related parties in the current or previous financial years. It should be noted that, as of 31 December 2019, payables to the parent company and other related parties include lease payables (€ 80 thousand to members of the Board of Directors).

Directors' fees are proposed by the Board of Directors and approved at the ordinary shareholders' meeting according to the average market remuneration levels. It should be noted that, as regards managers with strategic functions who perform management and coordination activities, their remuneration (including fees and bonuses) is included under personnel expense.

For full details regarding remuneration of Directors and Statutory Auditors, please refer to the Remuneration Report published on the company website www.biesse.com.

35. OTHER INFORMATION

Contingent liabilities

Based on the information that is currently available, the Directors of the Company believe that, as at the date these financial statements were approved, the provisions set aside are sufficient to guarantee a correct representation of the financial information.

Commitments and guarantees issued and received

During its commercial activities, the Biesse group issues guarantees to customers for advance payments (advance payment - performance bonds).

Atypical and unusual transactions

No transactions of such nature were reported.

Government grants pursuant to Art. 1, paragraphs 125-129 of Law No. 124/2017

For details on government aid and the de minimis aid which was received – for which there is the obligation to report to the National Registry of Government Aid, in accordance with Art. 52, Law 234/2012 – express reference is made to said register. However, the following details are reported:

€/000

N.	PROVIDER	GRANT RECEIVED 2025 € '000	CAUSAL
1	FONDIMPRESA/FONDIRIGENTI	198	Contribution for founded training
2	MINISTERO DELLO SVILUPPO ECONOMICO	319	Contribution for Projects financed
3	Commissione Europea	110	Contribution for Research Project

627

36. EVENTS AFTER THE REPORTING DATE

Please refer to the note in the Directors' Report on Operations.

Pesaro, 13 March 2026

The Chairman of the Board of Directors

Roberto Selci

37. ANNEXES

INCOME STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006¹

<i>Euro 000's</i>	Note	December 2025	Attributable to related parties	% of Incidence	December 2024	Attributable to related parties	% of Incidence
Revenue	7	662,482	-	0.0%	754,698	-	0.0%
Other operating income	8	7,989	1	0.0%	9,260	1	0.0%
Change in inventories of finished goods and work in progress		7,573	-	0.0%	(3,150)	-	0.0%
Purchase of raw materials and consumables	9	(279,036)	-	0.0%	(300,457)	-	0.0%
Personnel expense	10	(230,073)	-	0.0%	(247,263)	-	0.0%
Depreciation, amortisation and impairment	11	(48,587)	-	0.0%	(42,763)	-	0.0%
Other operating costs	12	(137,054)	6,670	-4.9%	(155,430)	6,610	-4.3%
Operating profit		(16,705)	6,671	-39.9%	14,895	6,611	44.4%
Financial income	13	5,555	-	0.0%	3,380	-	0.0%
Financial expense	13	(7,643)	-	0.0%	(6,928)	-	0.0%
Net exchange rate losses	13	(1,061)	-	-	(3,378)	-	-
Pre-tax profit		(19,854)	6,671	-33.6%	7,969	6,611	83.0%
Income taxes	27	284	-	0.0%	(4,220)	-	0.0%
Result for the year		(19,570)	6,671	-34.1%	3,750	6,611	176.3%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006¹

<i>Euro 000's</i>		December	Attributable	% of	December	Attributable	% of
	Note	2025	to related parties	incidence	2024	to related parties	incidence
ASSETS							
Non current assets							
Property, plant and equipment	15, 16	135,101	-	0%	137,923	-	0%
Goodwill	17	61,473	-	0%	72,083	-	0%
Other intangible assets	18	46,905	-	0%	56,692	-	0%
Deferred tax assets	27	32,487	-	0%	28,826	-	0%
Other financial assets and receivables (including derivatives)	19	2,216	-	0%	2,797	-	0%
Other receivables	0	169	-	0%	169	-	0%
Total non current assets		278,351	-	0%	298,491	-	0%
Inventories	20	175,761	-	0%	177,331	-	0%
Trade receivables and contract assets	21	101,113	15	0.01%	120,801	-	0%
Other revceivables	22	15,141	-	0%	17,507	-	0.0%
Other financial assets and receivables (including derivatives)	19	62,859	-	0%	23,077	-	0%
Cash and cash equivalents	23	69,112	-	0%	181,012	-	0%
Total current assets		423,985	-	0%	519,727	-	0.0%
TOTAL ASSETS		702,337	-	0%	818,218	-	0.0%

<i>Euro 000's</i>		31 December	Attributable	% of	31 December	Attributable	% of
	Note	2025	to related parties	incidence	2024	to related parties	incidence
Share capital		27,403	-		27,403	-	
Reserves		218,519	-		232,221	-	
Result for the year		(19,570)	-		3,750	-	
Equity attributable to the owners of the parent	24	226,352	-		263,373	-	
Non-controlling interests		-	-		-	-	
TOTAL EQUITY		226,352	-		263,373	-	
Financial liabilities		103,152	-		119,426	-	
Post-employment benefits	26	11,120	-		11,860	-	
Deferred tax liabilities	27	12,407	-		15,311	-	
Other liabilities	31	118	-		176	-	
Total non current liabilities		126,796	-		146,773	-	
Financial liabilities	16, 25	53,199	-		88,963	-	
Provisions for risks and charges	28	26,694	-		33,318	-	
Trade payables	29	139,695	909	0.65%	120,937	505	0.42%
Contract Liabilities	30	69,419	-		99,572	-	
Other liabilities	31	57,968	-		63,286	-	
Liabilities for income tax	27	2,212	-	0%	1,996	-	0%
Total Current liabilities		349,187	909	0.26%	408,072	1,872	0.46%
LIABILITIES		475,984	909	0.19%	554,845	1,872	0.34%
TOTAL EQUITY AND LIABILITIES		702,337	909	0.13%	818,218	1,872	0.23%

Certification of the consolidated financial statements in accordance with Art. 81-ter of Consob Regulation No. 11971 of 14 May 1999 as subsequently amended and integrated

1. The undersigned Roberto Selci and Pierre Giorgio Sallier De La Tour, in their capacities as, respectively, Chairman and Manager in charge of the financial reporting of Biesse S.p.A, having also taken into account the provisions of Art. 154-*bis*, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the characteristics of the business and
- the effective implementation of the administrative and accounting procedures for the preparation of the consolidated financial statements during 2025.

2. The administrative and accounting procedures for preparing the consolidated financial statements as at 31 December 2025 were defined, and their adequacy was assessed, based on the rules and methods established by the Biesse group consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission. This is a reference framework for internationally accepted internal control systems.

3. In addition, they also certify that the consolidated financial statements as at 31 December 2025:

- a) are consistent with the entries in accounting books and records;
- b) have been drawn up in accordance with the international accounting standards issued by the International Accounting Standards Board, endorsed by the European Commission with the procedure provided for by Art. 6 of Resolution (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002 and pursuant to Art. 9 of the Italian Legislative Decree No. 38/2005; they are capable of providing a true and fair view of the financial position, results of operations and cash flows of the issuer and the group of companies included in the scope of consolidation.

The Directors' Report on Operations includes a reliable analysis of the performance and the results of operations, and the overall position of the issuer and the group of companies included in the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Pesaro, 13 March 2026

**The Chairman of the Board
in charge**

Roberto Selci

**The Manager
of financial reporting**

Pierre Giorgio Sallier De La Tour

Separate Financial Statements as at 31 December 2025

Biesse S.p.A.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

SEPARATE INCOME STATEMENT AS AT 31 DECEMBER 2025

€ '000	Notes	31 December 2025	31 December 2024
Revenue	6	385,594	425,954
Other operating income	6	6,576	5,274
Change in inventories of finished goods and work in progress		8,185	(7,494)
Purchase of raw materials and consumables	8	(228,877)	(229,844)
Personnel expense	9	(102,934)	(113,292)
Other operating costs	10	(67,053)	(71,820)
Depreciation and amortisation		(13,855)	(15,559)
Accruals to provisions	11	911	(1,799)
Impairment	12	(90)	(827)
Operating result		(11,543)	(9,407)
Share of loss of associates	13	(28,850)	(3,115)
Financial income	14	14,281	9,068
Dividends	15	23,413	24,041
Financial expense	14	(15,859)	(17,088)
Result before taxes		(18,558)	3,499
Income taxes	16	3,352	3,131
Result for the year		(15,206)	6,630

SEPARATE STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2025

€ '000		31 December 2025	31 December 2024
Result for the year		(15,206)	6,630
Actuarial gains/(losses) on defined benefit plans	33	129	6
Valuation of financial assets	26	150	212
Translation differences on foreign operations	31	(26)	10
Items that will not be reclassified to profit or loss		253	228
Total comprehensive income for the year		(14,953)	6,858

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

€ '000	Notes	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and machineries	17	43,896	51,139
Equipment and other tangible assets	17	7,081	8,935
Goodwill	18	10,609	10,609
Other intangible assets	19	13,129	16,304
Deferred tax assets	34	18,943	17,089
Investments in subsidiaries and associates	20	174,030	196,787
Other financial assets and non-current receivables	21	485	532
		268,173	301,395
Current assets			
Inventories	22	79,402	77,704
Trade receivables and contract assets	23	45,612	58,300
Trade receivables and contract assets - related parties	24	48,414	51,693
Other assets	25	6,706	6,130
Other assets - related parties	44	22,072	-
Assets for derivative financial instruments	46	194	323
Financial assets	26	57,474	15,934
Financial assets - related parties	27	18,925	36,509
Cash and cash equivalents	28	25,367	124,927
Total current assets		304,166	371,520
TOTAL ASSETS		572,339	672,915

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

€ '000	Notes	31 December 2025	31 December 2024
EQUITY AND LIABILITIES			
Share capital	29	27,403	27,403
Owned shares	29	(5,848)	-
Capital reserves	30	36,202	36,202
Other reserves and retained earnings	31	145,838	140,050
Result for the year		(15,206)	6,630
EQUITY		188,389	210,285
Non-current liabilities			
Post-employment benefits	33	6,001	7,166
Deferred tax liabilities	34	1,726	1,991
Bank loans and borrowings	35	85,597	99,800
Lease liabilities under IFRS 16	36	1,721	4,352
Other non-current liabilities to third parties	43	46	101
Total non-current liabilities		95,091	113,410
Current liabilities			
Trade payables	39	89,072	82,734
Trade payables - related parties	40	26,381	17,857
Contract liabilities	41	18,676	24,205
Contract liabilities - related parties	42	1,283	433
Other liabilities	43	27,354	33,894
Other liabilities - related parties	44	12,511	376
Tax liabilities	45	126	158
Lease liabilities under IFRS 16	36	2,353	3,119
Bank loans and borrowings	35	41,832	72,152
Other financial liabilities - related parties	27	53,687	91,584
Provisions for risks and charges	38	15,313	21,379
Liabilities for derivative financial instruments	46	271	1,329
Total current liabilities		288,859	349,220
LIABILITIES		383,950	462,630
TOTAL EQUITY AND LIABILITIES		572,339	672,915

SEPARATE STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2025

€/000	Notes	December 2025	December 2024
OPERATING ACTIVITY			
+/- Result for the year	-	15,206	6,630
+ Amortisations:		13,855	15,559
Increase/decrease of accruals to:			
+ post employment benefit fund	33	197	241
+ provision to funds	-	911	1,799
+/- provision for the write-down of inventory	22 -	1,866	3,061
+/- Gains/losses from sales of assets		146	12
+/- Gains/losses from sales on disposal of participations		-	13
+/- Gains/losses from sales of other securities	-	423	83
+ Impairment losses		90	827
- Financial income	-	27,173	25,734
+/- Unrealized exchange gains/(losses)	14 -	1,527	1,774
+ Income taxes	-	3,352	3,131
+ Financial expenses		7,784	7,666
+/- Revaluation/write-off of investments		28,850	3,128
SUBTOTAL OPERATING ACTIVITIES		464	5,614
- Payment for post employment benefits	33 -	1,026	1,123
- Utilisation of provision for risks and charges	38 -	4,876	7,248
+/- Change in trade receivables	23	12,174	5,408
+/- Change in trade receivables - related parties	24	3,264	541
+/- Change in other receivables	-	1,444	138
+/- Change in other receivables - related parties		4,087	516
+/- Change in inventories	22 -	1,156	17,980
+/- Change in trade payables	39	6,259	19,194
+/- Change in trade payables - related parties	40	8,525	142
+/- Change in contract liabilities	41 -	5,463	11,532
+/- Change in contract liabilities - related parties	42	849	274
+/- Change in other payables	43 -	2,834	6,355
+/- Change in other payables - related parties	-	12,623	1
+/- Change in assets/liabilities for derivative financial instruments	46 -	1,006	200
- Tax paid		546	277
NET CASH FLOWS FROM OPERATING ACTIVITIES		5,740	15,039
INVESTING ACTIVITIES			
- Investment in property, plant and equipment	17 -	3,078	4,970
+ Sale of property, plant and equipment	17	1,354	693
- Investment in intangible assets	19 -	1,594	2,650
+ Sale of intangible assets	20 -	7,772	-
- Investment of shareholdings in subsidiaries and associates	20	-	75,820
- Disposal of shareholdings in subsidiaries and associates		-	13
- Investment/disposal of shareholdings in other companies		3,147	2
+ Interest received			1,483
+ Dividends received	15	36,413	40,559
NET CASH FLOWS USED IN INVESTING ACTIVITIES		28,470	40,690
FINANCING ACTIVITIES			
+/- New long term loans	49	-	99,800
+/- Long term loans reimbursement	49	-	-
- Finance lease payments	49 -	3,033	3,677
+/- Increase/decrease of borrowings	49 -	44,463	71,202
+/- Increase/decrease of other non-current financial assets	-	149	25
- New loans to related parties	49 -	8,666	-
+ Receipt of loans granted to related parties	49	12,872	21,103
+ Income from loans to related parties	49	2,745	-
+ New loans to related parties	49 -	38,626	11,852
- Reimbursement of loans from related parties	-	39,937	21,880
+/- Increase/decrease of other current financial assets		-	822
- Interest paid	-	7,576	7,134
- Dividends paid	32 -	1,089	3,846
Acquisition of own shares	-	5,848	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		133,770	126,026
NET INCREASE IN CASH AND CASH EQUIVALENTS		99,560	70,332
CASH AND CASH EQUIVALENTS AS AT 01/01/2025		124,927	54,594
+/- Effect of exchange rate fluctuations on cash held		-	1
CASH AND CASH EQUIVALENTS AS AT 31/12/2025			
Cash and cash equivalents	28	25,367	124,927

SEPARATE STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2025

€/000	Notes	Share capital 28	Capital reserves 29	Other reserves and retained earnings 30	Owned shares 29	Result for the year	EQUITY
January 1, 2024		27,403	36,202	125,148	-	18,511	207,264
Other comprehensive income				228			228
Result for the year						6,630	6,630
Total gains/(losses) recognised in other comprehensive income				228 -		6,630	6,858
Dividends				14,674		(18,511)	(3,837)
December 31, 2024		27,403	36,202	140,050	-	6,630	210,285
January 1, 2025		27,403	36,202	140,050	-	6,630	210,285
Other comprehensive income				253			253
Result for the year						(15,206)	(15,206)
Total gains/(losses) recognised in other comprehensive income				253 -		(15,206)	(14,953)
Dividends				5,541		(6,630)	(1,089)
Contribution of a business unit				(6)			(6)
Other movements					(5,848)		(5,848)
December 31, 2025		27,403	36,202	145,838	(5,848)	(15,206)	188,389

NOTES TO THE FINANCIAL STATEMENTS

1. OVERVIEW

Biesse S.p.A. (hereafter also the “Company”) is an Italian company, with registered office in Pesaro (Italy), via della Meccanica, 16.

The Company operates in the production and marketing of machinery and systems for processing wood, glass, marble and stone. The company is listed on the Euronext STAR segment of the Milan Stock Exchange.

The currency in which the Financial Statements are presented is the Euro. Balances are expressed in thousands of Euros, unless otherwise stated.

These separate financial statements were submitted to the Board of Directors on 13 March 2026.

In addition, the Company prepares the consolidated financial statements.

By deed of Notary Luisa Rossi dated 27 January 2025, Biesse S.p.A. transferred its business unit dedicated to the production of tools for stone and glass processing to its subsidiary Biesse Tooling S.r.l., effective 1 February 2025. The most significant deviations from the values in the financial statements for the year 2024 are commented on in the various sections of these notes to the financial statements.

2. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Statement of compliance with international financial reporting standards and general standards

The separate financial statements as at 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standard Board (“IASB”) and endorsed by the European Union, as well as with the implementing provisions issued pursuant to Art. 9 of Italian Law Decree 38/2005 and the Consob regulations and provisions regarding financial statements.

The financial statements have been prepared on the historical cost basis, with the exception of derivative financial instruments, held-for-sale financial assets and financial instruments classified as available for sale, which are measured at fair value; the financial statements have been prepared also on a going concern basis.

This disclosure was prepared in compliance with the provisions of Consob (Commissione Nazionale per le Società e la Borsa – the regulatory authority for the Italian securities’ market), with particular reference to resolutions No. 15519 and 15520 of 27 July 2006 and to communication No. DEM6064293 of 28 July 2006. It should be noted that, with reference to said Consob Resolution No. 15519 of 27 July 2006 on the format of financial statements, specific additional statements of income and of financial position have been included in the annex, with evidence of the impact of related-party transactions, so as to improve the readability of the information.

The accompanying financial statement of Biesse S.p.A. constitutes a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

Financial statements

All statements conform to the minimum content requirements set by the International Financial Reporting Standards and the applicable provisions laid down by national legislation and Consob. The statements used are considered adequate for the purpose of fair presentation of the Company’s financial position, results of operations and cash flows. In particular, it is believed that the income statements reclassified by nature provide reliable and relevant information for a correct representation of the Company’s economic performance. The statements comprising the Financial Statements are:

Income Statement

Expenses are classified based on their nature, highlighting interim results with respect to operating and pre-tax profit. Operating profit is calculated as the difference between net revenue from sales and services and operating expense (including non-cash costs relating to depreciation, amortisation and impairment losses on current and non-current assets, net of any reversal of impairment losses) and including capital gains and losses on the sale of non-current assets. In particular, operating profit is defined as profit (loss) for the year before income taxes, financial income and expenses, foreign exchange gains and losses, dividends and profits and losses of subsidiaries. This indicator is not identified as an accounting measure

under IFRS (NON-GAAP measures) and the determination criteria applied by the Biesse S.p.A. may not be consistent with those adopted by other Companies.

Statement of Comprehensive Income

This statement includes the items that make up the profit or loss for the financial year. For each group of categories, it also shows income and expenses that have been recognised directly in equity pursuant to IFRSs.

Statement of Financial Position

This statement shows a breakdown of current and non-current assets and liabilities.

An asset/liability is considered to be current when it satisfies any of the following criteria:

- it is expected to be recovered/settled, or intended for sale or consumption, in the Company's normal operating cycle;
- it is held primarily to be traded;
- it is expected to be recovered/settled within 12 months after the reporting date.

In the absence of all three conditions, the assets/liabilities are classified as non-current.

Statement of Changes in Equity

This statement shows the changes in equity items related to:

- the allocation of the Company's profit (loss) for the year to non-controlling interests;
- amounts relating to transactions with shareholders (purchase and sale of treasury shares);
- any gains or losses net of any tax effects which, as required by IFRSs, are either recognised directly in equity (gains or losses from trading of treasury shares, actuarial gains or losses arising from the measurement of defined-benefit plans, transactions relating to corporate reorganisations), or have an offsetting entry under equity (share-based payments for stock option plans);
- changes in valuation reserves relating to derivative instruments hedging future cash flows, net of any tax effects.

Statement of Cash Flows

The Statement of Cash Flows is prepared using the indirect method, whereby net profit (loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents recognised in the statement of cash flows include the balance of this item at the reporting date. Foreign currency cash flows have been translated at the average exchange rate for the period.

Interest and taxes paid are classified within operating activities, while interest and dividends received are presented within investing activities.

Other information

The Company has availed itself of the right – granted by Art. 40 of Legislative Decree 127/1991, paragraph 2-bis, for companies required to prepare consolidated financial statements – to prepare both the Directors' Report on Operations concerning the separate financial statements of the Parent Company and that concerning the consolidated financial statements in a single document.

With reference to the operating performance for 2025, reference is made to the Consolidated Directors' Report on Operations.

Biesse S.p.A. owns subsidiaries which it controls directly or indirectly.

3. MEASUREMENT CRITERIA AND USE OF ESTIMATES

The preparation of the financial statements and related notes pursuant to IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosures relating to contingent assets and liabilities at the reporting date. The estimates and

assumptions used are based on historical experience and other factors deemed as material. Estimates and assumptions are reviewed on an ongoing basis and the effect of any resulting changes is reflected in the income statement in the reporting period in which the estimates are reviewed if the review affects only that reporting period, or also in subsequent reporting periods if the review affects both the current year and future years.

A summary follows of the critical judgements and the key assumptions made by Management in applying the accounting standards with regard to the future and which may have a significant impact on the amounts recognised in the separate financial statements or have the risk of resulting in material adjustments to the carrying amount of assets and liabilities in the following financial year.

Allowance for impairment

The allowance for impairment reflects Management's estimates of impairment losses on the portfolio of receivables due from end customers and the sales network. The estimate of the allowance for impairment is based on losses expected by the Company, calculated on the basis of past experience for similar receivables, current and historical past dues, losses and payments received, the careful monitoring of credit quality, and projections of economic and market conditions, in a forward looking perspective.

Allowance for inventory write-downs

The allowance for inventory write-downs reflects the Management's estimate of impairment losses expected by the Company and is calculated on the basis of past experience as well as historical and expected trends in the market for second-hand equipment and spare parts, and any losses due to specific activities implemented by the Company.

Recoverable amount of non-current assets (including goodwill)

Non-current assets include property, plant and equipment, intangible assets (including goodwill), equity investments and other financial assets. When events and circumstances call for such review, management regularly reviews the carrying amount of non-current assets owned and used and of assets to be disposed of. For goodwill and intangible assets with an indefinite useful life, this analysis is carried out at least once a year and whenever events and circumstances so require. The analysis of the recoverability of non-current assets' carrying amount is generally performed using estimates of cash flows expected from the use or sale of the assets and appropriate discount rates to calculate their present value. When the carrying amount of a non-current asset is impaired, the Company recognises an impairment loss equal to the difference between the carrying amount of the asset and the amount recoverable through its use or sale calculated with reference to the cash flows projections in the Company's latest plans.

Product warranties

When a product is sold, the Company makes a provision for the relevant estimated warranty costs (annual and multi-year). Management establishes the amount of this provision on the basis of historical information regarding the nature, frequency and average cost of repairs under warranty. The Company is working to improve product quality and to minimise the cost of repairs under warranty.

Commercial, legal and tax disputes

The Company is subject to possible legal and tax cases involving a wide range of issues that are subject to the jurisdiction of different states, as well as possible commercial disputes. Owing to the uncertainties inherent to these issues, it is hard to estimate the outflow of resources that could arise from said disputes. The claims and disputes against the Company frequently arise from complex and difficult legal issues, subject to varying degrees of uncertainty, including the facts and circumstances inherent to each case, as well as the jurisdiction and the different laws applicable to each case. In the normal course of business, Management consults with its legal advisors and experts in legal and tax matters, as well as with the corporate functions most involved in matters of customer disputes. The Company recognises a liability for said disputes when it deems it probable that an outflow of financial resources will be required to settle the obligation and the relevant amount can be measured reliably. If a financial outlay becomes probable, but its amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Restructuring provision

The estimate of the provision for restructuring is made using the information available regarding the status and terms of negotiations with counterparties, as well as taking into account applicable laws and practices.

4. ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA ADOPTED

Main accounting standards adopted

The accounting standards adopted in the separate financial statements as at 31 December 2025 were applied in the same way also to the comparative period, except as described in the following section 5.a) “Accounting standards, amendments and IFRS interpretations applied as from 1 January 2025”.

A. Foreign currency transactions

All transactions are accounted for in the functional currency of the primary economic environment in which the Company operates. Monetary assets and liabilities (defined by IAS 21 as assets or liabilities held for collection or payment, where the amount is set in advance or able to be established) are translated using the closing rate; non-monetary assets and liabilities, which are valued at historical cost in foreign currencies, are translated using the exchange rate at the date of the transaction; and non-monetary assets and liabilities, which are measured at fair value in a foreign currency, are translated at the effective exchange rate at the date of determination of fair value.

The consolidation of the balances of foreign permanent establishments (branches) expressed in currencies other than the Euro is carried out using the following methodology: balance sheet items are converted into Euros at the exchange rate in force on the closing date of the financial year, while income statement items are converted at the average exchange rate for the year. The resulting translation differences are recognised in equity under the heading “translation reserve”, which is shown under other reserves in the financial statements.

Exchange rate gains or losses arising from conversion are recognised in profit or loss for the year.

To hedge its exposure to currency risk, the Company has entered into some forward and option contracts (see below the Company’s accounting policies relating to these derivative instruments).

B. Revenue recognition

Revenue from the sales of goods and services is recognised when the effective transfer of control to the customer takes place. For these purposes, the Company analyses the contracts signed with customers in order to identify the contractual obligations, which may involve the transfer of goods or services, and the possible existence of a number of elements to be recognised separately. In the presence of single contract including a number of services, the Company determines the amount referring to each of the services. The method of recognising revenue from sales of goods and services depends on how the individual services are performed: performance at a given time or performance over time. In the former case, revenue is recognised when the customer obtains control of the good or service, a moment which is influenced by the delivery conditions envisaged by the contract. In the case of obligations over time, depending on the characteristics of the underlying service, revenues are recorded linearly, over the term of the contract.

In reference to the main types of sales realised by the Company, the recognition of revenue takes place on the basis of the following criteria:

- a) Sales of machines and systems: revenue is generally recognised when the machine is delivered to the customer, which normally coincides with the moment when the customer obtains control of the good. The advances obtained from customers before completion of the sale are recorded as advances from customers, under the item Contract liabilities.
- b) Mechanical and electronic components, and other goods. The related revenue is recognised when the customer obtains control of the good, taking account of the delivery conditions agreed with the customer. Any advances paid by the customer before the sale of the good are recognised as such under Contract liabilities.
- c) Installation of machines and systems for machining wood, glass, stone and other materials. These are services generally sold together with the machines and systems as set out in point a) above, the revenue from which is recognised in the income statement over time on the basis of the progress of the service to be provided to the customer.
- d) Other services. These are services provided over time and the related revenue is recognised in the income statement on a straight-line basis over the duration of the contract.

C. Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with all the conditions attaching to the grant and that the grant will be received. Grants are recognised in the income statement over the period in which the entity recognises as expense the related costs which the grants are intended to compensate.

