CEMBRE

2024 ANNUAL FINANCIAL REPORT

www.cembre.com

Cembre S.p.A.

Head Office: Via Serenissima 9, Brescia, Italy
Share Capital: EUR 8,840,000 (fully paid-up).
Registration no: 00541390175 (Commercial Register of Brescia)

This document contains translations of the draft statutory annual financial statements and consolidated annual financial statements prepared in the Italian language for the purpose of the law. This document is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

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Report on Operations for the 2024 Financial Year

SECTION 1 - OPERATING PERFORMANCE

Operating review

FY 2024 closed with satisfactory results for the Cembre Group. Consolidated revenues reached €229.7 million, an increase of 3.2% over 2023.

The performance of consolidated sales by geographical areas shows 2.3% growth in the Italian market, with sales equal to €98.9 million. Sales in the rest of Europe grew by 6.2% on the previous year to €108.6 million while sales in the rest of the World were 5.7% lower, reaching €22.2 million. In 2024, sales revenues to the Italian market represented 43.0% of the total (43.4% in 2023), sales to the rest of Europe 46.9% (46.0% in 2023) and sales in the rest of the world represented 9.7% of total sales (10.6% in 2023).

Sales by geographical area:

(euro '000)	2024	2023	Change	2022	2021	2020	2019
Italy	98,892	96,691	2.3%	84,385	70,406	55,955	58,469
Rest of Europe	108,574	102,280	6.2%	93,214	78,772	64,050	68,757
Rest of the World	22,247	23,580	(5.7%)	21,197	17,657	17,132	19,070
Total	**229,713**	**222,551**	**3.2%**	**198,796**	**166,835**	**137,137**	**146,296**

Revenues by Group company (net of intragroup sales):

(euro '000)	2024	2023	Change	2022	2021	2020	2019
Parent Company	123,031	121,141	1.6%	109,318	91,708	73,578	76,917
Cembre Ltd. (UK)	31,186	27,247	14.5%	25,293	22,633	16,688	19,274
Cembre S.a.r.l. (F)	15,303	14,223	7.6%	12,124	11,258	9,557	10,654
Cembre España S.L.U. (E)	23,079	20,539	12.4%	16,988	12,471	11,107	11,765
Cembre GmbH (D)	22,510	24,437	(7.9%)	21,935	18,875	15,587	15,149
Cembre Inc. (USA)	14,604	14,964	(2.4%)	13,138	9,890	10,620	12,537
Cembre BV (NL)	-	-	n.a.	-	-	-	-
Cembre El. Conn. Shanghai Limited (CN)	-	-	n.a.	-	-	-	-
Total	**229,713**	**222,551**	**3.2%**	**198,796**	**166,835**	**137,137**	**146,296**

Cembre B.V. and Cembre Electrical Connections Shanghai Limited, established in September 2024, began operating in 2025.

Overall, sales of the foreign subsidiaries increased by 5.2% from €101.4 million in FY 2023, or 45.6% of consolidated revenue, to €106.7 million in FY 2024, accounting for 46.4% of total consolidated revenue.

Revenues from sales of the various companies prior to consolidation are outlined below:

	Revenues from sales prior to consolidation						
(euro '000)	**2024**	**2023**	**Change**	**2022**	**2021**	**2020**	**2019**
Cembre S.p.A.	175,932	173,061	1.7%	149,516	125,696	101,410	108,809
Cembre Ltd. (UK)	33,998	29,812	14.0%	25,574	24,318	18,207	21,254
Cembre S.a.r.l. (F)	15,356	14,295	7.4%	12,403	11,532	9,748	10,799
Cembre España S.L.U. (E)	23,119	20,589	12.3%	17,001	12,518	11,111	11,779
Cembre GmbH (D)	22,620	24,649	(8.2%)	22,063	19,002	15,662	15,237
Cembre Inc. (USA)	14,614	15,058	(2.9%)	13,193	9,917	10,663	12,572
Cembre BV (NL)	-	-	n.a.	-	-	-	-
Cembre El.Con.Shanghai Lim. (CN)	-	-	n.a.	-	-	-	-

In 2024, Group companies reported the following results:

	Net result prior to consolidation						
(euro '000)	**2024**	**2023**	**Change**	**2022**	**2021**	**2020**	**2019**
Cembre S.p.A.	37,200	39,629	(6.1%)	29,117	23,420	16,455	22,600
Cembre Ltd. (UK)	2,754	1,471	87.2%	2,449	2,113	1,408	2,062
Cembre S.a.r.l. (F)	(274)	236	n.a.	647	(327)	221	338
Cembre España S.L.U. (E)	2,370	1,953	21.4%	1,530	682	491	443
Cembre GmbH (D)	981	1,277	(23.2%)	1,360	1,096	515	367
Cembre Inc. (USA)	391	128	n.a.	491	705	385	666
Cembre BV (NL)	-	-	n.a.	-	-	-	-
Cembre El.Con.Shanghai Lim. (CN)	(16)	-	n.a.	-	-	-	-

For a more direct assessment of the effect of foreign exchange translations, we include below sales figures of Group companies operating outside the euro area in the respective currency:

	Curren	Revenues from sales prior to consolidation						
(euro '000)		**2024**	**2023**	**Change**	**2022**	**2021**	**2020**	**2019**
Cembre Ltd. (UK)	Gbp	28,783	25,930	11.0%	23,514	20,904	16,198	18,656
Cembre Inc. (USA)	US$	15,817	16,282	(2.9%)	13,893	11,730	12,179	14,075

Cembre El. Con. Shanghai.(CN)	Cny¥	0	-	n.a.	-	-	-	-

	Curren	**Net result prior to consolidation**						
(euro '000)		**2024**	**2023**	**Change**	**2022**	**2021**	**2020**	**2019**
Cembre Ltd. (UK)	Gbp	2,359	1,280	84.3%	2,088	1,816	1,253	1,810
Cembre Inc. (USA)	US$	439	138	n.a.	517	834	439	833
Cembre El.Conn. Shanghai L. (CN)	Cny¥	(128)	-	n.a.	-	-	-	-

To provide a better understanding of the consolidated financial performance for 2024, a Comparative Consolidated Income Statement for the previous year showing percentage changes is enclosed as Attachment 1.

Gross operating profit for the period amounted to €66,177 thousand, representing a 28.8% margin on sales, down 0.6% on 2023 when it amounted to €66,569 thousand, representing a 29.9% margin on sales. The incidence of cost of sales on revenue has slightly decreased compared to 2023, dropping from 32.1% to 31.9%.

The incidence of personnel costs on revenue has increased, rising from 25.5% to 26.8%. The average number of employees engaged by the Group during the period grew from 863 in 2023 (including 91 temporary workers) to 903 in 2024 (including 86 temporary workers).

Consolidated operating profit for the period amounted to €52,804 thousand, representing a 23.0% margin on sales, down 2.1% on €53,964 thousand in 2023, when it represented a 24.2% margin on sales.

Consolidated profit before taxes amounted to €52,726 thousand, representing a 23.0% margin on sales, down 2.0% on €53,828 thousand in 2023, when it represented a 24.2% margin on sales.

Consolidated net profit for the year amounted to €42,590 thousand, representing a 18.5% margin on sales, up by 4.3% compared to 2023, when it amounted to €40,828 thousand and represented a 18.3% margin on sales.

It should be noted that the net result for the 2024 financial year includes an extraordinary tax benefit related to the 2021 financial year amounting to €1.88 million and an extraordinary tax benefit related to the 2022 financial year amounting to €2.06 million, following the signing of a specific agreement with the Italian Revenue Agency regarding the "Patent Box" tax relief for the 2020-2024 tax years. The tax benefits for the years 2023 and 2024 are still being determined and will be accounted for when they can be calculated with the appropriate accuracy.

For further information on this agreement, please refer to the note on Income Taxes in the Notes to the 2024 Financial Statements.

The consolidated net financial position went from a surplus of €18.2 million at December 31, 2023 to a surplus of €1.9 million at December 31, 2024.

See the notes and the statement of cash flows for further detail.

Capital expenditure

Capital expenditure by the Group in 2024 with regard to fixed assets, growth of amortization and depreciation, is broken down as follows:

(euro '000)	2024	2023	Change
Capital expenditure on intangible fixes assets	1,341	1,407	(66)
Capital expenditure on tangible fixes assets	28,178	13,162	15,016
Total	**29,519**	**14,569**	**14,950**

More detail is provided in the notes under Property, plant and equipment.

Results of the Parent Company

Results of the Parent Company for the last two financial years are shown in the table below.