For accounting purposes, a benefit arising from a government loan granted at a below-market rate of interest is treated as a government grant. This benefit is measured at the inception of the loan as the

difference between the initial carrying amount of the loan (fair value plus any costs directly attributable to obtaining it) and the proceeds received, and it is subsequently recognised in the income statement in accordance with the regulations relating to the recognition of government grants.

D. Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised as costs as at the time when the service giving rise to those benefits is provided. The Company recognises a liability for the amount that is expected to be paid when there is a current, legal or implicit obligation to make such payments due to past events, and it is possible to make a reliable estimate of the obligation.

Post-employment benefits

Provisions for employee benefits on termination of employment are represented by the provision for employee severance indemnity. Post-employment benefits are recorded in accordance with the arrangements of defined-benefit plans under IAS 19.

Severance provisions are recorded at the expected future value of employee benefits as at the time when the employment relationship is terminated. This obligation is determined on the basis of actuarial assumptions. The measurement is carried out at least annually, with the support of an independent actuary, and using the projected unit credit method. The actuarial method considers financial variables such as, for instance, the discount rate or the long-term expected return on plan assets and the growth rates of salaries, and considers the probability that potential future events will occur using demographic variables such as, for instance, mortality rates and employee turnover or retirement rates. More precisely, the discount rates taken as reference are the rates or rate curves on high-quality corporate bonds (Euro Composite AA interest-rate curve) in the respective reference markets. The rates of future salary increases reflect the long-term expectation of the Company for the reference markets and inflation.

Actuarial gains and losses that emerge following the revaluation of liabilities for defined-benefit plans are immediately recognised in other comprehensive income, while net interest and other costs relating to defined-benefit plans are recognised in the income statement.

Contributions to defined contribution plans are recognised as an expense in the income statement over the period in which the employees are employed. Contributions paid in advance are recognised as an asset to the extent that the prepayment will result in a reduction in future payments or a refund.

E. Costs and charges

The costs relating to the purchase of goods and services are recognised when their amount can be measured reliably. Costs for the purchase of goods are recognised at the time of delivery, which, on the basis of the existing contracts, is the time when all related risks and rewards are transferred. Service costs are recognised on an accrual basis as the services are rendered.

F. Finance income and expense

Interest income and expenses are recorded in the income statement on an accrual basis, using the effective interest method. The effective interest method is a rate that accurately discounts expected future cash flows, based on the expected life of the financial instrument and the net carrying amount of the financial asset or liability.

G. Income taxes

Taxes are recognised in the income statement, with the exception of those relating to transactions recognised directly in equity, in which case the related effect is also recognised in equity. Income taxes include current tax and deferred tax assets and liabilities.

Current taxes are recognised on the basis of the estimated amount that the Company expects to have to pay, calculated by applying to the tax base the applicable tax rate at the reporting date in force in the respective countries. Income taxes relating to dividend distribution are recognised when a liability to pay the dividend is recognised.

Deferred tax assets and liabilities are stated using the liability method, i.e. they are calculated on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount for separate financial reporting purposes. Deferred tax assets and liabilities are not recognised on goodwill and on assets and liabilities that do not affect tax base.

Deferred tax assets are recognised only if they are considered recoverable in the light of the expected taxable income of future years. The recoverability is assessed at the end of each reporting period, and any

amount no longer likely to be recovered is recognised in the income statement.

The tax rates used in recognising deferred tax assets and liabilities are those expected to be in force in the relevant country in the tax period in which the temporary differences are expected to be realised or settled.

Offsetting between deferred tax assets and liabilities is only done for homogeneous positions, and if there is a legal right to offset current tax assets and liabilities; otherwise, assets and liabilities are recognised for such securities.

H. Owned property, plant and equipment

Recognition and measurement

Items of property, plant and equipment owned by the Group are measured at acquisition or production cost, including ancillary charges, less any subsequent accumulated depreciation and any impairment losses.

Any financial charges incurred in the acquisition or construction of capitalised assets – where a certain period of time typically passes in making the asset ready for use or sale – are capitalised and amortised over the life of the class of assets to which they refer. All other financial charges are recognised in the income statement during the financial year to which they refer.

If an item of property, plant and equipment owned by the Group consists of various items with different useful lives, those items are accounted for separately (if material).

Leasehold improvements are classified under property, plant and equipment in accordance with the nature of the cost incurred. The depreciation period is the shorter of the asset's residual useful life and the residual lease term.

Assets under construction are recorded at cost in "assets under construction" until their construction is complete. Once they become available for use, the cost is reclassified to the corresponding item line and becomes subject to depreciation.

The profit or loss generated by the sale of property, plant, machinery, equipment and other assets is determined as the difference between the net consideration received on disposal and the net residual value of the asset. It is recognised in the income statement for the year in which the sale takes place.

Subsequent costs

Costs incurred after assets are acquired as well as the costs associated with replacing various parts of assets in this category are added to the carrying amount of the item to which they refer and capitalised only when the inherent future economic benefit of the asset increases. In this case, the costs are also depreciated on the basis of the remaining useful life of the asset. All other costs are recognised in the income statement when incurred.

When the cost of replacing asset parts is capitalised, the residual value of the parts being replaced is charged to the income statement.

Depreciation

Depreciation periods start from when the asset is available for use, and end at either the date when the asset is classified as being held for sale in compliance with IFRS 5, or on the date on which useful life of the asset is concluded.

Any changes to the depreciation schedules only apply prospectively. The amount to be depreciated represents the original book value less the net expected disposal value of the asset at the end of its useful life when it is material and can be reasonably determined.

Depreciation amounts are determined by using special financial rates that correspond to the estimated useful life of each individual non-current asset. The annual rates applied by the Company are as follows:

Category	Rate
Property	2% - 3%
Plant and machinery	10% - 20%
Equipment	12% - 25%
Furniture and fittings	12%
Office machinery	20%
Motor vehicles	25%

I. Right-of-use assets and lease liabilities

In compliance with the provisions of IFRS 16, the Company identifies as leases those contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to use the modified retrospective method, so the cumulative effect of IFRS 16 has been recognised as an adjustment to the opening balance at 1 January 2019.

For every lease, starting from its commencement date, the Company records an asset (right-of-use asset) against a corresponding financial liability (lease liability), except for the following cases:

- short-term leases, i.e. those whose term is twelve months or less;
- low-value leases applied to situations in which the leased asset has a value of no more than Euro 5 thousand (value as new). The contracts for which the latter exemption has been applied fall mainly within the following categories: computers, phones and tablets, printers, other electronic devices, furniture and furnishings.

Therefore, for short-term and low-value contracts the financial lease liability and the corresponding right-of-use asset are not recognised, but the lease payments are charged to the income statement on a straight-line basis for the duration of their respective contracts.

In the case of a complex contract that includes a lease component, the latter is always managed separately compared to the other services included in the contract.

Lease liabilities

Lease liabilities are shown under Financial liabilities (current and non-current), together with other financial payables of the Company.

On initial recognition, the lease liability is recognised at the present value of the lease payments to be settled determined using the interest rate implicit in the contract (i.e. the interest rate that makes the present value of the sum of the payments and the residual value equal to the sum of the fair value of the underlying asset and the initial direct costs incurred by the Company). Where this rate is not specified in the contract or is not easily determinable, the present value is determined using the incremental borrowing rate, i.e. the incremental interest rate that, in a similar economic context and in order to obtain an amount equal to the value of the right of use, the Company would have recognised for a loan with similar duration and guarantees.

Discounted lease payments include fixed lease payments; fees that are variable due to an index or a rate; the redemption price, if any, and where the Company is reasonably certain to use it; the amount of the payment envisaged in respect of any release of guarantees on the residual value of the asset; the amount of penalties to be paid in the event that early termination options are exercised, where the Company is reasonably certain to exercise them.

After initial recognition, the lease liability is increased to reflect the interest accrued, determined on the basis of the amortised cost, and is decreased by the lease payments made.

In addition, the lease liability is remeasured to reflect any changes in leases or other situations envisaged by IFRS 16 which entail a change in the amount of the lease payments and/or term. In particular, given situations which entail a change in the estimate of the likelihood of exercise (or non-exercise) of the options for renewal or early termination of the lease or in the possible redemption (or non-redemption) of the asset upon expiry of the lease, the lease liability is remeasured by discounting the new value of the lease payments due on the basis of a new discount rate.

Right-of-use assets

Right-of-use assets are set out under "Property, plant and equipment" together with items of property, plant and equipment owned by the Group, and are broken down by category on the basis of the nature of the asset used through the lease. At the time of initial recognition of the lease, the right-of-use asset is recognised at a value corresponding to the lease liability, determined as described above, plus the lease payments made in advance and ancillary costs and net of any incentives received. Where applicable, the initial value of the right-of-use asset also includes the related costs for decommissioning and restoring the area.

Situations entailing the remeasurement of the lease liability imply a corresponding change in the value of the right-of-use asset.

After initial recognition, the right-of-use asset is depreciated on a straight-line basis, as from the commencement date of the lease, and subject to write-down in the case of impairment.

Depreciation is provided over the shorter of the lease term and the useful life of the underlying asset. However, if the lease provides for the transfer of ownership, possibly also as a result of the use of redemption options included in the value of the right of use, depreciation is provided over the useful life of the asset.

J. Intangible assets and Goodwill

Goodwill

Goodwill is an intangible asset with an indefinite useful life that arises from business combinations accounted for using the acquisition method. It is recognised as the positive difference between the acquisition cost and the Company's interest, having measured at fair value all other identifiable assets, liabilities and contingent liabilities, (full fair value method) at the acquisition date.

Goodwill is an intangible asset with an indefinite useful life, and is therefore not subject to amortisation. However, it remains subject to impairment test at least once a year, generally at the separate financial statements date, in order to verify that there has been no impairment loss, unless market or management indicators identified by the Company suggest that the impairment test is necessary also when preparing interim reports.

Goodwill is measured by identifying the cash-generating units (CGUs) that benefit from the synergies of the acquisition. The cash flows are discounted at the cost of capital in relation to the specific risks of the unit.

Impairment losses are recognised in the income statement whenever the discounted cash flow calculation indicates that the recoverable amount of the CGU is lower than its carrying amount. Losses identified in this way are not subject to any subsequent reversal of impairment.

Development costs and other intangible assets

Intangible assets generated by developing Company products are entered as assets only when the following requirements are met:

- the cost attributable to the asset during its development can be reliably measured;
- the product or process is feasible in both technical and commercial terms;
- future economic benefits are likely;
- the Company has sufficient resources available and intends to complete the asset's development, and to use or sell the asset.

These intangible assets are amortised on a straight-line basis over their useful lives.

Whenever the above criteria are not met, development costs are recognised in the income statement for the financial year in which they are incurred.

Capitalised development costs are recognised at cost less accumulated amortisation and/or any accumulated impairment losses.

Research and development costs are recognised in the income statement as incurred.

Other intangible assets including trademarks, patents and licences, which have a finite useful life, are initially recognised at acquisition cost, and are systematically amortised on a straight-line basis over their useful life or over a period not exceeding that established by the underlying licence or purchase contract.

The annual rates applied by the Company are as follows:

Category	Rate
Trademarks	10%
Patents	10% - 33.33%
Development costs	10% - 50%
Software and licences	20% - 25%

Subsequent costs

Subsequent costs are only capitalised when the expected future economic benefit that can be attributed to the corresponding asset increases. All other subsequent costs are recognised in the income statement as incurred.

K. Investments

Investments in subsidiaries, jointly controlled entities and associates not classified as held for sale are accounted for at cost.

At each balance sheet date, the existence of indicators of impairment is assessed. If such indicators exist, the adequacy of the value recognised in the financial statements is verified through a valuation test governed by IAS 36.

An impairment loss is recognised if the recoverable amount of the investment is less than its carrying amount.

If, subsequent to the recognition of an impairment loss, there are indications that the loss does not exist or has decreased, the value of the investment is reversed to reflect the lower impairment loss.

After writing off the cost of the investment, additional losses recognised by the investee are recognised as a liability, if there is a legal or constructive obligation of the investor to cover the increased losses of the investee.

L. Financial assets and liabilities

Trade receivables and issued debt securities are recognised at the time they originate. All other financial assets and liabilities are initially recognised on their trading date, i.e. when the Company becomes a contractual party to the financial instrument.

Except for trade receivables which do not involve a significant financing component, financial assets are initially measured at fair value plus or minus – in the case of financial assets or liabilities not measured at FVTPL – the transaction costs directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables which do not have a significant financing component are measured at their transaction price.

Subsequent classification and measurement

Upon initial recognition, a financial asset is classified according to its valuation: amortised cost; fair value recognised in other comprehensive income (FVOCI) - debt securities; FVOCI – capital stock; or at fair value through profit/(loss) for the year (FVTPL).

Financial assets are not reclassified after their initial recognition unless the Company changes its business model to manage financial assets. In this case, all affected financial assets are reclassified on the first day of the first year following the change of the business model.

A financial asset must be measured at amortised cost if both the following conditions are met and it is not measured at FVTPL:

- the financial asset is held as part of a business model whose objective is the possession of financial assets aimed at collecting the relevant contractual cash flows; and
- the contractual terms of the financial asset include cash flows on certain dates consisting solely of payments of principal and interest on the principal amount to be repaid.

A financial asset must be measured at FVOCI if both the following conditions are met and it is not measured at FVTPL:

- the financial asset is held as part of a business model whose objective is achieved by both collecting the contractual cash flows and by selling the financial assets; and
- the contractual terms of the financial asset include cash flows on certain dates consisting solely of payments of principal and interest on the principal amount to be repaid.

At the time of initial recognition of an equity security not held for trading purposes, the Company can make the irrevocable decision to report subsequent changes in fair value through other comprehensive income. This choice is made for each asset.

All financial assets not classified as measured at amortised cost or at FVOCI, as indicated above, are measured at FVTPL. All derivative financial instruments are included. At the time of initial recognition, the Company can irrevocably report the financial asset as measured at fair value through profit or loss for the year if this eliminates or significantly reduces an accounting mismatch that would otherwise result from the measurement of the financial asset at amortised cost or at FVOCI.

For the purposes of measurement, “principal” is the fair value of the financial asset at the time of initial recognition while “interest” is the compensation for the time value of money as well as for the credit risk

associated with the amount of principal to be repaid during a given period of time and for other risks and basic costs related to the loan (for example, liquidity risk and administrative costs) as well as for the profit margin.

In assessing whether the contractual cash flows are represented solely by payments of principal and interest, the Company considers the contractual terms of the instrument. Therefore, it evaluates, among other items, whether the financial asset contains a contractual clause that modifies the timing or the amount of the contractual cash flows such as to not satisfy the following condition. For the purposes of the evaluation, the Company considers:

- contingent events that would change the timing or amount of financial flows;
- clauses that could adjust the contractual coupon rate, including variable rate items;
- advance payments and extensions; and
- clauses that limit requests for cash flows by the Company from specific activities (for example, items without recourse).

The advance payment element is in line with the criterion of “cash flows represented solely by payments of principal and interest” if the amount of the advance payment substantially consists of principal amounts due and the interest accrued on the principal amount to be repaid, which may include reasonable additional compensation for the early termination of the contract. In addition, in the case of a financial asset acquired with a premium or at a significant discount on the contractual nominal amount, any element that allows or requires an advance payment equal to an amount that substantially represents the nominal contractual amount plus the contractual interest which was accrued (but not paid) (which may include reasonable additional compensation for the early termination of the contract) is recognised in accordance with this criterion if the fair value of the advance payment element is not significant at the time of initial recognition.

Financial liabilities are measured at amortised cost or at FVTPL. A financial liability is classified at FVTPL when it is held for trading, or is a derivative or is designated as such at the time of initial recognition. Financial liabilities at FVTPL are measured at fair value and any changes, including payable interest, are recognised in profit/(loss) for the year. Other financial liabilities are subsequently measured at amortised cost by using the effective interest method. Payable interest and exchange rate gains/(losses) are recognised in profit/(loss) for the year, as are any profits or losses deriving from derecognition.

Impairment of financial assets

At the end of each reporting period, the Company recognises an allowance for expected losses on trade receivables, contract assets and other financial assets measured at amortised cost. For these purposes, the Company adopts an impairment model based on expected credit losses, taking into account objective evidence of the risk of loss on a loan and using a forward-looking, historical experience approach for all other positions.

The value of trade receivables, contract assets and other financial assets is shown in the financial statements net of the relevant allowance for impairment, while impairment losses are recognised in the income statement under “Provisions” and “Impairment losses”.

Derecognition

Financial assets are derecognised from the financial statements when the contractual rights to the cash flows deriving from them expire, or when the contractual rights to receive the cash flows as part of a transaction in which substantially all the risks and benefits derive from ownership of the financial asset are transferred, or when the Company neither transfers or substantially maintains all the risks and benefits deriving from ownership of the financial asset and does not maintain control of the financial asset.

The Company is involved in transactions that involve the transfer of assets recognised in the statement of financial position, but retains all or substantially all the risks and benefits deriving from the transferred asset. In these cases, the transferred assets are not derecognised.

The Company derecognises a financial liability when the obligation specified in the contract has been fulfilled or cancelled or has expired. The Company derecognises a financial liability even if the related contractual terms change and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised at fair value on the basis of the modified contractual terms.

The difference between the carrying amount of the derecognised financial liability and the amount paid (including assets not represented by transferred liquid funds or assumed liabilities) is recognised in

profit/(loss) for the year.

M. Provisions for risks and charges

Provisions for risks and charges are recorded where there are legal or implicit, contractual or otherwise obligations towards third parties, deriving from past events, which are likely to require an outlay of resources whose amount can be reliably estimated.

Whenever it is estimated that these obligations will mature after twelve months and that the related effects will be material, they are discounted at a rate that reflects the time value of money and the risks specific to the recognised liability. In those cases, the increase in the provision due to the passage of time and any effect arising from a change in the discount rate are recognised as a finance expense. Any change in the estimate of provisions is reflected in profit or loss in the reporting period in which they arise.

Contingent liabilities

The Company is subject to legal and tax disputes falling under the jurisdiction of several states, in relation to which a liability is ascertained when it is considered probable that a financial outlay will occur, and the amount of the resulting losses can be reasonably estimated. If an outflow of financial resources becomes probable but its amount cannot be determined, this fact is reported in the notes to the financial statements.

In the normal course of business, Management monitors the status of litigation also with the support of its legal advisors and experts in legal and tax matters, as well as with the corporate functions most involved in matters of customer disputes.

Product warranties

The Company allocates provisions to cover the estimated costs of providing warranty services on products sold. The provisions are determined based on a model that uses available historical information regarding the nature, frequency and cost of warranty actions, for the purpose of assigning estimated costs against the corresponding sales revenue.

N. Inventories

Inventories are valued at the lesser of cost (determined using the weighted average cost method) and the net realisable value, namely, the estimated sale price less all estimated costs related to finalising the goods, the cost of sales, and distribution costs that must be incurred in order to finalize the sale.

The cost comprises the cost of direct materials and, where appropriate, direct labour, general production overheads and other costs incurred in bringing the inventories to their present location and condition.

Obsolete and slow moving inventories are written down in relation to the possibility that they can be used or sold.

The allowance for inventory write-downs reflects Management's estimate of impairment losses expected by the Company and is calculated on the basis of past experience as well as historical and expected trends in the market for second-hand equipment and spare parts, and any losses due to specific activities put into place by the Company.

O. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and cash equivalents that can be liquidated within three months. Items included in cash and cash equivalents are measured at fair value, and any corresponding changes are recognised in profit or loss.

P. Share capital

Share capital represents subscribed and paid-up capital. Any incremental costs that are directly attributable to issuing ordinary shares are recognised as a decrease in equity. Income tax relating to capital transaction costs are recognised in accordance with IAS 12.

As provided for under IAS 32, any treasury shares are recognised as a reduction in equity. Any consideration received from a subsequent sale or reissue of such treasury shares would then be recognised as an increase in equity. Gains and losses from trading, if any, are recognised under equity, net of tax effects.

Q. Treasury shares

Treasury shares are recorded in the balance sheet at purchase cost and are shown as a deduction from shareholders' equity. Gains and losses arising from the trading of treasury shares, net of related tax effects, are recognised under equity.

R. Impairment losses on property, plant and equipment and intangible assets and investments

At each balance sheet date, the Company reviews the existence of events or circumstances that may cast doubt on the recoverability of the value of property, plant and equipment, intangible assets with finite useful lives and investments. In the presence of loss indicators, the recoverable amount is estimated in order to quantify the extent of any impairment losses.

Goodwill is tested annually and whenever there is an indication of possible impairment.

The recoverability of the recognised amounts is tested by comparing the carrying amount with the higher of its fair value less costs to sell, where an active market exists, and the value in use. The value in use is determined based on the present value of the future cash flows expected to be derived from continuing use of an asset or group of assets and from its disposal at the end of its useful life.

The Directors determine the recoverable amount of goodwill by calculating the value in use for the cash-generating units to which goodwill is allocated. The Cash Generating Units have been defined as a group of similar assets that generate independent cash inflows through continuing use of the assets attributable to it. In line with the provisions of the relevant accounting standards, and consistent with the organisational and business structure, the Biesse Group has identified 2 Cash Generating Units (CGUs).

Management makes several assumptions in calculating the present value of future cash flows, including estimates of future increases in sales, gross operating profit, operating expense, the growth rate of terminal values, investments, changes in working capital and the weighted average cost of capital (discount rate), taking account of the specific risks of the asset or of the cash-generating units. The expected cash flows used in the model are determined during the Company's budgeting and planning processes and represent the best estimate, based on the Group's budget, which is updated annually and reviewed by Strategic Management and approved by the Parent's Board of Directors, and based on the Company's medium/long-term plan, which is updated periodically and also subject to approval. The carrying amount attributed to the cash-generating unit is determined with reference to the statement of financial position by direct, where applicable, or indirect allocation criteria.

If the recoverable amount of a tangible or intangible asset (including goodwill) or of an investment is less than the carrying amount, then the latter is reduced and it is adjusted to match the recoverable amount. This reduction reflects an impairment loss, which will be recognised in profit or loss.

Where there are indications that an impairment loss, recorded in previous years and relating to assets other than goodwill, may no longer exist or may have been reduced, then the recoverable amount of the asset is estimated anew. If the revised value is higher than the net carrying amount, the latter will be increased to match the recoverable amount. The reversal of the impairment loss cannot exceed the carrying amount that would have been determined (net of amortisation, depreciation and write-downs) if no impairment had been recognised in previous years. A reversal of an impairment loss is recognised in profit or loss.

S. DIVIDENDS

Dividend and Interest Income

Dividend and interest income are recognised respectively:

- dividends, when the right to receive payment is determined (with financial credit at the time of the distribution resolution);
- interest, applying the effective interest rate method.

Dividends distributed

Dividends are recognised when the shareholders' right to receive payment arises, which normally corresponds to the date of the annual shareholders' meeting that resolves on the distribution of dividends.

Dividends distributable to Group Shareholders are recognised as a movement in equity in the year in which they are approved by the Shareholders' Meeting.

5. ADOPTION OF NEW ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS

a) ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED AS OF 1 JANUARY 2025

The following accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union have been applied as of 1 January 2025.

- On 15 August 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 verify if one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the information to be provided in a supplementary note. The adoption of this amendment had no impact on the separate consolidated financial statements of the Company.

b) ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT YET ADOPTED IN ADVANCE BY THE GROUP AS AT 31 DECEMBER 2025

The following IFRS accounting standards, amendments and interpretations have been approved by the European Union but are not yet compulsorily applicable and were not adopted in advance by the company as of 31 December 2025:

- On 30 May 2024, the IASB published the document **‘Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7’**. The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
 - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
 - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions.

With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI.

The amendments will apply as of the financial statements for financial years beginning on or after 1 January 2026. The Directors do not expect the adoption of this amendment to have a significant impact on the Separate Financial Statements of the Company.

- On 18 December 2024, the IASB published an amendment entitled **‘Contracts Referencing Nature-dependent Electricity - Amendment to IFRS 9 and IFRS 7’**. The document aims to support entities in reporting the financial effects of renewable electricity purchase agreements (often structured as Power Purchase Agreements). On the basis of these contracts, the amount of electricity generated and purchased can vary 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 the "own use" requirements to this type of contract;
 - of the criteria for allowing such contracts to be accounted for as hedging instruments; and,
 - of new disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The change will apply from 1 January 2026, but an early application is allowed. The Directors do not expect the adoption of this amendment to have a significant impact on the Separate Financial Statements of the Company.

- On 18 July 2024, the IASB published a document entitled **‘Annual Improvements Volume 11’**. The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards. The amended standards are:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and related guidance 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 the financial statements for financial years beginning on or after 1 January 2026. The Directors do not expect the adoption of this amendment to have a significant impact on the Separate Financial Statements of the Company.

c) **ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION AS AT 31 DECEMBER 2025**

At the reporting date, the relevant authorities of the European Union have not yet completed the necessary endorsement process for the adoption of the amendments and standards mentioned above.

- On 9 April 2024, the IASB published a new standard '**IFRS 18 Presentation and Disclosure in Financial Statements**', which will replace **IAS 1 Presentation of Financial Statements**. The new standard aims to improve the presentation of the financial statements, with particular reference to the income statement. In particular, the new standard requires:
 - the classification of revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
 - the presentation of two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT).

The new standard also:

- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and,
- introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will enter into force on 1 January 2027, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the separate consolidated financial statements of the Company.

- On 9 May 2024, the IASB published a new standard **IFRS 19 Subsidiaries without Public Accountability: Disclosures**. The new standard introduces some simplifications with regard to the disclosure required by the IFRS Accounting Standard in the financial statements of a subsidiary that 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 accordance with IFRS.

The new standard will enter into force on 1 January 2027, but earlier application is permitted. The Directors do not expect the adoption of this amendment to have a significant impact on the Separate Financial Statements of the Company.

- On 13 November 2025, the IASB published a document entitled "**Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21**" which clarifies the conversion procedures for an entity whose presentation 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 translating its economic performance and financial position into the currency of a hyperinflationary economy; or,
 - is converting the economic results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy into the currency of a hyperinflationary economy.

The amendments will apply as of the financial statements for financial years beginning on or after 1 January 2027. The Directors do not expect the adoption of this amendment to have an impact on the Separate Financial Statements of the Company.

- On 30 January 2014, the IASB issued *IFRS 14 - Regulatory Deferral Accounts*, which allows an entity that is a first-time adopter of IFRS to continue to account for Rate-Regulated Activities in accordance with the previous accounting standards adopted. Since the Group is not a first-time adopter, this standard is not applicable.

6. REVENUE FROM SALES AND SERVICES AND OTHER OPERATING INCOME

The breakdown of revenue from sales and services is as follows:

€ '000	December 2025	December 2024
Revenues from goods	360,759	400,916
Revenues from services	24,108	24,438
Other revenues	727	600
Revenues	385,594	425,954
Lease and rental income	9	82
Income-related grants	614	839
Gains on sales of assets	134	142
Other income and prior year income	5,819	4,211
Total other operating income	6,576	5,274

"Total revenues" for the 2025 financial year amounted to € 385,594 thousand, compared to € 425,954 thousand recorded in the previous year, with an overall decrease of -9.5%. The decrease relates to lower sales, especially with reference to the European market, against the backdrop of the drop in order intake that started already in the financial year 2023.

With regard to the effects of the transfer of the business unit to the subsidiary Biesse Tooling S.r.l., which took effect on 1 February 2025, it should be noted that in the 2024 financial year, its turnover amounted to € 9,490 thousand, while in 2025, turnover for the month of January alone amounted to € 511 thousand. Consequently, excluding these values in both financial years, the restated "Total revenues" for the financial year would have been € 385,083 thousand compared to € 416,104 thousand in the previous financial year, showing an overall decline in revenues of -7.5% instead of -9.5%.

Among the "Other operating income", the most significant value refers to the item "Other income and contingent assets" for € 5,819 thousand, attributable for € 2,478 thousand to the reimbursement of the costs of centralised services that Biesse S.p.A. provides to the Group's companies, for € 548 thousand to the corresponding share of the exercise of the income deriving from tax credits, and the remainder of € 2,793 thousand to contingent assets and other income of small and fragmented amounts.

The item "Capital gains from disposal" contains for € 95 thousand the income deriving from the sale of a building with plants and land located in Codognè (TV), which was completed on 19 December 2025 for a sale price of € 1,300 thousand. In 2024, the item included € 121 thousand in proceeds from the sale of a building, with plant and appurtenant land, located in Gradara (PU).

The item "Grants for the financial year" includes € 429 thousand in non-repayable grants for funded research projects and € 185 thousand in grants for employee training courses.

Here below is a breakdown of the item "Revenue from sales and services" to related parties:

€ '000	December 2025	December 2024
Subsidiaries		
Bavelloni Spa	9	12
Biesse America Inc.	52,589	39,901
Biesse Asia Pte Ltd	2,264	1,093
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda	87	512
Biesse Canada Inc.	9,786	11,894
Biesse Deutschland GmbH	15,395	16,152
Biesse France Sarl	22,466	28,603
Biesse Group Australia Pte Ltd	7,004	15,375
Biesse Group New Zealand PTY Ltd	1,284	1,594
Biesse Group UK Ltd	13,735	17,909
Biesse Gulf FZE	5,582	5,113
Biesse Iberica Woodworking Machinery S.L	16,433	19,933
Biesse India Private Ltd	2,405	3,009
Biesse Indonesia Pt	573	218
Biesse Japan KK	2,629	2,698
Biesse Kazakhstan LLP	1,711	-
Biesse Korea LLC	533	795
Biesse Malaysia SDN BHD	1,232	2,444
Biesse Schweiz GmbH	3,835	4,534
Biesse Taiwan Ltd.	1,279	1,155
Biesse Tooling S.r.l.	196	-
Biesse Trading (Shanghai) CO.LTD	1,892	3,854
Biesse Turkey Makine Ticaret Ve Sanayi A.Ş	5,371	4,921
GMM Spa	91	142
HSD S.p.A.	1,543	1,431
WMP-Woodworking Machinery Portugal Unipessoal LDA	615	1,734
Z. Bavelloni México Sa de CV	110	
Total	170,649	185,025

Here below is a breakdown of the item “Other operating income” to related parties:

€ '000	December 2025	December 2024
Subsidiaries		
Bavelloni S.p.A.	72	68
Biesse America Inc.	1	-
Biesse Deutschland GmbH	1	-
Biesse Group UK Ltd	1	-
Biesse Tooling S.r.l.	906	-
GMM S.p.A.	85	-
HSD S.p.A.	1,414	1,522
Mectoce S.r.l.	7	-
Related parties		
Bi.Fin. S.r.l.	1	1
De Mitri Paolo	-	2
Potenza Massimo	584	-
Total	3,072	1,593

7. ANALYSIS BY OPERATING SEGMENT AND GEOGRAPHICAL SEGMENT

The Company, in compliance with the provisions of IFRS 8, discloses this information in the Notes to the Consolidated Financial Statements of the Group.

8. CONSUMPTION OF RAW MATERIALS AND CONSUMABLES

Consumption of raw materials and consumables decreased from € 229,844 thousand in 2024 to € 228,877 thousand in 2025, a decrease of -0.4%. The percentage share of this item in the value of production, standing at 57.2% in 2025, represents a deterioration of 2.9 percentage points compared with the previous year (54.2% in 2024).

Here below are the amounts due to related parties and referring to the item “Consumption of raw materials and consumables”:

€ '000	December 2025	December 2024
Subsidiaries		
Bavelloni S.p.A.	12,303	12,182
Biesse America Inc.	(54)	(17)
Biesse Asia Pte Ltd	(5)	(9)
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda	23	27
Biesse Canada Inc.	(34)	(49)
Biesse Deutschland GmbH	(56)	(55)
Biesse France Sarl	122	(104)
Biesse Group Australia Pty Ltd	30	(16)
Biesse Group New Zealand Ltd	(6)	(4)
Biesse Group UK Ltd	-	(57)
Biesse Gulf FZE	(18)	(16)
Biesse Iberica Woodworking Machinery S.L.	(63)	(75)
Biesse India Private Ltd	19,280	22,575
Biesse Indonesia Pt	(1)	-
Biesse Japan KK	-	(8)
Biesse Kazakhstan LLP	(1)	-
Biesse Korea LLC	-	(1)
Biesse Malaysia SDN BHD	35	(4)
Biesse Schweiz GmbH	(6)	(7)
Biesse Taiwan Ltd	(3)	(5)
Biesse Tooling S.r.l.	235	-
Biesse Trading (Shanghai) Co. Ltd	2	(11)
Biesse Turkey Makine Ticaret Ve Sanayi As	70	1
GMM S.p.A.	2,311	711
HSD S.p.A.	21,521	20,884
Techni Waterjet Ltd	(2)	-
Waterjet Production Academy GmbH	555	-
Woodworking Machinery Portugal, Unipessoal Lda	-	(1)
Related parties		
Renzoni S.r.l.	1	1
Semar S.r.l.	759	863
Total	56,998	56,805

9. PERSONNEL EXPENSE

The following is a breakdown of the item "Personnel expense":

€ '000	December 2025	December 2024
Wages, salaries, bonuses and social security contributions	99,330	108,995
Accruals to pension plans	5,538	6,217
Capitalization and recovery of personnel expense	(1,934)	(1,920)
Personnel expense	102,934	113,292

Staff costs for the financial year 2025 compared to 2024 showed a decrease of € 10,358 thousand. This decrease is a consequence of the activation, already at the end of 2023, of the defensive solidarity contract, which has been renewed several times and expires on 31 October 2026, as well as the departure of certain employees due to identified redundancies.

Capitalisation and recharges of personnel expenses refer for € 1,102 thousand (€ 457 thousand in 2024) to recharges of personnel seconded to Group companies, and for € 832 thousand (€ 1,464 thousand in 2024) to capitalisation of personnel costs for the year referring to costs for new product development activities.

Average number of employees

The average number of staff members in 2025 was 1,548 (1,784 in 2024), broken down as follows:

	December 2025	December 2024
Workers	655	760
Employees	841	968
Directors	52	56
Total	1,548	1,784

10. OTHER OPERATING EXPENSE

The item "Other operating expenses" is detailed as follows:

€ '000	December 2025	December 2024
Production services	12,220	11,025
Maintenance	4,521	4,039
Sales commissions and transport	10,598	12,078
Consultancy fees	7,286	11,418
Utilities	3,027	3,710
Exhibitions and advertising	3,441	1,730
Insurance	1,274	1,186
Directors, statutory auditors and consultants' remuneration	1,774	1,779
Travel	4,440	5,277
Other operating expenses	11,709	12,622
Use of third party assets	2,167	2,471
Other charges	4,596	4,485
Total	67,053	71,820

The year 2025 was characterised by a decrease in turnover and consequently a decrease in operating expenses. Costs related to sales, such as "Commissions and transport on sales", decreased substantially in line with the decrease in sales, while "Production services" increased only due to the increase in the costs of installations carried out by third parties. Production costs related to processing decreased in line with the decrease in revenues.

There was also a significant decrease in the item "Consultancy," particularly in relation to technical consultancy, while the increase in the item "Trade fairs and advertising" was mainly due to participation in the biennial Ligna trade fair in Germany, a world-renowned event in the woodworking industry.

The item "Use of third-party assets" includes rents for the financial year that are excluded from the application of IFRS 16 because they are of short duration or modest value, while the item "Other operating expenses" mainly contains costs relating to the vehicle fleet, non-income taxes, membership fees, contingent liabilities and other expenses.

As required by Art. 149-*duodecies* of the CONSOB Issuers' Regulations, a list of the services provided by the Independent Auditors and its network is shown below:

Service Type	Entity providing the service	Remuneration € '000
Annual and quarterly audits	Deloitte & Touche SpA	160
Other certification services	Deloitte & Touche SpA	1
Audit of sustainability reporting	Deloitte Network	80
Totale		241

With reference to transactions with related parties, here below is a breakdown of the costs of the item "Other operating expense":

€ '000	December 2025	December 2024
Subsidiaries		
Bavelloni S.p.A.	618	220
Biesse America Inc.	(1,926)	(1,758)
Biesse Asia Pte Ltd	(1)	(1)
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda	2,069	1,699
Biesse Canada Inc.	(804)	(1,073)
Biesse Deutschland GmbH	(354)	(635)
Biesse France Sarl	(783)	(784)
Biesse Group Australia Pty Ltd	(209)	(784)
Biesse Group New Zealand Ltd	(98)	(81)
Biesse Group Russia LLC	-	7
Biesse Group UK Ltd	(613)	(771)
Biesse Gulf FZE	236	295
Biesse Iberica Woodworking Machinery S.L.	157	(283)
Biesse Indonesia Pt	(10)	(12)
Biesse Japan KK	-	1
Biesse Kazakhstan LLP	5	-
Biesse Korea LLC	49	28
Biesse Malaysia SDN BHD	-	6
Biesse India Private Ltd	411	584
Biesse Schweiz GmbH	(129)	(106)
Biesse Taiwan Ltd	(1)	(1)
Biesse Tooling S.r.l.	(112)	-
Biesse Trading (Shanghai) Co. Ltd	23	20
Biesse Turkey Makine Ticaret Ve Sanayi As	1,487	1,210
GMM International Ltd	(1)	-
GMM S.p.A.	(101)	(2)
GMM Steinbearbeitungsmaschinen GmbH	(1)	-
HSD Deutschland GmbH	-	(2)
HSD S.p.A.	306	282
Mectoce S.r.l.	-7	-
Waterjet Production Academy GmbH	44	-
Woodworking Machinery Portugal, Unipessoal Lda	395	98

€ '000	December 2025	December 2024
Parent Company		
Bi.Fin. S.r.l.	-	1
Related parties		
Renzoni S.r.l.	-	2
Semar S.r.l.	-	-
Selci Giancarlo	-	33
Parpajola Alessandra	10	-
Selci Roberto	1,200	1,134
Potenza Massimo	66	133
Baronciani Alessandra	30	28
Bruni Massimiliano	20	28
Schiavini Rossella	64	59
Borsani Ferruccio	-	10
Ricceri Federica	58	53
Sgubin Cristina	34	21
Giordano Salvatore	62	-
Bedogni Giorgio	8	-
De Mitri Paolo	82	90
Ciurlo Giovanni	63	53
Pinna Benedetta	52	35
Perusia Enrica	-	16
Total	2,399	(147)

The negative amounts concern cost recharges to Group companies.

11. PROVISIONS

The item "Provisions" shows a positive balance (income) of € 911 thousand compared to a negative balance (expense) of € 1,799 thousand in the previous year, an improvement of € 2,710 thousand. This item includes the allowance for impairment of € 229 thousand and the provision for risks and charges totalling € 2,244 thousand, offset by releases (income recognition) of the same totalling € 3,384 thousand. For details on provisions for risks and charges, please refer to the relevant note38.

12. IMPAIRMENT LOSSES

During the financial year, € 90 thousand was recognised for impairment (€ 827 thousand in 2024), relating to costs on development projects capitalised in previous years and no longer used.

For further details, reference should be made to the Directors' Report on Operations and to notes 17and19.

13. PROFITS/LOSSES OF RELATED COMPANIES

Impairment losses and reversals of impairment losses are detailed below:

€ '000	December 2025	December 2024
Bavelloni S.p.A.	(25,800)	-
Biesse Deutschland GmbH	-	192
Biesse Group Australia Pty Ltd	-	274
Biesse Group Israel Ltd	50	-
Biesse Group New Zealand Ltd	-	600
Biesse Group Russia LLC	-	1,775
Biesse Hong Kong Ltd (ex Centre Gain Ltd)	-	(3,370)
Biesse Iberica Woodworking Machinery S.L.	-	2,362
Biesse Turkey Makine Ticaret Ve Sanayi As	-	(4,948)
GMM S.p.A.	(3,100)	-
Share of profit/loss of subsidiaries and associates	(28,850)	(3,115)

For more details on the companies mentioned in the table, please refer to the information in Note 20 commenting on the item equity investments.

14. FINANCE INCOME AND EXPENSE

The item “Finance income” is detailed below:

€ '000	December 2025	December 2024
Revenues from financial assets	3,463	1,036
Bank interest	277	628
Interest from customers	7	12
Other financial income	440	190
Exchange rate gains	10,094	7,202
Total financial income	14,281	9,068

The increase in “Income from financial receivables” is mainly due to higher interest accrued on bond deposits. For further details, please refer to note no. 26 “Current financial assets due from third parties”.

“Interest on bank deposits” includes interest accrued on bank deposits, which decreased compared to the previous period due to lower average cash balances.

The item “Other financial income” contains, for € 426 thousand (€ 173 thousand in 2024), the capital gain deriving from the sale of bonds.

The amounts due to related parties referring to the item “Finance income” are shown below:

€ '000	December 2025	December 2024
Subsidiaries		
Bavelloni S.p.A.	224	66
Biesse Gulf FZE	-	119
Biesse Japan KK	3	-
Biesse Kazakhstan LLP	2	-
Biesse Korea LLC	8	1
Biesse Malaysia SDN BHD	33	48
Biesse Tooling S.r.l.	5	-
Biesse Trading (Shanghai) Co. Ltd	210	146
GMM S.p.A.	427	205
Woodworking Machinery Portugal, Unipessoal Lda	6	1
Total	918	586

Finance expense is detailed below:

€ '000	December 2025	December 2024
Bank interest expense on mortgages and loans	4,581	2,792
Interest on right of use assets	64	132
Interest on discounting of bills	3	3
Other interest	2,826	4,448
Customer discounts	264	245
Other financial expense	246	356
Exchange rate losses	7,875	9,112
Total financial expense	15,859	17,088

The increase in the item "Bank interest on loans and financing" increased as a result of the rise in the average outstanding balance of loans and mortgages during the previous financial year.

"Interest expense on leases" included € 60 thousand (€ 124 thousand in 2024) for financial charges on payables relating to right-of-use assets in application of IFRS 16.

The item "Other Interest Expense" mainly contains interest expenses to Group companies for intercompany loans or cash pooling balances; the decrease is related to the decrease in liabilities.

The item "Other financial expenses" contains the interest cost arising from the actuarial valuation of the severance indemnity fund in the amount of € 197 thousand, losses from the sale of bonds in the amount of € 4 thousand, and discounting charges in the amount of € 4 thousand.

Here below are the amounts due to related parties in relation to the item "Finance expense":

€ '000	December 2025	December 2024
Subsidiaries		
Bavelloni Spa	15	191
Biesse America Inc.	1,078	1,011
Biesse Asia Pte Ltd	15	67
Biesse Deutschland GmbH	88	131
Biesse France Sarl	184	548
Biesse Group UK Ltd	538	855
Biesse Iberica Woodworking Machinery S.L	145	225
Biesse Schweiz GmbH	17	48
Forvet Costruzione Macchine Speciali S.p.A.	6	-
HSD S.p.A.	6	-
	738	1374
Parent company		
Bifin S.r.l.	-	18
Related parties		
Selci Roberto	1	1
Total	2,831	4,469

The balance of positive and negative exchange rate differences showed a positive amount of € 2,220 thousand (negative € 1,910 thousand in 2024).

Unrealised foreign exchange gains and losses gave a positive balance of € 1,527 thousand (negative balance of € 1,774 thousand in 2024) due to the adjustment to the period-end exchange rate of credit and debit items denominated in foreign currencies, in addition to the valuation of forward contracts

outstanding at the end of the financial year (negative balance of € 78 thousand in 2025 against a negative balance of € 1,006 thousand in 2024).

As for realised exchange rate differences, they were positive at € 693 thousand (negative at € 136 thousand in 2024).

15. DIVIDENDS

The amount of € 23,413 thousand (€ 24,041 thousand in 2024) relates to dividends approved in 2025 by the following companies:

- HSD S.p.A.: € 20,000 thousand. This dividend was authorised on 16 December 2025;
- Biesse Iberica Woodworking Machinery s.l.: € 1,500 thousand. This dividend was authorised on 10 December 2025;
- Biesse France Sarl: € 1,000 thousand. This dividend was authorised on 16 June 2025;
- Biesse Group UK Ltd.: € 913 thousand (GBP 800 thousand). This dividend was authorised on 12 December 2025.

All the dividends listed above were received during the financial year through offsetting against the existing cash pooling arrangement with the subsidiaries.

16. TAXES

Below is the breakdown of the 'Taxes' item:

€ '000	December 2025	December 2024
Current taxes IRES	(1,041)	(660)
Deferred taxes IRES	(2,348)	(3,688)
Taxes IRES	(3,389)	(4,348)
Deferred taxes IRAP	133	110
Taxes IRAP	133	110
Income taxes relating to previous years	(96)	1,107
Total taxes of the year	(3,352)	(3,131)

Biesse S.p.A. closed the 2025 financial year with a net tax benefit of € 3,352 thousand (compared with a net tax benefit of € 3,131 thousand in 2024).

The balance of "IRES Taxes" was positive by € 3,389 thousand (positive for € 4,348 thousand in 2024).

"Current IRES taxes" were positive in the amount of € 1,041 thousand (positive in the amount of € 660 thousand in 2024) and represent the remuneration of the national tax consolidation; Taxes calculated on the excess of the loss for the year 2025, which was not covered by the tax consolidation, were accrued under deferred IRES taxes.

In both the 2025 financial year and the previous one, no "Current IRAP taxes" were set aside following the recognition of a negative taxable amount.

Deferred IRES and IRAP taxes, positive in the amount of € 2,215 thousand (positive in the amount of € 3,578 thousand in 2024), refer to the movement of temporary reversals, for details of which please refer to note 34 "Deferred tax assets and liabilities".

"Income taxes relating to previous years" are positive for € 96 thousand (negative for € 1,107 thousand in 2024) due to differences in the calculation of taxes for the year 2024 determined at the time of completing the tax return.

The provision for taxes of the year can be reconciled with the profit or loss for the year shown in the financial statements as follows:

€ '000	Year ended at 31/12/2025		Year ended at 31/12/2024	
Profit (Loss) before tax	(18,558)		3,499	
Taxes	(4,454)	24.00%	840	24.00%
Tax effect of permanent differences	1,294	(6.97)%	(5,190)	(148.33)%
Other movements	(229)	1.23%	2	0.06%
Income taxes and effective tax rate	(3,389)	18.26	(4,348)	(124.26)%

The effective tax rate is mainly influenced by the reduced taxation of dividends, the non-deductibility of the write-down of shareholdings, the benefits deriving from investments covered by the Industry 4.0 plan incentives and the patent box.

The difference in the tax rate between 2025 and 2024 is due to the total amount of 'definitive' recoveries.

17. PROPERTY, PLANT, EQUIPMENT AND OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT

	Property, plant and machinery	Equipment and others tangible assets		Total
€ '000		Equipment and others tangible assets	Assets under construction and advances	
Historical cost				
Value at 01/01/2024	134,286	46,567	1,171	182,024
Increases	3,167	6,370	-	9,537
Disposals	(5,460)	(1,738)	-	(7,198)
Reclassification	1,526	(1,084)	(442)	-
Value at 31/12/2024	133,519	50,115	729	184,363
Increases	1,577	2,376	-	3,953
Disposals	(6,449)	(2,673)	-	(9,122)
Reclassification	491	-	(491)	-
Contribution effect	(4,317)	(504)	-	(4,821)
Value at 31/12/2025	124,821	49,314	238	174,373
Depreciation Funds				
Value at 01/01/2024	77,981	40,076	-	118,057
Amortisation of the period	6,420	3,364	-	9,784
Disposals	(2,815)	(1,553)	-	(4,368)
Other Variations	794	22	-	816
Value at 31/12/2024	82,380	41,909	-	124,289
Amortisation of the period	5,780	3,538	-	9,318
Disposals	(4,083)	(2,538)	-	(6,621)
Contribution effect	(3,152)	(438)	-	(3,590)
Value at 31/12/2025	80,925	42,471	-	123,396
Net book Value				
Value at 31/12/2024	51,139	8,206	729	60,074
Value at 31/12/2025	43,896	6,843	238	50,977

In the reporting period, capital expenditure of € 3,953 thousand was made (€ 9,537 thousand in 2024), of which € 3,200 thousand related to investments in owned assets and € 753 thousand related to new rights-of-use contracts (IFRS 16). These investments mainly concern the refurbishment of the showroom area for € 1,191 thousand and the purchase of an automated warehouse for € 655 thousand. The remaining amount is related to the normal replacement of work tools necessary for routine production activities and extraordinary maintenance on buildings and plants.

The item "Disposals", with a net value of € 2,501 thousand, comprises € 803 thousand relating to early terminations of existing lease agreements prior to their contractual expiry dates and € 1,205 thousand relating to the sale of a building and associated land, including the plant and equipment, located in

Codognè (TV), completed on 19 December 2025 by deed drawn up by Notary Salvatore Costantino; the sales amount amounted to € 1,300 thousand, generating a capital gain of € 95 thousand.

As at 31 December 2025, there were no commitments to purchase tangible fixed assets and there were no liens or mortgages on land and buildings.

Right-of-use assets

Right-of-use assets are included in property, plant and equipment separately by category, while lease liabilities are included in “Finance lease liabilities” falling due within and beyond one year.

During 2025, right-of-use assets increased by € 753 thousand (€ 4,613 thousand in 2024) and a net decrease due to early closures of lease contracts for € 1,110 thousand (€ 2,138 thousand in 2024).

The breakdown of depreciation of leased assets is summarised below:

- Depreciation of Buildings: € 765 thousand (€ 1,320 thousand in 2024)
- Depreciation of machinery equal to zero (€ 493 thousand in 2024)
- Depreciation of Motor vehicles: € 2,038 thousand (€ 1,877 thousand in 2024)
- Depreciation of Means of internal transport: € 17 thousand (€ 5 thousand in 2024)

The items relating to leases other than depreciation are summarised below:

- Interest expense: € 64 thousand (€ 132 thousand in 2024), recognised under “Finance expense”;
- Costs (fees) relating to short-term leases: € 2,121 thousand (€ 2,407 thousand in 2024), recognised under “Other operating expense” in “Use of third-party assets”;
- Costs (fees) relating to low-value leases: € 46 thousand (€ 64 thousand in 2024), recognised under “Other operating expense” in “Use of third-party assets”.

In 2025, outflows for payments related to leases amounted to € 5,264 thousand (€ 6,280 thousand in 2024), of which € 3,033 thousand (€ 3,677 thousand in 2024) was for the repayment of lease debts and the remainder for payments made as interest on debts in addition to payments for short-term, low-value leases.

The breakdown of leases outflows is summarised below:

- Lease repayments – principal amounts: € 3,033 thousand (€ 3,677 thousand in 2024);
- Lease interest paid during the year: € 64 thousand (€ 132 thousand in 2024);
- Payments relating to short-term leases: € 2,121 thousand (€ 2,407 thousand in 2024);
- Payments relating to low-value leases: € 46 thousand (€ 64 thousand in 2024).

18. GOODWILL

Goodwill is allocated to cash-generating units (‘CGUs’), where CGUs are identified as the smallest group of assets that generate cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets. The methods for monitoring the performance of the Company and the Group are carried out through the two operating segments (Machinery and Systems and Mechatronics), to which the respective CGUs correspond, without changes compared to the 2024 financial year.

The entire goodwill of Biesse S.p.A. relates to the Machinery and Systems CGU.

The value for 2025 is € 10,609 thousand, unchanged from the previous year.

As required by accounting standards, at least once a year the Directors determine the recoverable amount of goodwill by calculating the value in use. By its nature, this method requires the Directors to materially assess the performance of operating cash flows during the period being used for the calculation, as well as assessing the discount rate and growth rate for said cash flows.

The recoverable amount of the Cash Generating Unit was verified by determining its value in use, taken as the present value of future cash flows generated by the CGU, and calculated in accordance with the discounted cash flow method. Since, as indicated above, the entire goodwill of Biesse S.p.A. relates to the

Machines and Systems CGU, the value in use of the Machines and Systems CGU was determined, in continuity with the previous year, on the basis of the indications described below.

Assumptions based on the applied parameters

The primary assumptions used by the company to the parameters used for the purposes of the impairment test are as follows:

	December	
	2025	2024
WACC	11.4%	11.3%
Growth rate terminal value	2.0%	2.0%

The following factors were considered to determine the discount rate:

- with reference to the yield on risk-free securities, reference was made to the yield curve German government bonds with a maturity of 15 years on 31 December 2025;
- With regard to the systematic riskiness ratio(β), the specific risk determined on the basis of the average unlevered *beta* of comparable companies (Source Beta Bar) was considered, then levered on the basis of the ratio of debt to the average total capitalisation of comparable companies and the tax rate;
- as for the market risk premium (MRP), it was assumed to be 5.5%;
- With regard to the additional risk premium, a value of 2.7% was assumed, corresponding to the additional risk associated with investing in smaller companies, and a country risk premium estimated as the weighted average of the countries in which the companies belonging to the Machinery and Systems CGU operate of 0.8%;
- Finally, a rate of 4.1% was considered as the gross cost of debt, determined on the basis of the yield on risk-free bonds increased by a spread estimated on the basis of the spread between the 15-year EUR Composite (BBB) index (source: Bloomberg) and the yield on 15-year German government bonds of 3.2%.

Assumptions underlying cash flow estimates

The estimated operating cash flows for future years (five years 2026-2030) have been made by reference to: i) in relation to the years 2026-2028, to the data that can be inferred from the new 2026-2028 Three-Year Plan of the Biesse Group approved by the Board of Directors on 13 March 2026; ii) in relation to 2029 and 2030, projecting revenue growth equal to the expected long-term inflation rate in the Eurozone (average 2030-2054), maintaining the assumptions made for the last explicit year of the Three-Year Plan.

An analysis of the risks associated with climate change, as outlined in the section “Biesse’s main risks” and in the Consolidated Sustainability Statement, has shown that there are no expected significant financial effects on the company’s performance; nor are there any significant financial impacts to be taken into account or that affect the estimation of operating cash flows for future financial years. The goodwill impairment tests were approved by the Board of Directors on 13 March 2026.

The expected future cash flows used to perform the goodwill impairment test on Biesse S.p.A. are identified as those produced by the Machinery and Systems CGU due to the interdependence of the cash flows generated by the manufacturing companies included in this CGU and the foreign trading companies that exclusively distribute the machinery produced by the Parent and its manufacturing subsidiaries. These cash flows are, moreover, referred to the Machine and Systems CGU in its current condition and exclude the estimate of future cash flows that may arise from future restructuring plans or other structural changes.

The key assumptions used to determine the projected cash flows set out in the new Business Plan are set out below and are based on internal assessments of future events that may not occur, or may occur in a different manner or at a different time than forecast. These factors mean that actual results may differ from the forecasts provided. Given the nature of the Plan from which they are derived, the projections used for the impairment test incorporate assumptions subject to a degree of uncertainty; however, appropriate mitigation measures will be implemented should significant deviations from the expected scenarios arise.

	31/12/2025
CAGR forecast revenue	4.14%
Average incidence of the cost of sales on plan revenue	40.2%
Average incidence of personnel expense on plan revenue	34.4%
Average incidence of fixed operating costs on revenue	18.8%

Impairment test results

<i>Figures in millions of €</i>	31/12/2025
Carrying amount of Net Invested Capital	217.8
Recoverable value (of the Machines & Systems CGU)	219.2
Impairment	-

The result of the test as reported above did not reveal the need to impair the Goodwill values recorded in the financial statements as at 31 December 2025.

Finally, it should be noted that the estimates and data of the Business Plan to which the parameters indicated above are applied, are determined by the Management of the Biesse group on the basis of past experience and a view of expectations regarding the developments of the markets in which the Biesse Group operates, it being understood that the estimation of the recoverable value of the cash-generating unit requires discretion and the use of estimates by Management.

Sensitivity analysis and Break-even point

A sensitivity analysis of the results was carried out for the CGU under review; the value in use remains higher than the book value even assuming deteriorating changes in key parameters such as:

- 1% increase in the discount rate;
- 0.5% reduction in the growth rate;

The break-even point between the CGU's use value (recoverable value) and book value, in relation to the impairment check carried out for the year ended 31 December 2025, would be determined in the following alternative scenarios:

	31/12/2025
WACC	11.5%
Growth rate	1.9%
Terminal value EBITDA	-0.5%

19. OTHER INTANGIBLE ASSETS

	Development costs	Patents, trademarks and other intangible assets	Assets under construction and advances	Total
€ '000				
Historical cost				
Value at 01/01/2024	77,843	45,264	7,194	130,301
Increases	18	883	1,794	2,695
Disposals	-	(185)	-	(185)
Reclassification	2,781	(131)	(2,650)	-
Value at 31/12/2024	80,642	45,831	6,338	132,811
Increases	-	631	839	1,470
Disposals	-	(405)	-	(405)
Reclassification	2,135	227	(2,362)	-
Other variations	-	-	(90)	(90)
Contribution effect	(132)	(10)	-	(142)
Value at 31/12/2025	82,645	46,274	4,725	133,644
Depreciation Funds				
Value at 01/01/2024	72,801	38,106	-	110,907
Amortisation of the period	2,656	3,119	-	5,775
Other variations	-	(184)	-	(184)
Reclassification	10	-	-	10
Value at 31/12/2024	75,467	41,041	-	116,508
Amortisation of the period	2,307	2,230	-	4,537
Disposals	-	(406)	-	(406)
Contribution effect	(115)	(9)	-	(124)
Value at 31/12/2025	77,659	42,856	-	120,515
Net book Value				
Value at 31/12/2024	5,175	4,790	6,338	16,303
Value at 31/12/2025	4,986	3,418	4,725	13,129

The intangible assets shown above have a finite useful life and are amortised accordingly.

The total increase for the year of € 1,470 thousand (€ 2,695 thousand in 2024) refers to € 840 thousand in capitalisation on R&D projects not yet completed and € 200 thousand for the purchase of a patent licence.

As at 31 December 2025, the financial statements include assets represented by new product development costs of € 9,635 thousand (€ 11,209 thousand in 2024), of which € 4,649 thousand (€ 6,034 thousand in 2024) are shown under assets under construction and advances.

Capitalising development costs involves the Directors preparing estimates, since the recoverability of those costs depends on cash flows from the sale of products marketed by the Company.

These estimates are characterised both by a complexity of assumptions underlying the revenue and future margin projections, and by strategic industrial choices made by the Directors.

Patents, trademarks and other rights are amortised in relation to their useful life.

The item "Other changes", with a net value of € 90 thousand (€ 10 thousand in 2024) contains the loss of value recorded following impairment on development projects considered no longer recoverable and/or strategic.

As already highlighted, the verification of the cash flows expected from the sale of the products, which incorporate the development projects subject to capitalisation, revealed the need to make, as of 31 December 2025, a devaluation of costs related to previously capitalised development projects in progress for € 90 thousand.

20. EQUITY INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

They amounted to a total of € 174,030 thousand (€ 196,787 thousand as at 31 December 2024), a decrease of € 22,757 thousand over the previous year.

Changes in the period are detailed below:

€ '000	December 2025	December 2024
Opening balance	196,787	117,247
Acquisitions/Increases	7,143	84,430
Disposals	(1,000)	-
Impairment	(28,900)	(4,890)
Closing balance	174,030	196,787

As at 31 December 2025, there were no equity investments in associates.

Transaction details are provided here below:

The increases refer to:

- Increase in share capital in the subsidiary Biesse Turkey Makine Ticaret Ve Sanayai As for € 2,400 thousand;
- Increase in share capital in the subsidiary Biesse Gulf FZE for € 2,400 thousand;
- By deed of Notary Luisa Rossi dated 27 January 2025, the share capital of the manufacturing company Biesse Tooling S.r.l. was increased by € 2,077 thousand through the transfer of the business unit of Biesse S.p.A. dedicated to the production of tools for stone and glass processing;
- Increase in the cost of the investment in GMM S.p.A. by € 266 thousand following an adjustment to the purchase price.

The amount shown under "Decreases" refers to the adjustment of the cost of the company GMM S.p.A.'s shareholding following a settlement agreement in December 2025 with the sellers on past and future disputes.

Cash flows relating to equity investments amounted to € 7,772 thousand (€ 75,807 thousand in 2024), representing the balance between:

- the payment for the increase in share capital of the subsidiary Biesse Turkey Makine Ticaret Ve Sanayai As for € 2,400 thousand;
- the payment for the increase in the share capital of the subsidiary Biesse Gulf FZE of € 2,400 thousand;
- the payment of share capital for the subsidiary Biesse Kazakhstan LLP, established in 2024, for € 178 thousand;
- the deferred payment of € 3,794 thousand for the subsidiary GMM S.p.A.;
- The collection of the amount resulting from the settlement agreement as indicated above on the purchase of the shareholding in the subsidiary GMM S.p.A. for € 1,000 thousand.

Below is a table comparing the carrying amount of equity investments, already net of the write-downs/write-backs discussed below, their equity and the result for the year as at 31 December 2025 attributable to the Parent Biesse S.p.A. (Appendix A), converted into Euro:

€ '000	Investment value	Equity including net result of the year	Year end result	Difference
Bavelloni S.p.A.	24,540	9,069	(8,702)	(15,471)
Biesse America Inc.	7,580	22,287	9,130	14,707
Biesse Asia Pte Ltd	1,088	6	(1,185)	(1,082)
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda	2,598	1,365	(68)	(1,233)
Biesse Canada Inc	96	1,559	(59)	1,463
Biesse Deutschland GmbH	6,420	885	(1,170)	(5,535)
Biesse France Sarl	4,879	1,828	161	(3,051)
Biesse Group Australia Pte Ltd	5,781	4,947	(1,521)	(834)
Biesse Group New Zealand PTY Ltd	1,806	1,315	(115)	(491)
Biesse Group UK Ltd	1,088	3,745	787	2,657
Biesse Gulf FZE	3,150	1,599	(816)	(1,551)
Biesse Hong Kong Ltd (ex Centre Gain Ltd)	80	36	(2,172)	(44)
Biesse Iberica Woodworking Machinery SI	6,810	2,113	742	(4,697)
Biesse India Private Ltd	17,839	39,758	3,078	21,919
Biesse Indonesia PT.	23	28	3	5
Biesse Kazakhstan LLP	178	(557)	(667)	(735)
Biesse Tooling S.r.l.	2,087	3,283	1,196	1,196
Biesse Turkey Makine Ticaret Ve Sanayi A.Ş	5,252	1,762	(1,278)	(3,490)
GMM S.p.A.	60,820	32,229	2,246	(28,591)
H.S.D. Spa	21,915	35,679	5,685	13,764
Total	174,030	162,936	5,275	(11,094)

The figures relating to equity and the result for the year refer to the financial year.

The Company, at least on an annual basis or more frequently when there is an indication of impairment, analyses the item Equity investments, first identifying the equity investments with a carrying amount higher than the corresponding pro-quota equity and with a negative result for the period, as well as those worthy of particular attention. Such analysis also takes account of the historic performance of the subsidiary and the distribution of dividends in the recent past, arising from the positive results achieved by it, and to further information relating to the relevant market and/or sector. With reference to the companies for which this comparison revealed permanent impairment, the company carried out an impairment test.

The write-downs of the cost of investments recorded in the financial statements for € 28,900 thousand are carried out following the analysis process described above.

The following write-downs emerged as a result of the impairment test:

- € 25,800 thousand from the subsidiary Bavelloni S.p.A.;
- € 3,100 thousand from the subsidiary GMM S.p.A..

The impairment loss recognised in respect of the subsidiary Bavelloni S.p.A., following the completion of the relevant impairment test, is the result of a poor financial performance during the financial year, which has necessitated a downward revision of the expected future outlook in terms of turnover and profitability.

The main assumptions used in determining the value in use of the cash generating unit relate to the discount rate (WACC = Weighted Average Cost of Capital) and the growth rate ("g rate").

In particular, the calculations used the cash flow projections of the individual investee companies for the period 2026-2030, which can be inferred for the years 2026-2028 from the 2026-2028 Three-Year Plan approved by the Board of Directors on 13 March 2026 (where the first explicit year of the Plan is represented by the 2026 Budget, approved by the Board of Directors on 18 December 2025) and for the years 2029 and 2030, revenue growth was projected to be equal to the expected long-term inflation rate in the Eurozone (average 2030-2054), maintaining the assumptions made for the last explicit year of the Three-Year Plan.

The primary assumptions used by the Company to estimate future cash flows for the purposes of the impairment test are as follows:

	December 2025	
	WACC	Terminal value growth rate
Biesse Turkey Makine Ticaret Ve Sanayi A.Ş	13.2%	2.0%
Biesse Gulf FZE	11.1%	2.0%
Biesse Asia Pte Ltd	10.7%	2.0%
Biesse Hong Kong Ltd	11.2%	2.0%
Bavelloni	11.8%	1.9%
GMM	11.2%	1.9%

In greater detail, the following factors were considered to determine the discount rate:

- with reference to the yield on risk-free securities, reference was made to the yield curve German government bonds with a maturity of 15 years on 31 December 2025.
- Regarding the systematic riskiness ratio(β), the specific risk determined on the basis of the average unlevered *beta* of comparable companies (Source Beta Bar) was considered, then levered on the basis of the ratio of debt to the average total capitalisation of comparable companies and the tax rate;
- as for the market risk premium (MRP), it was assumed to be 5.5%.
- With regard to the additional risk premium, a value of 2.7% was assumed, corresponding to the additional risk associated with investing in smaller companies, and a country risk premium estimated as the weighted average of the countries in which the companies belonging to the two CGUs and the Biesse group operate, and equal to 0.8% for Machinery and Systems and 0.6% for Mechatronics, respectively.
- Finally, a rate of 4.1% was considered as the gross cost of debt, determined on the basis of the yield on risk-free bonds increased by a spread estimated on the basis of the spread between the 15-year EUR Composite (BBB) index (source: Bloomberg) and the yield on 15-year German government bonds of 3.2%.

21. OTHER NON-CURRENT FINANCIAL ASSETS AND RECEIVABLES

The item "Other non-current financial assets and receivables", amounting to € 485 thousand (€ 532 thousand in 2024), is broken down as follows:

€ '000	December 2025	December 2024
Minority interests in other companies and consortiums	115	115
Other receivables / guarantee deposits	370	417
Total other financial asset and non current receivable	485	532

The item "Other receivables / Guarantee deposits - non-current portion" contains € 171 thousand (€ 196 thousand in 2024) in receivables from the tax authorities and € 199 thousand (€ 222 thousand in 2024) in guaranteed deposits. The decrease compared to the previous period is mainly due to the portion maturing within 12 months.

22. INVENTORIES

The item "Inventories" amounting to € 79,402 thousand (€ 77,704 thousand in 2024) is broken down as follows:

€ '000	December 2025	December 2024
Raw materials, consumables and suppliers	22,443	28,796
Work in progress and semi-finished goods	19,868	20,328
Finished goods	22,917	15,047
Spare parts	14,174	13,533
Total inventories	79,402	77,704

The carrying amount is recorded net of the allowances for inventory write-downs which totalled € 10,824 thousand (€ 12,725 thousand at the end of 2024). These provisions consist of € 2,685 thousand from the write-downs of raw materials, ancillary materials and consumables (€ 2,638 thousand at the end of 2024), € 5,073 thousand from the write-downs of finished goods and merchandise (€ 7,172 thousand at the end of 2024) and € 3,066 thousand from the write-downs of spare parts (€ 2,719 thousand at the end of 2024); there are no write-downs of work in progress and semi-finished goods (€ 196 thousand at the end of 2024). The allowance for inventory write-downs of raw, ancillary and consumable materials amounted to 10.7% as a percentage of the historical cost of the relevant inventories (8.4% at the end of 2024), the one for the write-downs of finished products and goods was 18.1% (32.3% at the end of 2024), and the one for spare parts 17.8% (16.7% at the end of 2024).

The total value of the Company's inventories increased by € 1,698 thousand. In particular, inventories of "Raw materials, ancillary materials and consumables" decreased by € 6,353 thousand, and inventories "Work in progress and semi-finished products" by € 460 thousand, whilst inventories of "Finished products and goods" increased by € 7,870 thousand and inventories of "Spare parts" by € 641 thousand.

The negative cash flow of € 1,156 thousand can be summarised as follows:

€ '000	December 2024	Cash flow	Non-monetary changes		December 2025
			Merger effect	Other	
Inventories	77,704	1,156	(1,324)	1,866	79,402
Total	77,704	1,156	(1,324)	1,866	79,402

Item "Other" refers to the non-monetary change in the provision for inventory write-downs.

23. TRADE RECEIVABLES AND CONTRACT ASSETS DUE FROM THIRD PARTIES

The item "Trade receivables and contractual assets from third parties" amounting to € 45,612 thousand (€ 58,300 thousand in 2024) is broken down as follows:

€ '000	December 2025	December 2024
Trade receivables within one year	43,262	57,110
Trade receivables beyond one year	4,153	3,612
Allowance for impairment	(1,803)	(2,422)
Total	45,612	58,300

The alignment of the value of receivables to their fair value is implemented through the allowance for impairment; Management believes that the carrying amount of trade receivables is a reasonable approximation of their fair value.

There are no particular critical issues in terms of days sales outstanding, impaired positions or deterioration of credit quality.

The decrease in receivables is directly influenced by the decrease in turnover.

Trade receivables are recognised net of the allowance for impairment, which is estimated with reference to both non-performing loans and loans overdue more than 180 days. Receivables that were not yet overdue at the reporting date also include a general impairment loss estimated on the basis of data and past experience with respect to losses on receivables recorded by the Company, adjusted to take account of specific forecast factors relating to debtors and the macroeconomic environment.

The changes in the allowance are summarised in the following table:

€ '000	December 2025	December 2024
Opening balance	2,422	1,195
Allowance/Release	229	1,399
Utilisation	(848)	(172)
Total	1,803	2,422

Provisions to the allowance for impairment are made on the basis of specific assessments of expired receivables and receivables due to expire. With respect to other receivables, provisions are determined on the basis of information updated as at the financial statement date, taking account both of past experience and of losses expected over the life of the receivable. The amount of the provisions is determined on the basis of the current value of the estimated recoverable flows, after taking into account the related recovery costs and the fair value of any collaterals given to the Company. In particular, specific impairment losses arise mainly from the measurement of receivables subject to specific legal disputes, and the relevant legal opinion is usually provided.

Recognised trade receivables included receivables specifically impaired as individual assets whose net value amounted to € 2,268 thousand, following impairment losses of € 1,620 thousand (in 2024, net receivables amounted to € 2,945 thousand following impairment losses of € 2,239 thousand) and in a generic way for € 183 thousand (same estimate as in 2024). Impairment losses recognised in the income statement were recognised indirectly through provisions to the allowance for impairment.

There are no receivables due over 5 years.

The positive cash flow of € 12,174 thousand can be summarised as follows:

€ '000	31 December 2024	Cash flow	Non-monetary changes	31 December 2025
			Other	
Trade receivables and commercial activities towards third parties	58,300	(12,174)	(514)	45,612
Total	58,300	(12,174)	(514)	45,612

The “Other” item contains the balance between the provision for bad debts of € 229 thousand, the financial discounts, the exchange adjustments in addition to the discount of trade receivables with a maturity of more than 12 months.

24. TRADE RECEIVABLES AND CONTRACT ASSETS DUE FROM RELATED PARTIES

The item “Trade receivables and contractual assets from related parties” amounting to € 48,414 thousand (€ 51,693 thousand in 2024) is broken down as follows:

€ '000	December 2025	December 2024
Trade receivables vs related parties	1	-
Trade receivables vs subsidiaries	48,413	51,693
Total	48,414	51,693

The amounts receivable from subsidiaries are trade receivables and refer to transactions undertaken for the sale of goods and/or rendering of services.

Receivables from subsidiaries are detailed here below:

€ '000	December 2025	December 2024
Bavelloni S.p.A.	373	302
Biesse America Inc.	14,146	13,159
Biesse Asia Pte Ltd	(145)	(491)
Biesse Brasil Comercio e Industria de Maquinas e Equipamento	(301)	118
Biesse Canada Inc.	4,237	2,344
Biesse Deutschland GmbH	873	1,045
Biesse France Sarl	3,370	4,686
Biesse Group Australia Pty Ltd	278	3,396
Biesse Group New Zealand Ltd	(49)	395
Biesse Group UK Ltd	2,300	3,612
Biesse Gulf FZE	3,220	3,066
Biesse Iberica Woodworking Machinery S.L.	4,047	3,578
Biesse India Private Ltd	3,211	2,935
Biesse Indonesia Pt	49	80
Biesse Japan KK	936	3,783
Biesse Kazakhstan LLP	1,718	-
Biesse Korea LLC	393	395
Biesse Malaysia SDN BHD	602	288
Biesse Schweiz GmbH	261	808
Biesse Taiwan Ltd	329	34
Biesse Tooling S.r.l.	1,312	-
Biesse Trading (Shanghai) Co. Ltd	1,328	1,056
Biesse Turkey Makine Ticaret Ve Sanayi As	3,220	3,530
GMM S.p.A.	190	382
HSD S.p.A.	2,144	2,214
Mectoce S.r.l.	16	-
Waterjet Production Academy GmbH	1	252
Woodworking Machinery Portugal, Unipessoal Lda	304	726
Z. Bavelloni México Sa de CV	50	-
Total	48,413	51,693

The positive cash flow of € 3,264 thousand can be summarised as follows:

€ '000	31 December 2024	Cash flow	Non-monetary changes Other	31 December 2025
Trade receivables and commercial activities due from related parties	51,693	(3,264)	(15)	48,414
Total	51,693	(3,264)	(15)	48,414

The item "Other" contains the negative effect of the exchange rate adjustment of foreign currency items.

25. OTHER CURRENT ASSETS DUE FROM THIRD PARTIES

"Other current assets due from third parties" are detailed as follows:

€ '000	December 2025	December 2024
Consumption tax receivables and other tax receivables	949	766
Income tax assets	1,686	1,441
Other assets	4,071	3,923
Total	6,706	6,130

The item “consumption tax and other tax receivables” contains € 582 thousand of the value added tax (VAT) credit balance and € 339 thousand of tax receivables yet to be collected. The increase is mainly due to the VAT balance, payable in the previous financial year, net of lower tax credits still to be collected.

“Income tax receivables” contain an IRES credit of € 1,238 thousand and an IRAP credit of € 259 thousand due to higher advance payments than current taxes due, and IRES credits for withholding taxes of € 189 thousand. The increase compared to the previous financial year is due to the higher IRES tax credit, while the IRAP tax credit balance remains essentially unchanged from the previous year.

The Company, as the consolidating entity, participates in the Group's national tax consolidation together with its subsidiary HSD S.p.A. and, from 2025, also with its subsidiaries Bavelloni S.p.A., Biesse Tooling S.r.l., GMM S.p.A. and Mectoce S.r.l.. In this context, pursuant to articles 117 et seq. of Presidential Decree 917/86, the IRES tax has been determined at an aggregated level by offsetting the positive and negative taxable amounts of the above-mentioned companies. The financial relationships and the mutual responsibilities and obligations among the companies are defined in the regulation governing participation in the Group tax consolidation scheme.

The item “Other receivables from third parties” mainly contains deferrals on costs pertaining to future years, mainly related to annual contracts for internet services and software assistance.

26. CURRENT FINANCIAL ASSETS DUE FROM THIRD PARTIES

Current financial assets due from third parties amounted to € 57,474 thousand (€ 15,934 thousand in 2024).

This item contains financial investments with an interest rate higher than the cost of the company's third-party financing, while remaining consistent with the current Treasury policy. Against the investment in bonds, a short-term credit line was granted at a cheaper cost than the other short-term loans granted to the company.

In accordance with current Treasury Policy, the Company has made investments in immediately liquidated administered securities deposits amounting to € 56 million. The carrying amount of these assets is a reasonable approximation of their fair value.

The valuation of “Financial Assets”, recognised directly in equity net of the tax effect of € 47 thousand, is recognised in the statement of comprehensive income as positive for € 150 thousand.

27. CURRENT FINANCIAL ASSETS AND LIABILITIES DUE FROM RELATED PARTIES

Current financial assets and liabilities due from related parties refer to intercompany treasury activities aimed at optimising cash flows between Biesse S.p.A. and its subsidiaries. Loans granted and received are at floating rate with application of the Libor / Euribor rate and have variable and renewable maturities.

Financial assets are broken down as follows:

€ '000	December 2025	December 2024
Bavelloni S.p.A.	9,064	4,753
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda	638	-
Biesse Japan KK	3,000	-
Biesse Kazakhstan LLP	120	-
Biesse Korea LLC	-	320
Biesse Malaysia SDN BHD	1,300	900
Biesse Trading (Shanghai) Co. Ltd	4,498	4,879
GMM S.p.A.	-	12,552
HSD S.p.A.	-	13,000
Woodworking Machinery Portugal, Unipessoal Lda	305	105
Total current financial assets to related parties	18,925	36,509

The 2024 receivable from GMM S.p.A. referred to an intercompany loan primarily granted to enable the repayment of long-term bank loans whose cost was higher than that applied to Biesse's credit lines. This credit was cleared through offsetting with other items during 2025.

The receivable from HSD S.p.A. in 2024 related to dividend receivables, which were offset against the cash pooling arrangement in place with the subsidiary during the 2025 financial year.

Financial liabilities are broken down as follows:

€ '000	December 2025	December 2024
Bavelloni S.p.A.	-	2,666
Biesse America Inc.	14,509	24,724
Biesse Asia Pte. Ltd	-	560
Biesse Deutschland GmbH	2,300	3,500
Biesse France Sarl	6,336	7,727
Biesse Group UK Ltd	12,016	14,740
Biesse Iberica Woodworking Machinery S.L.	6,341	5,036
Biesse Schweiz GmbH	1,825	2,125
Biesse Taiwan Ltd	440	-
Biesse Tooling S.r.l.	1,000	-
HSD S.p.A.	8,920	30,506
Total current financial liabilities to related parties	53,687	91,584

The balances relating to the subsidiaries Biesse France Sarl, Biesse Group UK Ltd, Biesse Iberica Woodworking Machinery S.L, Bavelloni S.p.A. and HSD S.p.A. derive from the management of the cash pooling, while the others derive from intercompany loans.

28. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to € 25,367 thousand (€ 124,927 thousand in 2024), comprising the value of bank deposits of € 24,765 thousand (€ 123,984 thousand in 2024), and cash and cash equivalents of € 602 thousand (€ 942 thousand in 2024). The decrease in bank deposits is due to € 100 million from the closure of a 3-month time deposit outstanding as at 31 December 2024, the liquidity of which was partially reinvested, for € 56 million, in immediately liquidated administered securities deposits, as previously mentioned.

For further details, reference should be made to the Statement of cash flows.

29. SHARE CAPITAL AND TREASURY SHARES

The share capital amounts to € 27,403 thousand and consists of 27,402,593 ordinary shares, each with a par value of € 1 and dividend rights.

At the date of approval of these financial statements, the company held 822,448 treasury shares at an average cost of € 7.11 per share, for a total of € 5,848 thousand.

Based on the resolution passed by the shareholders' meeting on 18 November 2024, treasury shares may be used in existing and future incentive plans, including long-term plans, reserved for directors and/or employees and/or collaborators of the Company.

No treasury shares were held at the end of 2024.

The following table shows summary data on treasury shares held in the portfolio as at 31 December 2025:

Number of shares:	822,448
Balance sheet value (in euros)	5,848,214
Percentage of the number of shares in relation to the share capital:	3.00%

The shareholders' meeting, with minutes dated 18 November 2024, resolved to purchase treasury shares within the maximum limit provided for in Article 2357 of the Italian Civil Code.

30. SHARE CAPITAL RESERVES

The amount of € 36,202 thousand (unchanged compared to 2024) relates to the share premium reserve.

31. OTHER RESERVES AND RETAINED EARNINGS

The carrying amount was broken down as follows:

€ '000	December 2025	December 2024
Legal reserve	5,479	5,479
Extraordinary reserve	135,217	135,524
Owned shares reserve	5,848	-
Actuarial reserve	(3,937)	(4,162)
Reserves profits/(losses) from the valuation of financial assets	329	179
Translation reserve	(26)	-
Other reserves and retained earnings	2,928	3,030
Total other reserves and retained earnings	145,838	140,050

The item "Extraordinary reserve" decreased by € 307 thousand compared to the previous period, due to the withdrawal of € 5,848 thousand for the establishment of the "Reserve for treasury shares in portfolio", an amount equal to the value of treasury share purchases, and the increase of € 5,541 thousand for the allocation of the remaining 2024 profit after the payment of dividends. The reserve includes € 3,851 thousand of the effects determined by the IAS transition, which to date make this amount unavailable and non-distributable. In addition, non-distributable reserves of € 9,635 thousand are considered to cover the residual amortisable value of development costs.

The item "Severance indemnity actuarial gains (losses) reserve" contains actuarial losses related to defined benefit plans, while the item "Valuation of financial assets gains (losses) reserve" contains income from the valuation of financial assets.

The "Translation reserve" includes the exchange rate gains (losses) arising from the consolidation of the financial statements of the Dubai branch, which was approximately zero in 2024.

The item "Retained earnings and other reserves" contains € 2,450 thousand in merger surpluses and deficits from the mergers of subsidiaries and € 478 thousand in transaction reserves to IAS/IFRS of merged companies.

Type/description	Amount	Possibility of use	Available amount	Summary of use in the three previous years			
				To losses	cover	For reasons	other
€ '000							
\Share capital	27,403						
(Treasury shares)	(5,848)						
<i>Share capital reserves:</i>							
Share premium reserve	36,202	A,B,C	36,202				
<i>Profit reserves:</i>							
Legal reserve	5,479	B					
Extraordinary reserve	135,217	A,B,C	121,731				
Reserve for treasury shares held in portfolio	5,848						
Severance indemnity actuarial gains (losses) reserve	(3,937)						
Valuation of financial assets gains (losses) reserve	329						
Translation reserve	(26)						
Retained earnings and other reserves	2,928	A,B,C	2,493				
Total	203,595		160,426				
Non-distributable amount							
Residual distributable amount			160,426				

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

With regard to the items under shareholders' equity, these are considered as unavailable and non-distributable reserves: the "Legal reserve", part of the "Extraordinary reserve", the "Reserve for treasury shares held in portfolio", the "Severance indemnity actuarial gains (losses) reserve", the "Valuation of financial assets gains (losses) reserve", the "Translation reserve" and share of "Retained Earnings and Other Reserves".

The other reserves recognised in the financial statements can be considered available for distribution.

32. DIVIDENDS

In the 2025 financial year, dividends totalling € 1,096 thousand were approved for shareholders, of which € 1,089 thousand was paid out, as those relating to treasury shares were allocated to the "Extraordinary reserve". No further dividends are payable as at 31 December 2025.

33. POST-EMPLOYMENT BENEFITS

Defined-contribution plans

As a result of the Supplementary Pension Reform, the amounts accruing from 1 January 2007 – and at the discretion of employees – are allocated to supplementary pension schemes or transferred by the company to the treasury fund managed by INPS (the Italian National Social Security Institution), taking the form of defined-contribution plans (no longer subject to actuarial measurement), starting from when the employee's choice has been formalised.

Because of the aforementioned circumstances the total expense provided for at year-end amounted to € 5,538 thousand (€ 6,217 thousand in 2024).

Defined-benefit plans

The present value of the liabilities for post-employment benefits, accrued at the end of the period by company employees and consisting of the severance indemnity provision amounted to € 6,001 thousand (€ 7,166 thousand in 2024).

The amounts recognised in the income statement can be summarised as follows

€ '000	December 2025	December 2024
Relevance of the period/Provisions	-	22
Financial expenses	196	220
Total	196	242

In 2024, the item “Accrued in the period / provisions” contains the amount set aside by the Dubai Branch.

The charge for the year, recorded under financial expenses, amounted to € 196 thousand (€ 220 thousand in 2024).

The changes in the year relating to the present value of severance indemnity obligations, are as follows:

€ '000	December 2025	December 2024
Opening balance	7,166	8,055
Current service	-	22
Financial expenses	196	220
Payments	(1,026)	(1,123)
Actuarial gains/(losses)	(170)	(8)
Contribution effects	(165)	-
Closing balance	6,001	7,166

The item “Actuarial gains/losses”, recognised directly in equity net of the tax effect of € 41 thousand, is recognised in the statement of comprehensive income for € 129 thousand.

The assumptions used for measuring severance indemnity obligations are:

- Annual rate of inflation: 2.0% (2.0% in 2024);
- Annual discount rate: determined by reference to market yields of leading companies bonds as at the measurement date. In this regard, the Euro Composite AA interest-rate curve was used for the actuarial calculation.

The sensitivity analysis of the main valuation parameters is presented below:

€ '000	December 2025	December 2024
Turnover rate +1%	6,032	7,173
Turnover rate -1%	5,968	7,125
Inflation rate +0.25%	6,056	7,221
Inflation rate -0.25%	5,947	7,080
Actualisation rate +0.25%	5,916	7,040
Actualisation rate -0.25%	6,089	7,263

34. DEFERRED TAX ASSETS AND LIABILITIES

The carrying amount was broken down as follows:

€ '000	December 2025	December 2024
Deferred tax assets	18,943	17,089
Deferred tax liabilities	(1,726)	(1,991)
Net position	17,217	15,098

Overall, deferred tax assets, net of deferred tax liabilities and broken down by type, can be analysed as follows:

€ '000	December 2025	December 2024
Accrual to provision for risks and charges	6,646	8,558
Recoverable tax losses	9,997	6,083
Amortisation	1,265	1,495
Other	1,035	953
Deferred tax assets	18,943	17,089
Amortisation	(1,300)	(1,304)
Other	(426)	(687)
Deferred tax liabilities	(1,726)	(1,991)
Net position	17,217	15,098

The allocation of deferred tax assets was implemented by critically assessing the existence of the conditions for future recoverability of these assets on the basis of the Company's business plans.

35. BANK OVERDRAFTS AND LOANS

The table below provides the breakdown of payables relating to bank overdrafts and loans.

€ '000	December 2025	December 2024
Bank loans and borrowings	41,832	72,152
Current liabilities	41,832	72,152
Unsecured mortgages	85,597	99,800
Non-current liabilities	85,597	99,800
Total	127,429	171,952

There are no secured mortgages or loans.

The liabilities are payable as follows:

€ '000	December 2025	December 2024
On demand or within one year	41,832	72,152
Within two years	14,251	14,203
Within three years	14,257	14,251
Within four years	14,263	14,257
Within five years	14,269	14,263
After five years	28,557	42,826
Total	127,429	171,952

As at 31 December 2025 the Company had no loans in foreign currency.

At 31 December 2025, total credit lines were € 238.6 million, of which € 95.6 million within 12 months were revoked. The remainder refers to committed lines of € 40 million with maturities within 12 months and amortising loans with maturities beyond 12 months in the amount of € 102.3 million. All lines, both short and over 12 months, are unsecured.

Compared to the financial statements for the year ended 31 December 2024, the Company's financial payables decreased by € 44,523 thousand. Specifically, the portion due within 12 months amounts to € 41,832 thousand (€ 72,152 thousand in 2024), down € 30,320 thousand, representing 32.8% of total debt, while debts due beyond 12 months amount to € 85,597 thousand (€ 99,800 thousand in 2024) and decreased by € 14,203 thousand, representing 67.2% of the debt. The medium/long-term debt was taken out at the end of 2024 in order to allow for the rescheduling of short-term debt, in compliance with current Treasury Policy.. It should be noted that this debt is subject to a financial covenants to be calculated on the basis of the consolidated financial statements, defined as a ratio of less than 3 between Net Financial Position (excluding IFRS 16) and EBITDA; this financial parameter will be met as at 31 December 2025.

36. FINANCE LEASE LIABILITIES

The carrying amount was broken down as follows:

€ '000	December 2025	December 2024
Leasing liabilities		
due within one year	2,384	3,183
due over one year, but within five years	1,741	4,356
due over five years	-	54
Total	4,125	7,593
After deduction for future financial charges	(51)	(121)
Actual value for leasing liabilities	4,074	7,472
whose:		
Current	2,353	3,119
Non-current	1,721	4,353

Finance lease liabilities refer to rights of use of buildings, flats, vehicles and production equipment recognised in accordance with IFRS 16.

As at 31 December 2025, finance lease liabilities refer solely to rights of use; there are no finance leases in place.

It should also be noted that there are payables to related parties totalling € 288 thousand (€ 398 thousand in 2024), of which € 208 thousand (€ 283 thousand in 2024) are owed to the subsidiary HSD S.p.A., € 66 thousand to Selci Roberto (€ 41 thousand in 2024) and € 14 thousand to Selci Giancarlo (€ 30 thousand in 2024).

37. NET FINANCIAL POSITION

Below is the detail of the Net Financial Position at 31 December 2025 and 31 December 2024. It should be noted that the Net Financial Position is presented in accordance with ESMA Communication 32-382-1138 of 4 March 2021, which entered into force on 5 May 2021.

€ '000	December 2025	December 2024
Financial assets	101,766	177,370
Financial assets - third parties	57,474	15,934
Financial assets - related parties	18,925	36,509
Cash	25,367	124,927
Financial short term lease liabilities	(2,353)	(3,119)
Financial short term bank and other debts	(42,103)	(73,481)
Other short term current financial liabilities - related parties	(53,687)	(91,584)
Short term net financial position	3,623	9,186
Financial medium/long term lease liabilities	(1,721)	(4,352)
Financial medium/long term bank and other debts	(85,597)	(99,800)
Trade and other medium/long term debts	(46)	(101)
Medium/ long term net financial position	(87,364)	(104,253)
Total net financial position	(83,741)	(95,067)

In the NFP statement, in application of the new provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob which refers to the ESMA Recommendations of 4 March 2021, trade payables due beyond one year have been included.

For the sake of clarity, the fair value of derivatives outstanding have also been excluded from financial assets.

The Net Financial Position as at 31 December 2025 was a deficit of approximately € 84 million, an improvement of € 11 million on the previous year's figure, which was a deficit of approximately € 95 million in 2024. The change for the financial year is influenced by the receipt of dividends during the year amounting to € 36.4 million, settled through the existing cash pooling arrangement with subsidiaries; net investments in fixed assets and equity investments amounting to € 11 million; the purchase of treasury shares amounting to € 6 million; and the payment of dividends to shareholders amounting to € 1 million. Operational management absorbed cash of approximately € 2 million.

38. PROVISIONS FOR RISKS AND CHARGES

The carrying amount was broken down as follows:

€ '000	Guarantees	Retirement of agents	Legal disputes and Others	Provision for equity investment risks	Fund restructuring	Total
Value at 31/12/2024	2,855	2,143	9,542	50	6,789	21,379
Provision	-	487	1,757	-	-	2,244
Release	(677)	-	(1,704)	(50)	(1,003)	(3,434)
Utilised	-	(1,183)	(566)	-	(3,127)	(4,876)
Value at 31/12/2025	2,178	1,447	9,029	-	2,659	15,313

Due to the nature of the Group's business, the obligations arising from problems related to the quality of the equipment and the guarantee given on the same, imply a careful, constant and complex evaluation by the Management, which requires the preparation of estimates, which by their nature imply a high degree of judgement.

The warranty provision represents the best estimate made by the Company's Directors with respect to the obligations deriving from the warranty on products sold by the Company. The adjustment derives from estimates based on past experience and on the analysis of the level of reliability of the marketed products. The decrease recorded following the above estimates amounts to € 677 thousand.

The provisions for agents' retirement benefits refers to the estimated liabilities related to existing agency agreements.

The balance of the "Provision for legal disputes and other" derives from the opening and closing of legal risks and for penalties with some customers.

The provision for equity investment risks consists of the provisions made for negative equity of subsidiaries with a view to possible write-offs; The use of the exercise concerns the release of the provision set aside for the Biesse Group Israel Ltd branch following the liquidation of the subsidiary.

The corporate restructuring provision represents the best estimate of the current expenses related to the organisational transformation process, which must lead to an adequate sizing of the structure consistent with the business model defined as part of the One Company project launched in previous years and the volumes of activities generated. To do this, a series of initiatives were implemented, such as the defensive solidarity contract renewed until the end of October 2026, from which redundancies were identified on the basis of technical-organisational criteria, territorial location and the principle of non-opposition to redundancies favoured by economically incentivised redundancies. The expenses incurred in the 2025 financial year, against which the provision was partially utilised, indicate that the estimated costs were exceeded, as reflected in the amount of the remaining provision as at 31 December 2025 for the completion of the organisational transformation process; this excess resulted in a release of € 1,003 thousand.

There are no disputes/contentious issues highlighting possible liabilities worth mentioning.

39. TRADE PAYABLES TO THIRD PARTIES

Trade payables to third parties, amounting to € 89,072 thousand (€ 82,734 thousand in 2024), refer primarily to payables to suppliers for the Company's ordinary operations.

It should be noted that the discounted value of trade payables due beyond the next financial year was € 46 thousand (€ 101 thousand in 2024).

It is believed that their carrying amount at the reporting date is a reasonable approximation of fair value.

The positive cash flow of € 6,259 thousand can be summarised as follows:

€ '000	December	Cash flow	Non-monetary changes	December
	2024		Other	2025
Trade payables to third parties	82,734	6,259	79	89,072
Total	82,734	6,259	79	89,072

40. TRADE PAYABLES TO RELATED PARTIES

Trade payables to related parties are broken down as follows:

€ '000	December 2025	December 2024
Trade payables - subsidiaries	26,040	17,465
Trade payables - related parties	341	392
Total	26,381	17,857

The amounts payable to subsidiaries are trade payables and refer to transactions undertaken for the purchase of goods and/or rendering of services.

The item "Trade payables to other related parties" includes € 284 thousand (€ 317 thousand in 2024) in payables for the purchase of goods from Semar S.r.l. and € 56 thousand for the unpaid amount of payables to members of the Board of Directors and the Board of Statutory Auditors.

The breakdown of the balance of the item "Trade payables to subsidiaries" is as follows:

€ '000	December 2025	December 2024
Bavelloni S.p.A.	6,217	2,621
Biesse America Inc.	603	332
Biesse Asia Pte Ltd	-	28
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda	974	578
Biesse Deutschland GmbH	458	100
Biesse France Sarl	92	145
Biesse Group Australia Pty Ltd	28	5
Biesse Group New Zealand Ltd	3	-
Biesse Group Russia LLC	-	2
Biesse Group UK Ltd	184	222
Biesse Gulf FZE	612	157
Biesse Iberica Woodworking Machinery S.L.	505	350
Biesse India Private Ltd	9,036	6,380
Biesse Japan KK	1	1
Biesse Kazakhstan LLP	4	-
Biesse Schweiz GmbH	20	64
Biesse Taiwan Ltd	6	-
Biesse Tooling S.r.l.	96	-
Biesse Trading (Shanghai) Co. Ltd	51	21
Biesse Turkey Makine Ticaret Ve Sanayi As	533	128
GMM S.p.A.	308	867
HSD S.p.A.	5,976	5,389
Woodworking Machinery Portugal, Unipessoal Lda	333	75
Total	26,040	17,465

The positive cash flow of € 8,525 thousand can be summarised as follows:

€ '000	December 2024	Cash flow	Non-monetary changes Other	December 2025
Trade payables to related parties	17,857	8,525	(1)	26,381
Total	17,857	8,525	(1)	26,381

41. CONTRACT LIABILITIES DUE TO THIRD PARTIES

The item "Contract liabilities due to third parties" amounting to € 18,676 thousand (€ 24,205 thousand in 2024) includes advances, down payments and deposits paid by customers. The decrease is influenced by the slowdown in the entry of orders that occurred during the year.

The negative cash flow of € 5,463 thousand can be summarised as follows:

€ '000	December 2024	Cash flow	Non-monetary changes Contribution effect	December 2025
Contractual liabilities towards third parties	24,205	(5,463)	(66)	18,676
Total	24,205	(5,463)	(66)	18,676

42. CONTRACT LIABILITIES DUE TO RELATED PARTIES

The item "Contract liabilities due to related parties" amounting to € 1,283 thousand (€ 433 thousand in 2024) includes advances, down payments and deposits paid by the Group's sales branches.

The balance is as follows:

€ '000	December 2025	December 2024
Biesse America Inc.	879	1
Biesse Canada Inc.	-	1
Biesse Deutschland GmbH	52	42
Biesse France Sarl	198	98
Biesse Group Australia Pty Ltd	6	3
Biesse Group New Zealand Ltd	1	1
Biesse Group UK Ltd	20	3
Biesse Iberica Woodworking Machinery S.L.	57	4
Biesse India Private Ltd	18	-
Biesse Kazakhstan LLP	2	-
Biesse Taiwan Ltd	-	280
Z. Bavelloni México Sa de CV	50	-
Total	1,283	433

The positive cash flow of € 849 thousand can be summarised as follows:

€ '000	December 2024	Cash flow	Non- monetary changes Other	December 2025
Contractual liabilities towards related parties	433	849	1	1,283
Total	433	849	1	1,283

43. OTHER LIABILITIES DUE TO THIRD PARTIES

The breakdown of other liabilities to third parties is as follows:

€ '000	December 2025	December 2024
Other non current liabilities to third parties	46	101
Other current liabilities to third parties	27,354	33,894
Total other liabilities to third parties	27,400	33,995

The item "Other non-current liabilities due to third parties" contains for € 46 thousand (€ 101 thousand in 2024) the present value of trade payables due more than one year.

The balance of "Other current liabilities due to third parties" amounted to € 27,354 thousand (€ 33,894 thousand in 2024). The details are as follows:

€ '000	December 2025	December 2024
Tax liabilities	4,724	6,250
Social security liabilities	6,793	7,423
Other payables to employees	11,156	11,742
Other current liabilities	4,681	8,479
Total current liabilities to third parties	27,354	33,894

The item "Tax liabilities" includes liabilities to the tax authorities for income tax withheld as a withholding agent from employees and professionals. The decrease is mainly due to the VAT balance, which will be a debit of € 778 thousand in 2024 and a credit in 2025.

The item "Social security institutions payables" includes payables to INPS, INAIL, ENASARCO entities and payables to pension and medical assistance funds.

The item "Other payables to employees" includes payables for holidays, bonuses and performance-related bonuses.

The decrease in the item "Other current liabilities" is mainly due to the settlement of the debt of € 3,528 thousand, representing the difference between the execution instalment and the final purchase price of the GMM Group, while the remaining portion mainly contains deferrals on revenues accruing in subsequent years.

The negative cash flow of € 2,834 thousand can be summarised as follows:

€ '000	31 December 2024	Cash flow	Non-monetary changes		31 December 2025
			Contribution effect	Other	
Other current liabilities to third parties	33,894	(2,834)	(79)	(3,627)	27,354
Total	33,894	(2,834)	(79)	(3,627)	27,354

The item "Other" includes € 3,528 thousand in debt for the difference between the execution instalment and the final purchase price of the GMM Group paid in 2025 and considered in the flow "Purchase of investments in subsidiaries and associates".

44. OTHER CURRENT ASSETS AND LIABILITIES DUE FROM/TO RELATED PARTIES

The item "Other current activities with related parties" amounts to € 22,072 thousand (zero in 2024). The details for related parties are shown below:

€ '000	December 2025	December 2024
Biesse Asia Pte Ltd	2,662	-
Biesse Group Australia Pty Ltd	16,611	-
Biesse Tooling S.r.l.	416	-
GMM S.p.A.	273	-
HSD S.p.A.	2,098	-
Mectoce S.r.l.	12	-
Total	22,072	-

The receivable from the subsidiary Biesse Group Australia Pty Ltd refers to the transfer to Biesse S.p.A. by GMM S.p.A. of the receivable from Biesse Group Australia Pty Ltd arising from the sale by GMM S.p.A. of the company Techni Waterjet Pty Ltd. to Biesse Group Australia Pty Ltd.

The receivable from the subsidiary Biesse Asia Pte Ltd refers to the transfer to Biesse S.p.A. by Techni Waterjet Pty Ltd. of the receivable from Biesse Asia Pte Ltd arising from the sale by Techni Waterjet Pty Ltd. of its Thai subsidiary Techni Waterjet Ltd. to Biesse Asia Pte Ltd.

Receivables from Italian companies derive from the transfer of 2025 tax liabilities to the parent company Biesse S.p.A. in relation to the Group's tax consolidation.

The item "Other current liabilities to related parties" amounts to € 12,511 thousand (€ 376 thousand in 2024), broken down by related party as follows:

€ '000	December 2025	December 2024
Bavelloni S.p.A.	1,758	-
Bedogni Giorgio	8	-
Biesse Asia Pte Ltd	3	-
Biesse Iberica Woodworking Machinery s.l.	2	-
Biesse India Private Ltd	1	-
Biesse Indonesia Pt	1	-
Biesse Kazakhstan LLP	2	173
Biesse Turkey Makine Ticaret Ve Sanayi As	-	1
GMM S.p.A.	4,059	-
HSD S.p.A.	-	202
Techni Waterjet Pty Ltd	6,677	-
Total	12,511	376

The payable to the subsidiary Bavelloni S.p.A. derives from the transfer of the 2025 tax base to the parent company Biesse S.p.A. in relation to the Group's tax consolidation.

The payable to the subsidiary GMM S.p.A. refers to the residual debt arising from the transfer by GMM S.p.A. to Biesse S.p.A. of the receivable owed to the latter by Biesse Group Australia Pty Ltd, arising from the sale of Techni Waterjet Pty Ltd.

The payable to the subsidiary Techni Waterjet Pty Ltd refers to the transfer to Biesse S.p.A. by Techni Waterjet Pty Ltd of the receivable owed by Biesse Asia Pte Ltd arising from the sale of the Thai subsidiary Techni Waterjet Ltd. and the receivable owed by Biesse America Inc. arising from the sale of the American subsidiary Techni Waterjet LLC.

45. INCOME TAX PAYABLES

The item "Income tax payable" for € 126 thousand (€ 158 thousand in 2024) refers to provisions for tax risks. During the year, € 47 thousand was used, while at the end of the year, an increase of € 15 thousand was adjusted.

46. FINANCIAL ASSETS AND LIABILITIES FROM DERIVATIVE INSTRUMENTS

The details of financial assets and liabilities arising from derivative instruments are as follows:

€ '000	31 December 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Derivatives on exchange rates	194	(271)	323	(1,329)
Total	194	(271)	323	(1,329)

The value of open contracts at year-end, with a negative balance on the income statement of € 77 thousand (negative balance of € 1,006 thousand in 2024), refers to hedging contracts that are not compatible with the requirements of IFRS 9 for the application of hedge accounting.

Derivative financial instruments and forward contracts outstanding at year-end (amounts in thousands of Euro)

€ '000	Type of hedged risk	Notional amount		Fair value of derivatives	
		December 2025	December 2024	December 2025	December 2024
Hedging transactions					
Forward contracts (Australian Dollar)	Currency	5,972	6,201	(43)	60
Forward contracts (Canadian Dollar)	Currency	5,097	4,549	(24)	(9)
Forward contracts (Swiss Franc)	Currency	4,026	3,294	9	2
Forward contracts (Chinese Renminbi)	Currency	11,111	6,066	(65)	(117)
Forward contracts (Pound Sterling)	Currency	5,959	5,656	(38)	(18)
Forward transactions (Indian Rupee)	Currency	-	7,061	-	9
Forward contracts (New Zealand Dollar)	Currency	245	486	11	7
Forward contracts (US Dollar)	Currency	39,148	53,325	73	(940)
Total		71,558	86,638	(77)	(1,006)

The individual effects reported in the table above include positive and negative changes.

47. CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES

Contingent liabilities

Biesse S.p.A. is party to various lawsuits and disputes. It is nevertheless believed that the settlement of such disputes will not give rise to further liabilities in addition to those already provided for in a specific provision for risks, please refer to note 38 "Provisions for risks and charges". With regard to contingent liabilities relating to tax risks, please refer to the note 45 "Income tax payables".

Commitments

There are no commitments on existing purchases.

Guarantees issued and received

The Company has issued sureties totalling € 10,460 thousand (€ 11,070 thousand 2024). The most relevant components concern: the guarantee in favour of BPER banca for the credit line granted to the subsidiary HSD S.p.A. (€ 6,000 thousand) and the guarantee issued in favour of BPM (€ 3,000 thousand). In addition to the above, there are guarantees (bank guarantees) in favour of customers for advance payments – advance payment bonds for € 1,430 thousand and a guarantee in favour of the University of Urbino for € 30 thousand.

48. RISK MANAGEMENT AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Company is exposed to financial risks connected to its operations:

- market risks, consisting primarily of risks relating to fluctuations in exchange and interest rates;
- credit risk, relating specifically to trade receivables and, to a lesser extent, to other financial assets;
- liquidity risk, with reference to the availability of financial resources to meet the obligations related to financial liabilities.

The Company's risk management policies aim to identify and analyse the risks to which the Company is exposed, to establish appropriate limits and controls, and to monitor risk and compliance with these limits. These policies and associated procedures are regularly reviewed in order to reflect any changes to market conditions or Company activities.

With regard to the risk connected with the fluctuation in raw material prices, the Company tends to manage the economic impact by agreeing purchase costs for periods of no less than six months. The impact of the

main raw materials, steel in particular, on the average value of the Company's products is marginal compared to the final production cost.

The following paragraphs use sensitivity analysis to assess the potential impact on actual results that hypothetical fluctuations in benchmarks may cause. As required under IFRS 7, these analyses are based on simplified scenarios being applied to actual data for benchmark periods. By their very nature, these analyses cannot be considered to truly evidence the effect of future changes in the benchmark in view of different financial and equity structures as well as different market conditions. Nor are they able to reflect the interrelations and complexity of the reference markets.

Market risk

Market risk is the risk that the fair value of a financial instrument (or future cash flows from that instrument) will fluctuate as a result of changes in market prices due to changes in exchange rates, interest rates or share prices. The purpose of market risk management is managing and controlling the Company's exposure to that risk within acceptable limits, while at the same time optimising investment returns.

Exchange rate risk

The varied geographical distribution of production and commercial activities brings about an exposure to exchange rate risk, in terms of both transactions and translations.

a) Transaction exchange rate risk

This risk is the result of commercial and financial transactions carried out by the Company in currencies other than the Company's functional currency. Exchange rates may fluctuate between the time when the commercial/financial relationship begins and the time when the transaction is completed (collection/payment), thus originating gains or losses.

The Company manages such risk by making use of derivative instrument purchases, such as forward exchange contracts and cross currency swaps. As from 2016, the Company, following the Board of Directors' resolution of 11 March 2016 which approved the new exchange risk management policy for the Biesse Group, has put on hold the use of hedge accounting techniques for recognising derivative instruments, since the rules set out in IFRS 9 were found to be quite stringent to be applied effectively and in full to business operations.

The following table provides a quantitative summary of the Company's exposure to exchange rate risk:

€ '000	Financial Asset		Financial Liabilities	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
US Dollar	14,943	13,926	880	752
Canadian Dollar	4,242	2,344	37	44
Pound Sterling	2,807	2,255	162	142
Australian Dollar	268	3,391	29	9
Swiss Franc	277	807	20	64
Indian Rupee	-	2,853	5	6,198
Chinese Renminbi Yuan	1,351	1,056	6	-
Other currencies	232	560	89	56
Total	24,120	27,192	1,228	7,265

In defining the amount exposed to interest rate risk, the Company also includes foreign currency orders acquired in the period before they become trade receivables (shipping invoicing).

Here below is a sensitivity analysis illustrating the impact on profit or loss of a +15%/-15% appreciation/depreciation of the Euro.

This analysis assumes that all other variables, in particular interest rates, remain unchanged.

€ '000	IMPACT ON INCOME STATEMENT	
	if exchange rate > 15%	if exchange rate < 15%
US Dollar	(1,834)	2,482
Canadian Dollar	(548)	742
Pound Sterling	(345)	467
Australian Dollar	(31)	42
Swiss Franc	(33)	45
Rupia indiana	1	(1)
Chinese Renmimbi Yuan	(175)	237
Total	(2,965)	4,014

The amounts reported above, are shown gross of hedging (which is not material in value).

Interest rate risk

Interest rate risk represents exposure to changes in the fair value of, or future cash flows from, financial assets or liabilities, due to changes in market interest rates.

. Considering that the exposure is currently limited and that there is substantial stability in interest rates (for the Eurozone), the company has chosen not to hedge its own debt.

The sensitivity analysis aimed at assessing the potential impact of a hypothetical sudden and unfavourable 10% change in short-term interest rates on financial instruments (typically cash and some financial payables) reveals no significant impact on the results or the equity of the Company.

Credit risk

Credit risk represents the Company's exposure to potential financial losses deriving from the failure of commercial and financial counterparties to fulfil their contractual obligations.

The main exposure is towards customers. In order to limit this risk, the Company has implemented procedures for assessing the financial potential and soundness of its customers, monitoring expected cash flows from collections and for any debt collection activities.

These procedures typically provide for sales to be finalised by obtaining advance payments. However, for those customers who are considered strategically important by Management, credit can be provided with limits being established and monitored.

The carrying amount of financial assets, net of any impairment for expected losses, represents the maximum exposure to credit risk.

For more information on how the allowance for impairment was determined and on the characteristics of overdue receivables, please refer to note 23 above on trade receivables.

31/12/2025

€ '000	Current	Less than 30 days	30-180 days	180 days 1 year	Beyond 1 year	Total
% estimated loss	0.0%	0.6%	8.0%	23.3%	69.0%	4.0%
Value of the receivable	39,357	2,311	1,207	652	1,764	45,291
Estimated credit loss	322	14	97	152	1,218	1,803

31/12/2024

€ '000	Current	Less than 30 days	30-180 days	180 days 1 year	Beyond 1 year	Total
% estimated loss	0.9%	-	7.6%	24.1%	64.4%	4.0%
Value of the receivable	50,299	3,864	2,727	1,715	2,117	60,722
Estimated credit loss	437	-	207	414	1,364	2,422

Liquidity risk

Liquidity risk is the risk that available financial resources will be insufficient to meet financial and commercial obligations as and when they fall due.

Negotiation and management of banking relationships are centralised at the Biesse Group level, by virtue of the Cash Pooling agreement, so as to ensure that short and medium-term financial needs will be met at the lowest possible cost. Raising medium and long-term capital funds on the market is also optimised with centralised management.

The type of prudent risk management described above implies maintaining an adequate level of cash and/or easily convertible short-term securities. The portfolio of trade receivables and the conditions attaching to them contribute to balancing the working capital and, in particular, to hedging payables to suppliers.

The following table shows the expected flows based on the maturities of financial liabilities other than derivatives. Balances relating to financial lease liabilities, bank overdrafts and bank loans are expressed at their contractual value without being discounted, which includes both principal and interest amounts. Loans and other financial liabilities are classified on the basis of the earliest maturity date, and revocable financial liabilities, as well as other liabilities whose maturities are not available, are considered payable on demand ("worst case scenario").

31/12/2025

€ '000	Current	Less than 30 days	30-180 days	180 days 1 year	Beyond 1 year	Total
Trade and other payables	56,628	46,167	9,034	-	-	111,829
Bank overdrafts and bank/intercompany loans	27,587	7,122	7,123	57,041	28,556	127,429
Total	84,215	53,289	16,157	57,041	28,556	239,258

31/12/2024

€ '000	Current	Less than 30 days	30-180 days	180 days 1 year	Beyond 1 year	Total
Trade and other payables	53,763	48,051	8,564	-	-	110,378
Bank overdrafts and bank/intercompany loans	59,152	13,000	-	56,974	42,826	171,952
Total	112,915	61,051	8,564	56,974	42,826	282,330

The Company monitors liquidity risk by controlling net flows on a daily basis in order to ensure that financial resources are managed efficiently.

The portfolio of trade receivables and the conditions attaching to them contribute to balancing the working capital and, in particular, to hedging payables to suppliers.

Classification of financial instruments

Below are the types of financial instruments included in the financial statements:

€ '000	December 2025	December 2024
FINANCIAL ASSETS		
Designated at fair value through profit or loss:		
<i>Derivative financial assets</i>	194	323
Designated at fair value through OCI:		
<i>- other current financial assets</i>	57,474	15,934
Measured at amortised cost :		
<i>Trade receivables</i>	94,026	109,993
Other assets	41,482	37,041
<i>- other financial assets and non current receivables</i>	485	532
<i>- other current financial assets</i>	18,925	23,509
<i>- other current assets</i>	22,072	13,000
Cash and cash equivalents	25,367	24,927
FINANCIAL LIABILITIES		
Designated at fair value through profit or loss:		
<i>Derivative financial liabilities</i>	271	1,329
Measured at amortised cost :		
<i>Trade payables</i>	115,499	100,692
<i>Bank loans, borrowings and lease liabilities</i>	185,190	271,008
Other current liabilities	30,451	19,165

The carrying amount of the above financial assets and liabilities is equal to or a reasonable approximation of their fair value.

For financial instruments recognised at fair value in the statement of financial position, IFRS 7 requires that fair value measurements be classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The levels are as follows:

Level 1 – quoted prices in an active market for assets or liabilities subject to measurement;

Level 2 – inputs other than quoted prices included within level 1 that are observable in the market, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – inputs that are not based on observable market data.

Derivative financial instruments measured at FVTPL are classified under Level 2 (same as in 2024). During the financial year there were no transfers between Levels.

Other current financial assets measured at FVOCI are classified under Level 2.

49. TRANSACTIONS NOT INVOLVING CHANGES IN CASH FLOWS AND RECONCILIATION OF CASH FLOWS

For the year 2025, the following significant transaction took place, which did not lead to changes in cash flows:

- Signing/closure of lease and rental contracts pursuant to IFRS 16 resulted in a loss of € 247 thousand.

Reconciliation of cash flows

The following tables provide details on the main changes in financial assets and liabilities, with separate specification of those which generated cash flows (shown in the “Financial assets” section of the statement of cash flows) and other changes that do not have cash flow effects:

€ '000	December 2024	Cash flow	Non-monetary changes			December 2025
			Contribution effect	New Leasing	Other	
Bank loans and increase / decrease from banks	171,952	(44,421)	-	-	(102)	127,429
Payables for financial leasing	7,471	(3,033)	(117)	(247)	-	4,074
Other financial liabilities towards related parties	91,584	(35,881)	-	-	(2,016)	53,687
Current financial assets with related parties	36,509	(4,206)	-	-	(13,378)	18,925
Total	307,516	(87,541)	(117)	(247)	(15,496)	204,115

€ '000	December 2023	Cash flow	Non-monetary changes			December 2024
			Contribution effect	New Leasing	Other	
Bank loans and increase / decrease from banks	671	171,002			279	171,952
Payables for financial leasing	8,661	(3,678)		2,488		7,471
Other financial liabilities towards related parties	100,314	(10,029)			1,299	91,584
Current financial assets with related parties	33,998	(19,456)			21,967	36,509
Total	143,644	137,839	-	2,488	23,545	307,516

With regard to the reconciliation of the cash flows reported in the Statement of Cash Flows with reference to trade receivables from third and related parties, changes in inventories, trade payables to third and related parties, contractual liabilities and other liabilities to third parties, reference should be made to the relevant paragraphs in the notes to the financial statements.

50. ATYPICAL OR UNUSUAL TRANSACTIONS

In 2025, there were no such transactions.

51. RELATED-PARTY TRANSACTIONS

The Company is directly controlled by Bi. Fin. S.r.l. (operating in Italy) and indirectly by Mr Giancarlo Selci (resident in Italy). Members of the Board of Directors as well as of the Board of Statutory Auditors and companies controlled directly or indirectly or owned by close relatives are also classified as related parties.

The details of transactions between Biesse and other related entities are specified below.

€ '000	Costs 2025	Costs 2024	Revenues 2025	Revenues 2024
Subsidiaries				
Subsidiaries	58,753	58,170	197,467	211,241
Parent				
Bifin S.r.l.	6	170	1	1
Other related companies				
Semar S.r.l.	759	864	-	-
Renzoni S.r.l.	1	2	-	-
Members of the Board of Directors				
Members of the Board of Directors	2,816	2,950	584	-
Members of the Board of Statutory Auditors				
Members of the Board of Statutory Auditors	197	194	-	3
Other related companies				
Selci Giancarlo	16	-	-	-
Parpajola Alessandra	51	-	-	-
Total transactions with related parties	62,599	62,350	198,052	211,245

€ '000	Receivables 2025	Receivables 2024	Payables 2025	Payables 2024
Subsidiaries				
Subsidiaries	89,409	88,202	93,721	110,141
Parent				
Bifin S.r.l.	-	-	-	44
Other related companies				
Semar S.r.l.	1	-	284	317
Renzoni S.r.l.	-	-	1	2
Members of the Board of Directors				
Members of the Board of Directors	-	-	90	73
Members of the Board of Statutory Auditors				
Members of the Board of Statutory Auditors	-	-	40	71
Other related companies				
Selci Giancarlo	-	-	14	-
Total transactions with related parties	89,410	88,202	94,150	110,648

The terms and conditions agreed with the above-related parties are not considered different from those that would have been established between parties at arm's length.

Payables to related parties contain payables for rights of use in accordance with IFRS 16; As at 31 December 2025, payables amounted to € 208 thousand to HSD S.p.A. (€ 283 thousand in 2024), € 66 thousand to Selci Roberto (€ 41 thousand in 2024) and € 14 thousand to Selci Giancarlo (€ 30 thousand in 2024).

The remuneration paid to directors is set by the Remuneration Committee, based on average market remuneration levels. For more details, please refer to the Remuneration Committee report published on the website www.biesse.com.

On 25 October 2024, the Board of Directors resolved that Bi.Fin S.r.l., pursuant to Article 2497 et seq. of the Italian Civil Code, does not actually carry out management and coordination activities, and at the same time granted the Chairman of the Board of Directors and the Chief Executive Officer, severally, the powers necessary to implement the resolution and to carry out the obligations required under Article 2497-bis of the Italian Civil Code, such as: i) the deletion of Biesse S.p.A. from the section of the companies register in which the companies or entities subject to management and co-ordination activities are indicated and ii) the elimination of the reference to Bi.Fin S.r.l. being subject to management and co-ordination activities in the acts and correspondence of Biesse S.p.A..

With regard to commercial and financial relations with the parent company Bi.Fin. S.r.l., please refer to note 24 "Trade receivables and contractual assets from related parties" and 40 "Trade payables to related parties".

52. OTHER INFORMATION

As required by the Italian Civil Code, it should be noted that:

- the Company has not issued financial instruments (Art. 2427, paragraph 1, No. 19);
- the Company is not financed by shareholders with interest-bearing loans (Art. 2427, paragraph 1, No. 19 bis);
- there are no assets allocated for a specific business (Art. 2427, paragraph 1, No. 20).

53. EVENTS AFTER THE REPORTING DATE

With the deed drawn up by Notary Luisa Rossi on 26 February 2026, the merger by incorporation of the subsidiary Bavelloni S.p.A. was completed, with legal effect from 1 April 2026 and accounting and tax effect backdated to 1 January 2026.

For further details on subsequent events, please refer to the information provided in the management report accompanying the consolidated financial statements.

54. GOVERNMENT GRANTS PURSUANT TO ART. 1, PARAGRAPHS 125-129 OF LAW NO. 124/2017

For details on government aid and the de minimis aid which was received – for which there is the obligation to report to the National Registry of Government Aid, in accordance with Art. 52, Law 234/2012 – express reference is made to said register. However, the following details are reported:

N	PROVIDER	GRANT RECEIVED € '000	CAUSAL
1	Fondimpresa	150	Contribution for funded training by Fondimpresa
2	Fondirigenti	48	Contribution for funded training by Fondirigenti
3	Ministero dell'Università e della Ricerca	70	CLAM E2 – Design of a Manifold in Ferrous Alloys Using Additive Manufacturing to Improve Energy Efficiency and Environmental Impact in Dust Extraction for the Automotive and Aerospace Industries
4	Commissione Europea, Horizon 2020	38	i4Q - Industrial Data Services for Quality Control in Smart Manufacturing
5	Commissione Europea, Horizon Europe (2021-2027)	72	EcoReFibre - Ecological Solutions for Recovery of Secondary Raw Materials from Post-consumer Fibreboards
6	MIMIT Ministero delle Imprese e del Made in Italy - Fondo crescita sostenibile (sustainable growth fund, managing by Intesa San Paolo)	249	Project financed 'Intelligence 5.0: from cyber-physical systems for the creation of 'self-aware' machine tools to innovative models of evolved industrial services' Application area "Intelligent factory" pursuant to the Ministerial Decree of 5 March 2018 and the subsequent Directorial Decree of 27 September 2018

55. REMUNERATION OF DIRECTORS, GENERAL MANAGERS, MANAGERS WITH STRATEGIC RESPONSIBILITIES AND MEMBERS OF THE BOARD OF STATUTORY AUDITORS

Description of position held			Fees			
000 €			Emoluments	non-monetary benefits	Bonus and other incentives	other fees
Subject	office held	charge duration				
Selci Roberto	Chief Executive Officer - Chairman of the Board of Directors	28/04/2027	1,200	49	-	-
Potenza Massimo	Board Member** and CO-CEO	11/06/2025	66	4	216	457
Baroncini Alessandra	Board member*	28/04/2027	30	-	-	-
Schiavini Rossella	Board member*	28/04/2027	30	-	-	35
Ricceri Federica	Board member*	28/04/2027	30	-	-	28
Bruni Massimiliano	Board member*	07/07/2025	15	-	-	5
Sgubin Cristina	Board member*	28/04/2027	30	-	-	4
Giordano Salvatore	Board member*	01/08/2025 – 28/04/27	12	-	-	50
Giorgio Bedogni	Board member*	01/10/2025 – 28/04/27	7	-	-	-
Total			1,420	53	216	579
De Mitri Paolo	Chairman of the Board of Statutory Auditors	28/04/2027	82	-	-	-
Ciurlo Giovanni	Statutory auditor	28/04/2027	61	-	-	-
Pinna Benedetta	Statutory auditor	28/04/2027	52	-	-	-
Total			195			

* Independent Directors.

** Biesse S.p.A.'s managers with strategic responsibilities holding the position of Director.

The Ordinary Shareholders' Meeting of 29 April 2024 appointed the Board of Directors and the Board of Statutory Auditors for the 2024-2027 financial years.

56. PROPOSALS TO THE ORDINARY SHAREHOLDERS' MEETING

The Board of Directors, having taken note of the economic and financial results achieved in the 2025 financial year, proposes not to allocate dividends to shareholders.

We therefore invite you to deliberate on covering the operating loss of € 15,206,361.27 by using the extraordinary reserve. Furthermore, it is proposed to withdraw € 673,808.74 from the latter to be allocated

to the reserve for foreign exchange gains.

Pesaro, 13 March 2026

The Chairman of the Board of Directors

Roberto Selci

Certification of the separate financial statements in accordance with Art. 81-ter of Consob Regulation No. 11971 of 14 May 1999 as subsequently amended and integrated

1. The undersigned Roberto Selci and Pierre Giorgio Sallier De La Tour in their capacities as, respectively, Chairman and Chief Executive Officer and Manager in charge of the financial reporting of Biesse S.p.A., having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the characteristics of the business and
- the effective implementation of the administrative and accounting procedures for the preparation of the separate financial statements during 2025.

2. The administrative and accounting procedures for preparing the separate financial statements as at 31 December 2025 were defined, and their adequacy was assessed, based on the rules and methods established by Biesse consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission. This is a reference framework for internationally accepted internal control systems.

3. In addition, they also state that the separate financial statements as at 31 December 2025:

- a) are consistent with the entries in accounting ledgers and records;
- b) have been drawn up in accordance with the international accounting standards issued by the International Accounting Standards Board, endorsed by the European Commission with the procedure provided for by Art. 6 of Resolution (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002 and pursuant to Art. 9 of the Italian Legislative Decree No. 38/2005; they are capable of providing a true and fair view of the financial position, results of operations and cash flows of the issuer.

The Directors' Report on Operations includes a reliable analysis of the performance and the results of operations, and the overall position of the issuer, together with a description of the main risks and uncertainties they are exposed to.

Pesaro, 13 March 2026

**The Chairman of the Board
in charge**

Roberto Selci

**The Manager
of financial reporting**

Pierre Giorgio Sallier De La Tour

APPENDICES TO THE 2025 FINANCIAL STATEMENTS

APPENDIX “A”

DIRECT AND INDIRECT INVESTMENTS IN SUBSIDIARIES

List of companies consolidated on a line-by-line basis

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
Biesse America Inc. 4110 Meadow Oak Drive Charlotte, North Carolina – USA	USD	11,500,000	100%			100%
Biesse Asia Pte. Ltd. Zagro Global Hub 5 Woodlands Terr. – Singapore	EUR	1,548,927	100%			100%
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda Rua Liege 122 - Vila Vermelha - Sao Paulo - Brazil	BRL	45,311,833	100%			100%
Biesse Canada Inc. 18005 Rue Lapointe – Mirabel (Quebec) – Canada	CAD	180,000	100%			100%
Biesse Group Deutschland GmbH Gewerberstrasse, 6 – Elchingen (Ulm) – Germany	EUR	1,432,600	100%			100%
Biesse France Sarl 4, Chemin de Moninsable – Brignais – France	EUR	1,244,000	100%			100%
Biesse Group Australia Pty Ltd. 3 Widemere Road Wetherill Park – Sydney – Australia	AUD	15,046,547	100%			100%
Biesse Group New Zealand Ltd. Unit B, 13 Vogler Drive Manukau – Auckland – New Zealand	NZD	3,415,665	100%			100%
Biesse Group UK Ltd. Lamport Drive – Daventry Northamptonshire – Great Britain	GBP	655,019	100%			100%
Biesse Gulf FZE Dubai, free Trade Zone	AED	30,159,477	100%			100%
Biesse Hong Kong Ltd (formerly Centre Gain Ltd) Room 1530, 15/F, Langham Place, 8 Argyle Street, Mongkok, Kowloon – Hong Kong	HKD	203,263,887	100%			100%
Biesse Iberica Woodworking Machinery s.l. C/De La Imaginació, 14 Poligon Ind. La Marina – Gavà Barcellona – Spain	EUR	699,646	100%			100%
Biesse India Private Limited Jakkasandra Village, Sondekoppa rd. Nelamanga Taluk – Bangalore –India	INR	721,932,182	100%			100%
Biesse Indonesia Pt. Jl. Kh.Mas Mansyur 121 – Jakarta – Indonesia	IDR	2,500,000,000	10%	90%	Biesse Asia Pte. Ltd.	100%
Biesse Japan K.K. C/O Mazars Japan K.K., ATT New Tower 11F, 2-11-7, Akasaka, Minato-ku, Tokyo	JPY	5,000,000		100%	Biesse Asia Pte Ltd.	100%
Biesse Kazakhstan LLP 9th floor, “Baykonyr” business-center, 42 Abay Avenue, 050022, Almaty, Republic of Kazakhstan	KZT	94,300,000	100%			100%

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
Biesse Korea LLC Geomdan Industrial Estate, Oryu-Dong, Seo-Gu – Incheon – South Korea	KRW	100,000,000		100%	Biesse Asia Pte. Ltd.	100%
Biesse Malaysia SDN BHD No. 5, Jalan TPP3 47130 Puchong – Selangor, Malaysia	EUR	1,435,704		100%	Biesse Asia Pte. Ltd.	100%
Biesse Portugal, Unipessoal, Ida. Sintra Business Park, 1, São Pedro de Penaferrim – Sintra – Portugal	EUR	5,000		100%	Biesse Iberica W. M. s.l.	100%
Biesse Schweiz GmbH Luzernerstrasse 26 – 6294 Ermensee – Switzerland	CHF	100,000		100%	Biesse G. Deutschland GmbH	100%
Biesse Taiwan Ltd. 6F-5, No. 188, Sec. 5, Nanking E. Rd., Taipei City 105, Taiwan (ROC)	TWD	500,000		100%	Biesse Asia Pte Ltd.	100%
Biesse Tooling S.r.l. Via della Meccanica, 16 Chiusa di Ginestreto (PU) – Italy	EUR	50,000	100%			100%
Biesse Trading (Shanghai) Co. Ltd. Room 301, No.228, Jiang Chang No. 3 Road, Zha Bei District, – Shanghai – China	RMB	118,581,740		100%	Biesse (HK) Ltd.	100%
Biesse Turkey Makine Ticaret Ve Sanayi A.S. Şerifali Mah. Bayraktar Cad. Nutuk Sokak No:4 Ümraniye, Istanbul –Turkey	TRY	349,303,540	100%			100%
HSD S.p.A. Via della Meccanica, 16 Chiusa di Ginestreto (PU) – Italy	EUR	1,141,490	100%			100%
HSD Deutschland GmbH Brückenstrasse, 2 – Gingen – Germany	EUR	25,000		100%	Hsd S.p.A.	100%
HSD Mechatronic (Shanghai) Co. Ltd. D2, 1 st floor, 207 Taiguroad, Waigaoqiao Free Trade Zone – Shanghai – China	RMB	2,118,319		100%	Hsd S.p.A.	100%
Hsd Usa Inc. 3764 SW 30 th Avenue – Hollywood, Florida – USA	USD	250,000		100%	Hsd S.p.A.	100%
Bavelloni S.p.A. Via Giulio Natta 16 Lentate sul Seveso (MB) – Italy	EUR	2,000,000	100%			
Bavelloni America Inc. 4361 Federal Drive Suite 160 – Greensboro – Usa	USD	200,000		100%	Bavelloni S.p.A.	100%
Z. Bavelloni México Sa de CV Privada calle nr.30 no.2646 zona industrial – Guadalajara – Mexico	MXN	390,405		100%	Bavelloni S.p.A.	100%
GMM S.p.A. Via Nuova 155/B Gravellona Toce (VB) – Italy	EUR	1,000,000	100%			
GMM International Ltd Unit 1717, New Tech Plaza, 34 Tai Yau Street, Kowloon – HONG KONG	CNY	156,386		100%	GMM S.p.A.	100%
GMM Steinbearbeitungsmaschinen GmbH Karlshöhlchen 6 76872 Freckenfeld – Germany	EUR	100,000		100%	GMM S.p.A.	100%
GMM USA Inc. 8610 Airpark West Drive Suite 100, Charlotte – USA	USD	182,283		100%	GMM S.p.A.	100%

Name and registered office	Currency	Share Capital	Directly controlled	Indirectly controlled	Ownership vehicle	Biesse Group
Mectoce S.r.l. Via Nuova 155/B Gravellona Toce (VB) - Italy	EUR	62,500		100%	GMM S.p.A.	100%
Waterjet Production Academy GmbH Zeppelinstrasse 7a – Karlsruhe – Germany	EUR	25,000		100%	GMM S.p.A.	100%
Techni Waterjet Pty Ltd 47 Barry road – Campbellfield (Victoria) – Australia	AUD	441,001		100%	Biesse Australia Pty Ltd	100%
Techni Waterjet LLC 8610 Air Park West Drivesuite 100 Charlotte - Usa	USD	2,150,000		100%	Biesse America Inc.	100%
Biesse Thailand Ltd 300/21 Moo 1, Tambol Tasith – Ampur Pluakdaeng, Rayong – Thailand	THB	15,000,000		100%	Biesse Asia Pte Ltd	100%

STATEMENT OF CHANGES IN EQUITY INVESTMENTS

Company	Historical Cost	Impairment previous years	Acquisitions, subscriptions, increases in share capital and capital contributions	Disposal and other movements	Impairment 2025	Value at 31/12/25
€ '000						
Bavelloni S.p.A.	58,197	(7,857)	-	-	(25,800)	24,540
Biesse America Inc.	7,580	-	-	-	-	7,580
Biesse Asia Pte Ltd	1,088	-	-	-	-	1,088
Biesse Brasil Comercio e Industria de Maquinas e Equipamentos Ltda	8,922	(6,324)	-	-	-	2,598
Biesse Canada Inc.	96	-	-	-	-	96
Biesse Group Deutschland GmbH	9,719	(3,299)	-	-	-	6,420
Biesse Groupe France Sarl	4,879	-	-	-	-	4,879
Biesse Group Australia Pte Ltd	10,807	(5,026)	-	-	-	5,781
Biesse Group Israel Ltd	53	(53)	-	-	-	0
Biesse Group New Zealand PTY Ltd	1,806	-	-	-	-	1,806
Biesse Group UK Ltd	1,088	-	-	-	-	1,088
Biesse Gulf FZE	5,069	(4,319)	2,400	-	-	3,150
Biesse Hong Kong Ltd (ex Centre Gain Ltd)	36,035	(35,955)	-	-	-	80
Biesse Iberica Woodworking Machinery SL	11,793	(4,983)	-	-	-	6,810
Biesse India Private Ltd	17,839	-	-	-	-	17,839
Biesse Indonesia PT.	23	-	-	-	-	23
Biesse Kazakhstan LLP	178	-	-	-	-	178
Biesse Tooling S.r.l.	10	-	2,077	-	-	2,087
Biesse Turkey Makine Ticaret Ve Sanayi A.Ş	13,800	(10,948)	2,400	-	-	5,252
GMM S.p.A.	64,654	-	266	(1,000)	(3,100)	60,820
HSD S.p.A.	21,915	-	-	-	-	21,915
TOTAL	275,551	(78,764)	7,143	(1,000)	(28,900)	174,030

APPENDIX "B"

INCOME STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

€ 000	December 2025	Related parties	%	December 2024	Related parties	%
Revenue	385,594	170,649	44.26%	425,954	185,025	43.44%
Other operating income	6,481	3,073	47.42%	5,274	1,594	30.22%
Other operating income - non recurring items	95	-	-	-	-	-
Change in inventories of finished goods and work in progress	8,185	-	-	(7,494)	-	-
Purchase of raw materials and consumables	(228,877)	(56,998)	24.90%	(229,844)	(56,806)	24.72%
Personnel expense	(99,778)	(259)	0.26%	(111,474)	(962)	0.86%
Personnel expense - non recurring items	(3,156)	-	-	(1,818)	-	-
Other operating costs	(67,053)	(2,399)	3.58%	(71,820)	147	(0.20)%
Depreciation and amortisation	(13,855)	(112)	0.81%	(15,559)	(260)	1.67%
Accruals to provisions	828	-	-	(1,799)	-	-
Accruals to provisions - non recurring items	83	-	-	-	-	-
Impairment	(90)	-	-	(827)	-	-
Operating result	(11,543)	-	-	(9,407)	-	-
Share of loss of associates	(28,850)	(28,850)	1.0%	(3,115)	(3,115)	1.0%
Financial income	14,281	918	0.1%	9,068	586	0.1%
Dividends	23,413	23,413	1.0%	24,041	24,041	1.0%
Financial expense	(15,859)	(2,831)	0.2%	(17,088)	4,469	(0.3)%
Result before taxes	(18,558)	-	-	3,499	-	-
Income taxes	3,352	-	-	3,131	-	-
Result for the year	(15,206)	-	-	6,630	-	-

STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

€ 000	December 2025	Related parties	%	December 2024	Related parties	%
ASSETS						
Non-current assets						
Property, plant and machineries	43,896	-	-	51,139	-	-
Equipment and other tangible assets	7,081	-	-	8,935	-	-
Goodwill	10,609	-	-	10,609	-	-
Other intangible assets	13,129	-	-	16,304	-	-
Deferred tax assets	18,943	-	-	17,089	-	-
Investments in subsidiaries and associates	174,030	174,030	100.00%	196,787	196,787	100.00%
Other financial assets and non-current receivables	485	-	-	532	-	-
Total Non-current assets	268,173	174,030	64.89%	301,395	196,787	65.29%
Current assets						
Inventories	79,402	-	-	77,704	-	-
Trade receivables and contract assets	94,026	48,414	51.49%	109,993	51,693	47.00%
Other assets	28,778	22,072	76.70%	6,130	-	-
Assets for derivative financial instruments	194	-	-	323	-	-
Financial assets	76,399	18,925	24.77%	52,443	36,509	69.62%
Cash and cash equivalents	25,367	-	-	124,927	-	-
Total current assets	304,166	89,411	29.40%	371,520	88,202	23.74%
TOTAL ASSETS	572,339	263,441	46.03%	672,915	284,989	42.35%

€ 000	December 2025	Related parties	%	December 2024	Related parties	%
EQUITY AND LIABILITIES						
Share capital	27,403	-	-	27,403	-	-
(Owned shares)	(5,848)	-	-	-	-	-
Capital reserves	36,202	-	-	36,202	-	-
Other reserves and retained earnings	145,838	-	-	140,050	-	-
Profit for the year	(15,206)	-	-	6,630	-	-
EQUITY	188,389	-	-	210,285	-	-
Non-current liabilities						
Post-employment benefits	6,001	-	-	7,166	-	-
Deferred tax liabilities	1,726	-	-	1,991	-	-
Bank loans and borrowings	85,597	-	-	99,800	-	-
Lease liabilities under IFRS 16	1,721	178	10.34%	4,352	241	5.54%
Altre passività verso terzi non correnti	46	-	-	101	-	-
	95,091	178	-	113,410	241	-
Current liabilities						
Trade payables	115,453	26,381	22.85%	100,591	17,857	17.75%
Contract liabilities	19,959	1,283	6.43%	24,638	433	1.76%
Other liabilities	39,865	12,511	31.38%	34,270	376	1.10%
Tax liabilities	126	-	-	158	-	-
Lease liabilities under IFRS 16	2,353	110	4.67%	3,119	156	5.00%
Bank loans and borrowings	95,519	53,687	56.21%	163,736	91,584	55.93%
Provisions for risks and charges	15,313	-	-	21,379	50	0.23%
Liabilities for derivative financial instruments	271	-	-	1,329	-	-
	288,859	93,972	0.33%	349,220	110,456	0.32%
LIABILITIES	383,950	94,150	24.52%	462,630	110,697	23.93%
TOTAL EQUITY AND LIABILITIES	572,339	94,150	16.45%	672,915	110,697	16.45%

**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
Biesse S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Biesse S.p.A. and its subsidiaries (the “Biesse 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 Biesse 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 Biesse 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.

Goodwill Impairment test and other assets allocated to CGUs

Description of the key audit matter

The consolidated financial statements include a Goodwill of Euro 61.5 million (Euro 72.1 million as at December 31, 2024), allocated to the two cash generating units (“CGUs”) Machines & Systems and Mechatronics.

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 identified by Biesse Group, determined according to the value-of-use methodology, and the related accounting values as at December 31, 2025, which take into account both goodwill and other assets allocated to the CGUs.

As a result of the impairment tests, approved by the Board of Directors on March 13, 2026, Biesse Group identified and recorded in the consolidated financial statements an impairment loss of Euro 10.6 million related to goodwill allocated to CGU Machines & Systems.

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 significance of the amount of goodwill recorded in the consolidated financial statements, 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 test as a key audit matter for the audit of Biesse Group consolidated financial statements.

The explanatory notes to the consolidated financial statements in paragraphs “4.L Intangible assets and Goodwill” and “4.R Impairment losses on property, plant and equipment and intangible assets” describe the valuation process applied by Management, while Note 17 provides information on the tests performed, the main assumptions underlying the cash flow estimates, and the related sensitivity analysis, which show the effects resulting from changes in the key variables used for the impairment tests.

Audit procedures performed

In the context of our audit we have, among others, carried out the following procedures, also using the support of our network experts:

- understanding and identification 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 and the information obtained from Management;
- analysis of the actual results 2025 compared to the original plans in order to assess the nature of the deviations and the considerations made by Management in 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 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;
- review of the sensitivity analysis prepared by Management, both in terms of increases and decreases in the g rate and WACC parameters and reductions in the forecasted cash flows.

Finally, we examined the adequacy and compliance of the disclosure provided by the Directors on impairment tests with respect to IAS 36.

Provisions for Risks and Charges

Description of the key audit matter

Provisions for risks and charges amounting to Euro 26,694 thousand (Euro 33,319 thousand as at December 31, 2024) are booked in the consolidated financial statements, mainly attributable to the estimate of liabilities related disputes and/or litigations with customers, as well as to contractual warranties relating to sales of machinery and to the restructuring provision related to the ongoing process of organizational transformation.

With reference to disputes and/or litigations with customers, the obligations arising given to issues related to machinery quality and to contractual warranties' provisions, imply evaluations by the Management, which require the use of estimates that, given the Biesse Group's business, are characterized by a significant degree of judgment. In particular, Management accounts provisions when it considers that a financial outflow is likely to occur and when the liability can be measured with sufficient reliability, also taking into consideration the consultants' opinions.

Furthermore, Management shall determine the amount of obligations related to contractual warranties based on historical information on the nature, the frequency and average cost of related interventions.

Finally, in relation to the restructuring provision, the amount accounted represents the estimate made by Management for the resolution of the redundancies already identified, using the knowledge and information available on the applicable laws, also taking into consideration the terms of the negotiations underway with the counterparties.

With reference to the degree of judgment of the assessments carried out by Management, we considered the estimate of provisions for risks and charges a key audit matter for the audit of Biesse Group consolidated financial statements.

The explanatory notes to the consolidated financial statements in paragraphs “3. Measurement criteria and use of estimates”, “4.N Provisions for risks and charges” describe the evaluation process adopted by the Directors and paragraph “28. Provisions for risks and charges” provides disclosure on the movement of the provisions for risks and charges occurred in the financial year ended as of December 31, 2025.

Audit procedures performed

Within the scope of our audit we have carried out the following procedures:

- understanding of the process for identifying and evaluating obligations related to sales contracts and orders, ongoing restructuring process as well as liabilities for the outstanding litigations;
- analysis of the reasonableness of the assumptions on the basis of the evaluations carried out by Management and examination of the main internal documentation and of the related contracts, technical reports prepared by management experts, and historical information used by the Company to support the estimates;
- examination of the information obtained from internal and external lawyers and meetings with Management;
- retrospective analysis of the litigations already in place as of December 31, 2024 and concluded as of today, in order to test the reasonableness and reliability of the assessments carried out by Management when preparing the consolidated financial statements for the previous year;
- with specific reference to the restructuring provision accounted as of December 31, 2024, analysis of the utilizations of the provision during the year 2025 in order to verify the reasonableness and reliability of the charges’ estimate for the completion of the organizational transformation process activated by Management when preparing the previous year financial statements;
- analysis of events occurred after the financial statements end date, which can provide useful information for the verification of estimates.

Finally, we examined the adequacy of the disclosure provided in the Notes regarding this consolidated financial statement account balance.

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 Biesse 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 Biesse 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 Biesse 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 Biesse 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 Biesse 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 Biesse S.p.A. has appointed us on June 20, 2018 as auditors of the Company for the years from December 31, 2019 to December 31, 2027.

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 Biesse 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 explanatory 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 Biesse S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Biesse 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 Biesse 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
Giovanni Fruci
Partner

Bologna, Italy
March 30, 2026

As disclosed by the Directors on page 131, the accompanying consolidated financial statements of Biesse S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

**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
Biesse S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Biesse 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the recoverability of goodwill and investments in subsidiaries

Description of the key audit matter

The financial statements include a Goodwill of Euro 10.6 million, fully allocated to the cash generating unit (“CGU”) Machines & Systems, and investments in subsidiaries amounting to Euro 174,030 thousand, of which Euro 24,540 thousand relating to the subsidiary Bavelloni S.p.A., already net of an impairment loss of Euro 25,800 thousand accounted during the year.

In accordance with the provisions of the International Accounting Standard “IAS 36 Impairment of Assets,” the Company has verified the recoverability of the goodwill accounted in the financial statements and the carrying amount of certain investments showing indicators of impairment losses, in particular the aforementioned investment in Bavelloni S.p.A., by comparing their recoverable amounts, determined using the value-in-use methodology, with their respective carrying amounts.

As a result of the impairment tests performed, the Company identified and recorded an impairment loss of Euro 25,800 thousand relating to the investment in the subsidiary Bavelloni S.p.A. and an impairment loss of Euro 3,100 thousand relating to the investment in the subsidiary GMM S.p.A.

The evaluation process provided for in IAS 36 is complex and is based on assumptions concerning, inter alia, the forecast of expected cash flows of the CGU to which goodwill and investments are allocated, and the definition of an appropriate discount rate (WACC) and long-term growth rate (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.

Given the significance of the amounts of assets subject to verification and the subjectivity and uncertainty of the estimates related to the determination of cash flows and key variables of the impairment model in the current market context, as well as the business difficulties faced by some subsidiaries, with particular reference to the subsidiary Bavelloni S.p.A., we considered the impairment tests on goodwill and investments in subsidiaries a key audit matter for the audit of the Company’s financial statements.

The explanatory notes to the financial statements in paragraphs “4.J Intangible assets and Goodwill”, “4.K Investments” and “4.R Impairment losses on property, plant and equipment and intangible assets and investments” describe the valuation process applied by Management, while notes “18. Goodwill” and “20. Equity investments in subsidiaries and associates” provide disclosures on the tests performed, the main assumptions underlying the cash flow estimates, and the related sensitivity analyses, which show the effects arising from changes in the key variables used for the impairment tests.

Audit procedures performed

In the context of our audit we have, among others, carried out the following procedures, also using the support of our network experts:

- understanding and identification 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 and the information obtained from Management;
- analysis of the actual results 2025 compared to the original plans in order to assess the nature of the deviations and the considerations made by Management in 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 practice;
- test of the clerical accuracy of the model used to calculate the value in use for the CGU and investments in subsidiaries;
- test of the accurate determination of the carrying amount of the assets subject to testing;
- review of the sensitivity analyses prepared by Management.

Finally, we examined the adequacy and compliance of the disclosure provided by the Directors on impairment tests with respect to IAS 36.

Provisions for Risks and Charges

Description of the key audit matter

Provisions for risks and charges amounting to Euro 15,313 thousand (Euro 21,379 thousand as at December 31, 2024) are booked in the financial statements, mainly attributable to the estimate of liabilities relating to disputes and/or litigations with customers, as well as to contractual warranties relating to sales of machinery and to the restructuring provision related to the ongoing process of organizational transformation.

With reference to disputes and/or litigations with customers, the obligations arising given to issues related to machinery quality and to contractual warranties' provisions, imply evaluations by Management, which require the use of estimates that, given the Company's business, are characterized by a significant degree of judgment. In particular, Management accounts provisions when it considers that a financial outflow is likely to occur and when the liability can be measured with sufficient reliability, also taking into consideration the consultants' opinions.

Furthermore, Management shall determine the amount of obligations related to contractual warranties based on historical information on the nature, the frequency and average cost of related interventions.

Finally, in relation to the restructuring provision, the amount accounted represents the estimate made by Management for the resolution of the redundancies already identified, using the knowledge and information available on the applicable laws, also taking into consideration the terms of the negotiations underway with the counterparties.

With reference to the degree of judgment of the assessments carried out by Management, we considered the estimate of provisions for risks and charges a key audit matter for the audit of the Company's financial statements.

The explanatory notes to the statutory financial statements in paragraphs "3. Measurement criteria and use of estimates" and "4.M Provisions for risks and charges" describe the evaluation process adopted by the Directors and paragraph "38. Provisions for risks and charges" provides disclosure on the movement of the provisions for risks and charges occurred in the financial year ended as of December 31, 2025.

Audit procedures performed

Within the scope of our audit we have carried out the following procedures:

- understanding of the process for identifying and evaluating obligations related to sales contracts and orders, ongoing restructuring process as well as liabilities for the outstanding litigations;
- analysis of the reasonableness of the assumptions on the basis of the evaluations carried out by Management and examination of the main internal documentation and of the related contracts, technical reports prepared by management experts, and historical information used by the Company to support the estimates;
- examination of the information obtained from internal and external lawyers and meetings with Management;
- retrospective analysis of the litigations already in place as of December 31, 2024 and concluded as of today, in order to test the reasonableness and reliability of the assessments carried out by Management when preparing the financial statements for the previous year;
- with specific reference to the restructuring provision accounted as of December 31, 2024, analysis of the utilizations of the provision during the year 2025 in order to verify the reasonableness and reliability of the charges' estimate for the completion of the organizational transformation process activated by Management when preparing the previous year financial statements;
- analysis of events occurred after the financial statements end date, which can provide useful information for the verification of estimates.

Finally, we examined the adequacy of the disclosure provided in the Notes regarding this financial statement account balance.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Biesse S.p.A. has appointed us on June 20, 2018 as auditors of the Company for the years from December 31, 2019 to December 31, 2027.

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 Biesse 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 Biesse S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Biesse S.p.A. as at December 31, 2025, including their consistency with the related 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 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 report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Biesse 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
Giovanni Fruci
Partner

Bologna, Italy
March 30, 2026

As disclosed by the Directors on page 188, the accompanying financial statements of Biesse S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

**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
Biesse S.p.A.**

Conclusion

Pursuant to art. 8 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 Biesse Group (hereinafter also 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 Directors’ report on operations.

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

- the consolidated sustainability statement of the Biesse 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 “*Taxonomy*” 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.

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

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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

© Deloitte & Touche S.p.A.

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

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

Responsibility of the Directors and the Board of Statutory Auditors of Biesse 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-1 Description of the processes to identify and assess material impacts, risks and opportunities*” 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 “*Taxonomy*” with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the *Directors* determine necessary to enable the preparation of the 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 the forward looking 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, as indicated in the paragraph “*ESRS 2 General disclosures – BP-2 Disclosures in relation to specific circumstances - Sources of estimation and outcome uncertainty*”.

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 - Sources of estimation and outcome uncertainty”.

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 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 estimates and to the complexity of the related calculation methods, as well as qualitative and quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the 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, including the information related to the materiality assessment process;
- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Fruci
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.

BIESSE S.p.A.
Pesaro head office – Via della Meccanica 16
Share capital € 27,393,042
Court of Pesaro – Tax Code 00113220412

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE
SHAREHOLDERS' MEETING**

(pursuant to Article 153 Italian Legislative Decree No. 58/98 and Article 2429, paragraph 2, Italian Civil Code)

Dear Shareholders,

The Board of Statutory Auditors, pursuant to Article 153 of Italian Legislative Decree 58/1998 ('Consolidated Law on Finance [TUF]') and Article 2429, paragraph 2, of the Italian Civil Code, is called upon to report to the Shareholders' Meeting of BIESSE S.p.A. ('**BIESSE**' or the '**Company**'), called to approve the financial statements for the year ended 31 December 2025, on the supervisory activities carried out during the year in fulfilment of its duties, including in its capacity as 'Internal Control and Audit Committee', to which further specific control and monitoring functions are assigned on the subject of financial reporting and statutory audit, on the supervisory activities carried out with reference to the non-financial disclosure obligations under Legislative Decree 254/2016, on any omissions and reprehensible facts discovered and on the results of the company's financial year.

1. PREAMBLE

Throughout the financial year, the Board of Statutory Auditors fulfilled its official responsibilities in accordance with the regulations set out in the Italian Civil Code, the Consolidated Finance Act, the requirements of Article 19 of Legislative Decree No. 39/2010, the stipulations of the Articles of Association, and in adherence to the Consob regulations on corporate oversight. Additionally, the Board took into consideration the guidelines of the Corporate Governance Code of Borsa Italiana, as well as the Rules of Conduct for the Board of Statutory Auditors of listed companies as recommended by the National Council of Chartered Accountants and Accounting Experts.

The Board's activities are supported by specific Regulations to facilitate its operation.

During the year, the Board of Statutory Auditors acquired information to help it carry out the general supervisory tasks assigned to it, using the system of information flows envisaged within the BIESSE Group (the '**BIESSE Group**' or simply the '**Group**') as well as by taking part in the corporate bodies' meetings.

Given the above, the following is a report on the supervisory activities performed during the year and provides the information referred to in Consob Communication No. 1025664 of 6 April 2001 as amended.

2. SUPERVISING COMPLIANCE WITH THE LAW AND THE ARTICLES OF ASSOCIATION

During 2025, the Board of Statutory Auditors held 11 meetings. The relevant minutes record the control and supervision activities carried out. During the current year and up to the date of approval of this Report, the Board of Statutory Auditors has held 4 meetings.

The Board of Statutory Auditors attended the meetings of the Board of Directors, in accordance with the current Articles of Association; during the 2025 financial year, 9 meetings were held. It also participated in the

meetings of the Control, Risk and Sustainability Committee, the Remuneration Committee and the Related Parties Committee which – during 2025 – held respectively 7 meetings, 9 meetings and 4 meetings.

The Board of Statutory Auditors monitored compliance with Italian law, the provisions of the Articles of Association, and the instructions issued by the Supervisory and Control Authorities, and the conformity of the proposal regarding the distribution of dividends.

The Board also monitored compliance with disclosure obligations regarding regulated information, inside information or information requested by supervisory authorities and, in particular, the handling of disclosure matters relating to the request for information made to the Company by CONSOB pursuant to Article 115 of Legislative Decree 58/1998 (TUF). The information disclosed to the market is, on the whole, comprehensive, timely and consistent with the legal and regulatory framework applicable to listed companies, ensuring adequate transparency regarding developments in corporate governance and the management of related risks.

In relation to the aforementioned, no irregularities or other matters have arisen that warrant mention in this report.

3. SUPERVISING COMPLIANCE WITH THE PRINCIPLES OF SOUND ADMINISTRATION

The Board of Statutory Auditors acquired knowledge of and supervised, to the extent of its competence, compliance with the principles of proper administration.

As regards the decision-making processes of the Board of Directors, the Board of Statutory Auditors oversaw, also by taking direct part in meetings, the compliance of these processes with the law and the Articles of Association and verified that the resolutions of the Board of Directors were backed by adequate information, analysis and verification processes.

The Board of Statutory Auditors, which also attended the Board of Directors' meetings, received timely updates from the Directors. These updates, provided at intervals considered suitable for the company's size, included detailed information on the activities conducted and the most significant economic, financial, and asset-related transactions decided upon and executed throughout the year by the Company and its subsidiaries. The current administrative body was appointed by the Shareholders' Meeting of Biesse on 29 April 2024. With regard to the allocation of powers and delegations, the Board of Statutory Auditors monitored the adequacy of this arrangement, including in relation to changes in the Company's governance during the financial year. In particular, the Board monitored compliance with the law and the Articles of Association regarding the procedures relating to the reconstitution of the full Board of Directors, through the co-opting of Director Mr Salvatore Giordano following the resignation of the Chief Executive Officer Mr Potenza, and of Mr Pier Giorgio Bedogni following the resignation of the independent director Mr Massimiliano Bruni.

Please note that the Chairman, the Chief Executive Officer (until his resignation on 12 June 2025), the Financial Reporting Officer (hereinafter '**Financial Reporting Officer**'), and other managers participated in the Board's meetings upon invitation, including to illustrate and analyse the measures being resolved, depending on the specific items on the agenda. By drawing on these participants, the Board was able to delve into the transactions proposed and/or resolved and their impact on income and equity.

The management report complies with legal requirements and provides adequate information on the company's performance, the main risk factors and uncertainties, as well as significant transactions that took place during the financial year and after its close.

The Board of Statutory Auditors has carried out the necessary investigations with the management of the BIESSE Group regarding transactions of significant economic, financial and equity impact, maintaining a process of constant and constructive dialogue within the scope of their respective responsibilities. There was a particular

focus on the operations relating to the withdrawal – approved by the Board of Directors in May 2025 – of the financial targets set out in the 2024–2026 Three-Year Business Plan, and to the associated reorganisation and implementation of measures designed to ensure the necessary stability and resilience in terms of both the Company’s human capital and its financial resources and, more generally, the BIESSE Group.

Based on the information provided, the Board of Statutory Auditors recognises that the transactions in question adhere to legal requirements and the company's Articles of Association. Furthermore, they are not evidently imprudent, reckless, contrary to the decisions of the Shareholders' Meeting, nor do they threaten the integrity of the company's assets.

The acquired information regarding these transactions also enabled the verification of the decision-making process's rationality and the alignment of these transactions with the company's requirements. It is considered that these transactions, which are fully described in the Directors’ Report on Operations, do not require specific comments from the Board.

Among the most significant events of the 2025 financial year, the Board notes, in addition to what has already been reported below regarding changes within the Board of Directors and the withdrawal of the financial targets set out in the 2024–2026 Business Plan, the proposed merger by absorption of the wholly-owned subsidiary Bavelloni S.p.A. (approved by the Board of Directors in October 2025).

The Board has monitored the decision-making and subsequent implementation processes relating to the above-mentioned transactions and, within the scope of its remit, has not identified any matters requiring disclosure in this Report.

4 - SUPERVISING THE ADEQUACY OF THE ORGANISATIONAL STRUCTURE

The Board of Directors is responsible for defining the organisational structure of the Company and the Group, and, within the limits of the powers delegated to them, the executive directors are also responsible for this.

In this context, the Board of Directors is also responsible for assessing the adequacy of the organisational structure, defining the Group’s corporate structure, and verifying the existence of the internal controls necessary to monitor the performance of the Company and the Group, taking into account the nature and size of the business and the complexity of the relevant operating environment.

Within the scope of its authority, during the year, the Board of Statutory Auditors oversaw, in accordance with Article 2403 of the Italian Civil Code and Article 149 of the Consolidated Law on Finance, the adequacy of the organisational structure, in terms of organisation, procedures, powers and responsibilities, to the size of the Company and to the nature and methods of pursuing its corporate objectives.

The Board held regular meetings with the relevant departments to assess the appropriateness of the changes made to the organisational structure in connection with the review and adjustment of the ‘*One Company*’ project, also in light of and following the partial withdrawal of the 2024–2026 Three-Year Business Plan. In particular, the Board oversaw the identification and subsequent implementation by the Company of significant measures aimed at consolidating and strengthening the organisational structure, which, during the financial year, was affected by high staff turnover—particularly in the sales and after-sales service departments—and by changes in several key senior management roles. Similar attention has been paid to the staff restructuring process at the main overseas subsidiaries, which have seen a significant reduction in the number of staff in the sales and service departments and whose management teams have recently been overhauled.

The Board of Statutory Auditors, within the scope of its remit – whilst reiterating its recommendation to the Company that it maintain a high level of oversight and monitoring of the branches and business areas most affected by instability and staff turnover, in order to ensure the successful completion of the induction process for

the new management and the integration of new staff – has not identified any shortcomings in the organisational model adopted. Furthermore, the unpredictability of medium- to long-term impacts – including those linked to the current economic recession – the considerable degree of uncertainty surrounding the geopolitical landscape and the relevant market, as well as the natural strain to which the organisational structure will be subjected during the launch phase of the new 2026–2028 Group Business Plan (approved in February 2026), make it appropriate to constantly review the consistency of strategic guidelines and results achieved with the evolution of the overall macroeconomic framework.

The Board, taking into account the attention paid to these issues by the Supervisory Authority and without prejudice to the core activities falling within the remit of the company's departments, monitored the effective implementation of the organisational structure established by the Board of Directors, as well as the effectiveness of the qualitative and quantitative allocation of the resources deployed for this purpose. In addition, the Board of Statutory Auditors was kept informed of the progress made in implementing the integration plans, particularly with regard to procedures and corporate compliance (including the obligations set out in Regulation (EU) 2016/679 and in national laws and regulations on the protection of personal data).

The Board was informed of the organisational and procedural activities implemented pursuant to Legislative Decree No. 231/2001, including through periodic meetings with the Supervisory Board and the examination of the periodic reports issued by the latter and transmitted to the Board in accordance with the Information Flow Protocol adopted by the Company. From these disclosures, without prejudice to the suggestions for improvement and implementation of the internal control system that the Supervisory Board shared with management, no facts or elements emerged that should be reported in this Report. In particular, the Supervisory Board has informed the Board of Statutory Auditors that it has not received any reports of violations or suspected violations of the Organisational Model adopted by the Company and/or of Legislative Decree No. 231/2001.

The Board of Statutory Auditors has also received information from the Supervisory Body regarding the progress of the integration project – relating to compliance with Legislative Decree 231 – concerning the companies acquired by BIESSE, which is designed to ensure a high level of commitment and awareness within the Biesse Group on these issues.

5. SUPERVISING THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM

The Board of Statutory Auditors has monitored the adequacy of the internal control and risk management system (ICRMS), pursuant to Article 149 of the Consolidated Law on Finance (TUF) and Recommendation 32 of the Corporate Governance Code, without identifying any critical issues therein, and suggesting, where appropriate, further enhancements to ensure its adequacy in light of developments in the company's operations and organisational structure.

BIESSE's internal control system is based on first, second and third level controls. The second level controls are carried out by the Compliance, Risk Management functions, and the Financial Reporting Officer; the third-level functions within the **Internal Audit** department operate according to a multi-year plan that is reviewed annually. This plan outlines the activities and processes to be audited, adopting a risk-based approach. For certain operational activities, the department relies on the support of an external advisor for areas not covered by internal resources. This plan of the Internal Audit function also extends to the companies that have become part of the Biesse Group perimeter as a result of the acquisition transactions finalised by BIESSE.

Further third-level checks are carried out, within their respective areas of responsibility, by the Supervisory Body appointed by the Company pursuant to Legislative Decree 231/2001 (as previously mentioned) and by the Data Protection Officer of the BIESSE Group appointed in accordance with Article 37 et seq. of EU Regulation 2016/679 on the protection of personal data, as well as by bodies accredited for the certification of

corporate management systems.

During the financial year, the Board of Statutory Auditors witnessed the handover of the roles of Chief Financial Officer (CFO), Investor Relations Officer and Financial Reporting Officer, from Mr Nicola Sautto to Mr Pierre La Tour, ensuring the orderly and transparent fulfilment of the obligations relating to the mutual termination of the employment relationship between the Company and Mr Sautto, and expressing its favourable opinion on the Chairman's proposal to appoint Mr La Tour to the aforementioned roles.

The Board noted that the key functions, together with the other bodies and functions to which a control role is attributed, they cooperate with each other by exchanging useful information for the performance of their respective tasks, as well as sharing points of attention detected during the verification activities. The Board of Statutory Auditors continuously monitored the issues highlighted by the Internal Audit and Risk Management departments, the scope of the activities carried out by them and the related actions planned to overcome the anomalies detected. In particular, the Board has requested to be periodically informed on the strengthening measures adopted and those in the process of being adopted, by means of specific in-depth analysis of the audit reports and the status of implementation of the remediations adopted.

The results of the activities carried out by the Internal Audit function did not reveal any significant critical issues, but rather areas for improvement which were reported to the relevant business units as and when necessary and subsequently monitored by the Board.

Having taken note of the provisions of the current Corporate Governance Code, the Company has adopted a risk management policy, overseen by the Risk Management function, which is set out in the management report.

With regard to the implementation of the Enterprise Risk Management (ERM) system for risk assessment and management, the Board notes that the Company has placed the identified risks under continuous monitoring by the Risk Management function. The Biesse Group has defined an ERM Policy and a procedure to assess and quantify business risks, based on international standards. Furthermore, as part of the risk assessment phase of the ERM process, aspects of integration of environmental, social and governance risks were taken into account, and due consideration was given to the impacts arising from the integration process of the companies that became part of the Biesse Group's perimeter as a result of the acquisitions completed. The ERM policy is addressed to the corporate bodies, employees and associates who operate within the Biesse Group and who are involved in various ways in the ERM process.

The Board of Statutory Auditors recognises that the Internal Audit function's periodic report culminates in an assessment of the dependability of the existing internal controls. Furthermore, the Control, Risk and Sustainability Committee has evaluated the internal control and risk management system as being substantially adequate in view of the company's scale and nature.

Furthermore, at its meetings, the Board of Statutory Auditors noted with approval the monitoring activities that had been effectively implemented, through an operational procedure adopted by the Company to ensure the correct identification of crisis indicators, in compliance with the regulatory obligations set out in Article 2086 of the Italian Civil Code and the Code on Corporate Crisis and Insolvency.

On the basis of the activities performed, the information acquired, the content of the report of the internal control function and the periodic reports of the Supervisory Board, the Board of Statutory Auditors considers that there are no critical elements that could affect the structure of the internal control and risk management system.

6. SUPERVISING THE ADEQUACY OF THE ADMINISTRATIVE AND ACCOUNTING SYSTEM AND THE STATUTORY AUDIT ACTIVITIES

In accordance with Article 2403 of the Italian Civil Code and Article 149 of the Consolidated Law on Finance, the Board of Statutory Auditors has monitored the adequacy of the administrative and accounting system and its ability to accurately reflect the facts of the company's operations, including for the purposes of preparing the company's financial statements and the consolidated financial statements.

The Board held frequent discussions with the Financial Reporting Officer and the Internal Audit department, and also held regular meetings with the firm appointed to carry out the statutory audit (the 'Independent Auditors'). It also met with the heads of the main administrative and accounting departments.

The recommendations and suggestions formulated by the Board are communicated to the internal functions concerned, either during the meetings held or through the Company function that supports the Board in its activities, or are communicated directly to the body with management or strategic supervision functions and to the relevant Board Committees, monitoring their implementation.

The administrative and accounting procedures relating to the preparation of the company financial statements and the consolidated financial statements, as well as any other financial disclosures required by current legislation, have been established under the responsibility of the Financial Reporting Officer, who, together with the Chief Executive Officer, has certified their adequacy and effective implementation in accordance with applicable legislation.

The Board of Statutory Auditors, acting also as the Internal Control and Audit Committee pursuant to Article 19 of Legislative Decree 39/2010, has maintained close coordination with the relevant company departments and, in particular, with the Administration, Finance and Control function, attending regular meetings aimed at reviewing the administrative and accounting system and assessing its reliability for the purposes of accurately presenting the facts of management. In particular, the Board monitored the financial reporting process, making recommendations and proposals where necessary to ensure its integrity.

Following the completion of the work carried out and on the basis of the information obtained, no significant issues were identified in the administrative and accounting processes or in the related control mechanisms that would call into question the overall adequacy and effective application of the procedures, in accordance with the international accounting standards adopted by the Company.

The Board also took note of the change in the role of the Financial Reporting Officer that took place during the financial year, confirming that this change did not result in any disruption to organisational controls or have any adverse impact on the functioning and reliability of the administrative and accounting system.

As part of its statutory audit, the Independent Auditors examined the administrative and accounting procedures and the internal control system relevant to financial reporting, without identifying any critical issues or significant shortcomings. The Independent Auditors also verified that the company's accounts had been kept in accordance with the law, that operational events had been correctly recorded, and that the information used in the preparation of the separate financial statements and the consolidated financial statements was consistent, without raising any objections or making any comments.

The Board of Statutory Auditors recommends the continuous oversight of the role of guidance and coordination by the Parent Company, also in light of the acquisition of the GMM Group, to foster the continuous alignment, monitoring and sharing of accounting and financial reporting processes. In this context, the Board has taken note of the extension of the Biesse Group's accounting and control systems to the GMM Group, which is expected to be completed shortly.

In line with the provisions of Article 19 of Legislative Decree No. 39/2010, the Board of Statutory

Auditors, in its capacity as the Internal Control and Audit Committee, also supervised the activities carried out by the Independent Auditors.

During the 2025 financial year and up to the date of this Report, the Board of Statutory Auditors monitored the work of the Independent Auditors, assessing its implications for financial reporting, including through ongoing and timely dialogue, in accordance with Consob guidelines and the provisions of Article 150, paragraph 3 of the Consolidated Law on Finance.

Pursuant to Legislative Decree 39/2010 and Regulation (EU) No 537/2014, the appointment to carry out the statutory audit of the separate financial statements and the consolidated financial statements has been conferred upon Deloitte & Touche S.p.A. for the period 2019–2027, including the assessment of the consistency of the management report with the financial statements, pursuant to Article 123-bis.

During regular meetings with the Independent Auditors, the main organisational and procedural developments affecting the accounting and administrative systems and financial reporting were reviewed. In this context, particular attention has been paid to the key valuation processes in the finance area, including impairment tests on equity investments and goodwill, as well as to disclosures relating to events occurring after the end of the financial year.

The Board of Statutory Auditors has maintained a constant flow of information with the external auditors regarding the work carried out, and no reprehensible acts, omissions or critical issues worthy of mention have come to light.

The Board also monitored the independence of the audit firm, verifying compliance with the applicable regulatory provisions – including in relation to any non-audit services provided – and obtaining the periodic declarations required by current legislation, without identifying any circumstances that might compromise the auditor's independence.

The Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, has also examined the supplementary report prepared by the Independent Auditors pursuant to Article 11 of Regulation (EU) No 537/2014, taking note of the main findings of the audit and the aspects deemed relevant for the purposes of financial reporting, without any significant findings or observations.

On 30 March 2026, the Independent Auditors issued, pursuant to Article 14 of Italian Legislative Decree No. 39/2010 and Article 10 of the Regulation (EU), No. 537/2014, the Audit report on the separate financial statements as at 31 December 2025. In that document they:

- expressed a favourable opinion, certifying that the financial statements give a true and fair view of the financial position, financial performance and cash flows, in accordance with the IFRSs adopted by the EU and the implementing provisions of Legislative Decree 38/2005, without raising any qualifications or exceptions, and setting out the key audit matters referred to below;
- confirmed the consistency between the management report, the information indicated in Article 123-bis, paragraph 4 of the Consolidated Law on Finance, and the financial statements themselves, in compliance with the law.

The Board also took note of the key aspects of the audit highlighted by the Independent Auditors, which were deemed consistent with the Group's characteristics and its operating environment. In particular, these aspects concerned:

- impairment testing processes relating to goodwill and equity investments/CGUs, which involve highly complex valuation procedures and significant elements of judgement;
- the determination of provisions for risks and charges, relating in particular to litigation, contractual

guarantees and restructuring processes, which also involve significant discretion on the part of management.

The Board has monitored these areas as part of its oversight of the financial reporting process and the adequacy of the administrative and accounting system, including through discussions with management and the Independent Auditors, and has not identified any issues beyond those highlighted in the audit reports.

On the same date, the Independent Auditors issued a similar report on the consolidated financial statements, which also contained no qualifications, confirming the same opinions and key findings of the audit, with particular reference to:

- the impairment test on goodwill and assets allocated to CGUs;
- the provisions for risks & charges.

Also on the same date, the Independent Auditors submitted to the Board of Statutory Auditors the additional report required by Article 11 of Regulation (EU) 537/2014, from which no significant deficiencies in internal controls over financial reporting emerged, nor any ascertained or suspected instances of non-compliance with rules or statutes.

They also submitted the declaration of independence required by Article 6 of Regulation (EU) 537/2014, without evidence of any prejudicial situation.

The Board of Statutory Auditors took note of the transparency report published by the Independent Auditors on its website, pursuant to Article 18 of Legislative Decree No. 39/2010.

The Board of Statutory Auditors has monitored, in accordance with Article 19 of Legislative Decree 39/2010, Regulation (EU) No 537/2014 and Article 149 of the Consolidated Law on Finance, the amount of fees paid to the Independent Auditors Deloitte & Touche S.p.A. and to the companies belonging to its network, as well as the nature of the services provided, including for the purpose of verifying compliance with independence requirements. In particular, based on the information provided in the company financial statements and the consolidated financial statements as at 31 December 2025, the fees paid to the Independent Auditors, together with the other firms belonging to its network, are broken down as follows:

- Euro **410,000** for statutory audit services relating to the annual and consolidated financial statements of Biesse S.p.A. and its Italian and foreign subsidiaries;
- Euro **1,000** for other certification services;
amounting to a total of Euro **411,000**.

The Independent Auditors has also been awarded further engagements, the fees for which – disclosed in the notes to the financial statements in accordance with Article 149-duodecies of the Issuers' Regulations – amount to a total of Euro **80,000** and relate to the certification of compliance of the sustainability report with the provisions of Legislative Decree of 6 September 2024, No. 125, as well as to the certification of compliance with the disclosure requirements set out in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

The Board of Statutory Auditors has verified that these non-statutory audit engagements fall within the scope of those permitted by the applicable legislation and that, where required, they have been authorised in advance by the Board itself in accordance with Articles 4 and 5 of Regulation (EU) No 537/2014.

In this regard, the Board notes that the Company has adopted 'Group Regulations governing the process for appointing audit firms and their networks', designed to regulate, in accordance with the relevant regulatory framework, the procedures for awarding such appointments, as well as the roles and responsibilities at Group level.

The Board also considered the fees paid by the subsidiaries to the Independent Auditors and to companies belonging to its network, noting that these fees are, on the whole, consistent with the size and complexity of the

Group and do not compromise the Independent Auditors' independence.

In light of the checks carried out, the Board of Statutory Auditors has not identified any circumstances that could adversely affect the independence of the Independent Auditors, nor any issues of concern regarding the nature and total amount of the remuneration paid.

These appointments, where not already authorised by the Shareholders' Meeting of 20 June 2018, were approved in advance by the Board of Statutory Auditors in accordance with Articles 4 and 5 of Regulation (EU) No 537/2014. To this end, the Company has adopted a set of 'Group Regulations' designed to govern the process of appointing Independent Auditors and their networks.

On the basis of the audits carried out, the Board of Statutory Auditors has not identified any critical issues or situations of incompatibility within the meaning of Articles 10, 10-bis and 17 of Legislative Decree 39/2010 and the relevant implementing provisions. The Board has reviewed the report issued by the Financial Reporting Officer, which does not reveal any significant issues.

7. SUPERVISION OF INDIVIDUAL OR CONSOLIDATED NON-FINANCIAL STATEMENTS AND DIVERSITY INFORMATION (SUSTAINABILITY REPORTS UNDER THE CORPORATE SUSTAINABILITY REPORTING DIRECTIVE – 'CSRD')

The Board of Statutory Auditors has verified the adequacy of the procedures, processes and structures governing the production, reporting, measurement and presentation of results and non-financial information.

The Board of Statutory Auditors met on several occasions with the function of the Company in charge of drafting the CSRD 2025 Sustainability Report prepared in accordance with the provisions of the EU Directive 2022/2464 (the so-called Corporate Sustainability Reporting Directive - CSRD, published in the EU Official Gazette in 2022 and Legislative Decree 125/2024, which transposed the CSRD into Italian law, acquiring information on the processes and underlying structures that govern the production, reporting, measurement and representation of results and relevant information, through the performance of the double materiality assessment and the identification of impacts, risks and opportunities of reference for BIESSE. During these meetings, the preparatory work for the drafting of the non-financial statement was reviewed and, within the scope of the duties assigned to the Board by law, compliance with the relevant provisions was verified; no shortcomings or breaches were identified.

The Independent Auditors presented to the Board of Statutory Auditors the outcome of the activities carried out to certify compliance with the ESRS standards adopted for the preparation of the Group's consolidated Sustainability Report - duly extended to the GMM Group and, therefore, to GMM S.p.A., Bavelloni S.p.A. and Techni Waterjet Ltd, as well as the respective Italian and foreign subsidiaries - with specific attention to the procedures adopted, the perimeter of the verifications with the detail of the Group companies and the issues sampled for the testing activity and issued the certification in which it expresses an opinion on the conformity of the Sustainability Report with the reference regulatory requirements.

8. SUPERVISING THE IMPLEMENTATION OF CORPORATE GOVERNANCE RULES

In accordance with Article 2403 of the Italian Civil Code and Article 149 of the Consolidated Law on Finance, the Board of Statutory Auditors has overseen the processes for the actual application of the corporate governance standards outlined in the Codes of Conduct to which Biesse has committed itself.

The Company complies with the Corporate Governance Code published by Borsa Italiana and has compiled the annual *Corporate Governance and Ownership Structure Report* in accordance with Article 123-bis

of the Consolidated Finance Act, which was ratified by the Board of Directors on 13 March 2026. This report has been drawn up in accordance with the Corporate Governance Code, the Recommendations of the Chairman of the Corporate Governance Committee set out in the letter dated 18 December 2025 and, as mentioned, the guidelines contained in the 'Format for the report on corporate governance and ownership structure' prepared by Borsa Italiana.

The Board of Statutory Auditors has taken note of the information provided in the aforesaid report, from which no substantial deviations from the provisions of the Corporate Governance Code emerge, such as to require specific clarifications and/or illustrations in the said report.

The Board of Statutory Auditors therefore positively assessed the actions already implemented and those planned by the Company to ensure its full alignment with the Recommendations provided by the Corporate Governance Committee.

9. SUPERVISING RELATIONS WITH SUBSIDIARIES AND PARENT COMPANIES

The Board of Statutory Auditors acquired knowledge of and supervised, within the scope of its competence, the adequacy of the directives issued by the Parent Company to its subsidiaries, in accordance with Article 114, paragraph 2, of Legislative Decree No. 58/1998. This activity was also carried out through the constant exchange of information with the Boards of Statutory Auditors of the subsidiaries, with the heads of the relevant corporate functions and with the Independent Auditors. With regard to the above, there are no particular observations to report.

The Board also met periodically with the Boards of Statutory Auditors of the subsidiaries and the parent company, and no communications emerged to be reported in this Report.

10. SUPERVISING RELATED PARTY TRANSACTIONS

In accordance with Article 2391-bis of the Italian Civil Code and Article 149 of the Consolidated Law on Finance, the Board of Statutory Auditors has monitored compliance with the applicable laws and regulations governing transactions with related parties, as well as compliance with the relevant procedure adopted by the Company in accordance with the relevant Consob Regulation.

On the basis of the information obtained during the financial year, including through participation in meetings of the Related Parties Committee and the Board of Directors, as well as through information received from the relevant corporate departments, the Board of Statutory Auditors has verified that transactions with related parties were carried out in accordance with the criteria of substantive and procedural fairness, and in the interests of the Company and the Group.

The Board of Statutory Auditors has also verified that the Board of Directors has ensured adequate and timely disclosure regarding the execution of transactions with related parties, including those carried out through Italian and foreign subsidiaries, following review by the Related Parties Committee, in which the Board of Statutory Auditors has participated on an ongoing basis. The Board of Statutory Auditors has also taken note of the declarations made pursuant to Article 2391 of the Italian Civil Code regarding transactions in which directors have an interest on their own behalf or on behalf of third parties, where such declarations were required.

The information gathered and the checks carried out did not reveal any atypical and/or unusual transactions with related parties or third parties, nor were any breaches identified arising from inadequate information flows relating to transactions with related parties or resulting from such transactions, such as to require specific disclosure or mention in this Report.

Further details regarding transactions with related parties are set out in the management report and the notes to the financial statements prepared by the Directors, to which reference should be made.

11. OMISSIONS AND CENSURABLE FACTS FOUND. INITIATIVES UNDERTAKEN

During the year and up to the date of this Report, the Board of Statutory Auditors has not received any complaint pursuant to Article 2408 of the Italian Civil Code.

During the year no claims or petitions were received.

Throughout the year, there were no instances of omissions or delays attributable to the directors as per Article 2406 of the Italian Civil Code.

12. OPINIONS GIVEN

During the financial year, the Board of Statutory Auditors issued its opinion on the proposal put forward by the Chairman of the Board of Directors to appoint Mr Pierre La Tour, Chief Financial Officer and Investor Relations Manager of the Biesse Group, as the Financial Reporting Officer.

Furthermore, during the current financial year, the Board of Statutory Auditors issued its opinion on the proposed one-off adjustment for 2025 of the Independent Auditors' fees in relation to (i) the performance of the 'limited assurance engagement' concerning the Group's sustainability reporting for the three-year period 2025 – 2027 pursuant to Article 8 of Legislative Decree 125/2024, as well as (ii) non-recurring audit activities (essentially concerning the accounting treatment of extraordinary corporate reorganisation transactions carried out by the BIESSE Group in the 2025 financial year and the verification of the impairment test carried out for the purposes of the Consolidated Half-Yearly Financial Report as at 30 June 2025).

The Board has also issued its opinions regarding the assignment to the Independent Auditors (or to other firms within its network) of non-statutory audit engagements, as previously mentioned in point 6.

13. SELF-ASSESSMENT

The Board of Statutory Auditors carried out a self-assessment of its composition, with particular regard to independence, size and functioning, drawing inspiration from the reference regulations and practices, as well as from the inspiring principles contained in the 'Rules of Conduct for the Board of Statutory Auditors of Listed Companies', edited by the Working Group Revision of the Rules of Conduct of the Board of Statutory Auditors of Listed Companies - Administration and Control System Area of the National Council of Chartered Accountants and Accounting Experts. The outcome of the self-assessment was positive, with no evidence of substantial criticalities. In particular, the control body provided a positive picture of the suitability of the members and the adequate composition of the body, with reference to the requirements of professionalism, competence, honourableness and independence required by the regulations.

With regard to the composition, size and functioning of the Board of Directors and its committees, including the requirements for independent directors, the determination of remuneration, as well as the scope, powers and responsibilities associated with the various corporate functions, the Board of Statutory Auditors assessed the composition, size and functioning of these bodies, with particular regard to the requirements for independent directors, the determination of remuneration, and the scope and responsibilities associated with each corporate function; In this regard, the Board of Statutory Auditors, within the scope of its remit, has not identified any matters worthy of mention in this Report.

It should be noted that the Board of Statutory Auditors also acknowledged that during the financial year, the self-assessment process of the administrative body and its Committees was not started, as the Board decided to exercise the option provided for by the Corporate Governance Code to carry out the self-assessment every three years, since it is a company with concentrated ownership. The self-assessment will take place by means of individual questionnaires and collegial assessment, with analysis of composition, internal dynamics, tasks, fulfilment and remuneration aspects. The findings will be discussed in the Board meetings, with corrective actions identified if necessary. No external party was involved in the assessment described above, as this was deemed unnecessary given the company's size and organisational structure. Accordingly, the Board of Statutory Auditors has noted that the Company will carry out a self-assessment during the 2026 financial year, in anticipation of the renewal of the corporate bodies the following year.

Furthermore, the Board of Statutory Auditors took note of the annual report on the remuneration policy, approved by the Board of Directors on 13 March 2026, and, during the 2025 financial year, supervised the process of its implementation. This policy is integrated with the points indicated by the Supervisory Bodies during the discussions held with the Company and with the Board of Statutory Auditors itself.

14. PROPOSALS CONCERNING THE ANNUAL FINANCIAL STATEMENTS AND THEIR APPROVAL AND MATTERS WITHIN THE COMPETENCE OF THE BOARD OF STATUTORY AUDITORS

The draft financial statements for the financial year ended 31 December 2025, relating to the parent company, show a loss for the year of Euro **15,206,361.27** and shareholders' equity, including the profit or loss for the year, of approximately Euro **188,389,000**.

On a consolidated basis, the Biesse Group reported a net loss for the year of approximately Euro 19.6 million and shareholders' equity, including the net profit for the year, of approximately Euro 226.4 million.

The separate and consolidated financial statements have been prepared on a going concern basis, applying the relevant accounting standards without exception, taking into account the assessments made by the Directors regarding the Group's long-term viability and its ability to meet its financial obligations.

Whilst statutory audit activities fall within the remit of the Independent Auditors, the Board of Statutory Auditors has overseen the general presentation of the financial statements, verifying their compliance with current legislation and their consistency with the records of the administrative and accounting system. This work was also carried out through meetings with the relevant company departments and the Independent Auditors, and no irregularities in the application of accounting standards nor any issues serious enough to compromise the reliability of the financial reporting were identified. Specifically:

- the Board monitored compliance with the regulatory provisions governing the preparation of the financial statements and the management report, verifying the appropriateness of the accounting standards adopted;
- the financial statements are consistent with the facts and information that the Board has become aware of in the course of its supervisory activities;
- to the best of the Board of Statutory Auditors' knowledge, the Directors have not made use of the exemptions provided for in Article 2423, paragraph 5 of the Italian Civil Code;
- The Chief Executive Officer and the Financial Reporting Officer have issued the statements required by current legislation on financial reporting.

With regard to the going concern assumption, the Board of Statutory Auditors has, in accordance with Article 2403 of the Italian Civil Code and Article 149 of the Consolidated Law on Finance, monitored the assessments made by the Directors in the preparation of the separate financial statements and the consolidated financial statements as at 31 December 2025.

The Board also noted that the Directors had formed their own views on the going concern assumption, taking into account the prospects for the business, the rationalisation and cost-cutting measures already underway, as well as the operational and industrial reorganisation initiatives undertaken during the financial year, aimed at improving efficiency, rebalancing the cost structure and strengthening the Group's future profitability.

In particular, the Board reviewed the information provided by the Company, including the 2026 budget, the multi-year business plan and the related sensitivity analyses, as well as the results of the impairment tests carried out on intangible assets (which led, in the consolidated financial statements, to a write-down of Euro 10.6 million in the 'Machines and Systems' cash-generating unit).

These analyses are set against a backdrop of high volatility in the international macroeconomic and geopolitical landscape, as well as significant uncertainty regarding demand trends in the Group's key markets, which has already been reflected in the decline in volumes and profitability recorded during the financial year and in the recognition of non-recurring items, including the impairment of goodwill relating to the 'Machinery and Systems' CGU.

As part of its oversight of business continuity, the Board of Statutory Auditors also considered:

- the financial position and results of the Company and the Group;
- the level of available liquidity and access to sources of funding;
- the long-term sustainability of debt;
- the main risk factors and uncertainties highlighted by the Directors in the management report.

In light of the analyses carried out and the information obtained, the Board of Statutory Auditors, despite the aforementioned uncertainties relating to the external environment and the dynamics of the relevant markets, has not identified any factors that would suggest it is inappropriate for the Directors to apply the going concern assumption in preparing the financial statements as at 31 December 2025.

It is understood that maintaining an appropriate economic and financial balance is closely linked to the successful implementation of the measures set out in the new business plan and to developments in the macroeconomic and market environment, which, at present, is characterised by a particularly high degree of uncertainty.

With regard to the loss for the financial year, the Board of Directors has proposed to cover it in full by drawing on the extraordinary reserve, and to transfer a further Euro 673,808.74 from the extraordinary reserve to the foreign exchange gains reserve. Having examined the Directors' proposal, the Board of Statutory Auditors has no comments to make in this regard.

In light of the foregoing, and taking into account the findings of the statutory audit and the certifications issued by the relevant directors, the Board of Statutory Auditors finds, within the scope of its remit, no grounds for objecting to the approval of the financial statements as at 31 December 2025, nor to the proposal put forward by the Board of Directors regarding the coverage of the loss.

The Board of Statutory Auditors also considers that the conditions for exercising the right to submit

proposals to the Shareholders' Meeting pursuant to Article 153, paragraph 2 of the Consolidated Law on Finance do not exist.

Pesaro, 30 March 2026

The Board of Statutory Auditors

Paolo De Mitri

Giovanni Ciurlo

Benedetta Pinna