(euro ‘000)	2024	%	2023	%	Change
Revenue from contracts with customers	175,932	100	173,061	100	1.7
Gross operating profit	55,089	31.3	57,657	33.3	(4.5)
Operating profit	44,771	25.4	47,777	27.6	(6.3)
Pre-tax result	45,282	25.7	51,103	29.5	(11.4)
Net profit/loss for the year	37,200	21.1	39,629	22.9	(6.1)

In 2024, Cembre S.p.A. recognised €484 thousand in dividends from its subsidiaries as compared with €3,413 thousand in 2023.

Revenues from sales and services of Cembre S.p.A. were up by 1.7%, from €173,061 thousand in 2023 to €175,932 thousand in 2024. Domestic sales grew by 2.3%, sales to other European countries posted an 2.7% increase and sales in the rest of the World decreased by 6.2%.

Area (euro ‘000)	2024	2023	Change
Italy	98,892	96,691	2,201
Rest of Europe	62,155	60,497	1,658
Rest of the World	14,885	15,873	(988)
Total	**175,932**	**173,061**	**2,871**

Reclassified Balance Sheet of Cembre S.p.A

	(euro ‘000)	12.31.2024	12.31.2023
	Trade receivables, net	34,723	31,522
	Inventories	52,387	49,300
	Other non-financial assets	5,875	1,879
	Trade payables	(18,194)	(14,180)
	Other non-financial liabilities	(9,232)	(10,924)
A)	**Net current assets (working capital)**	**65,559**	**57,596**
	Property, plant and equipment and investment property	92,900	78,342
	Intangible fixed assets	4,012	3,611
	Goodwill	-	-
	Assets for rights of use on leased assets	2,224	2,376
	Deferred tax assets	1,185	1,197
	Other non-current assets	100	69
B)	**Net fixed assets**	**100,421**	**84,398**

C)	**Non-current assets available for sale**	**-**	**-**
D)	**Employee Termination Indemnity and other personnel benefits**	**1,412**	**1,478**
E)	**Provisions for risks and charges**	**376**	**691**
F)	**Deferred tax liabilities**	**2,383**	**2,509**
G)	**Net capital employed (A+B+C-D-E-F)**	**161,809**	**138,513**
	Financed by:		
H)	**Shareholders' equity**	**182,818**	**175,579**
	Long-term financial payables	1,286	1,470
	Cash and short-term financial receivables	(4,167)	(14,676)
	Other financial assets	-	(4,000)
	Short-term financial payables	4,082	1,051
I)	**Net Debt/(Availability)**	**1,201**	**(16,156)**
J)	**Total sources of funds (H+I)**	**184,019**	**159,423**

Definition of alternative performance indicators

In compliance with CONSOB Communication n. DEM/6064293 dated July 28, 2007, below we define the alternative performance indicators used in the present document to illustrate the financial and operating performance of the Group:

Gross Operating Result (EBITDA): defined as the difference between sales revenues and costs for materials, of services received, and the net balance of operating income and charges. It represents the profit prior to depreciation, amortization and write-downs, financial flows and taxes.

Operating Result (EBIT): defined as the difference between the Gross Operating Result and the value of amortization/impairment. It represents the profit before cash flows and taxes.

Net Financial Position: represents the algebraic sum of cash and cash equivalents, financial receivables and current and non-current financial debt.

Reclassified Consolidated Statement of Financial Position

	(euro ‘000)	12.31.2024	12.31.2023
	Trade receivables, net	46,182	42,493
	Inventories	73,791	68,743
	Other non-financial assets	6,889	2,833
	Trade payables	(19,877)	(14,829)
	Other non-financial liabilities	(14,053)	(15,982)
A)	**Net current assets (working capital)**	**92,932**	**83,258**
	Property, plant and equipment and investment	109,320	90,981
	Intangible fixed assets	4,901	4,712
	Goodwill	4,608	4,608
	Assets for rights of use on leased assets	8,204	6,422
	Deferred tax assets	3,616	3,447
	Other non-current assets	183	83
B)	**Net fixed assets**	**130,832**	**110,252**
C)	**Non-current assets available for sale**	**-**	**-**
D)	**Employee Termination Indemnity and other**	**1,617**	**1,751**
E)	**Provisions for risks and charges**	**376**	**691**
F)	**Deferred tax liabilities**	**4,015**	**3,570**
G)	**Net capital employed (A+B+C-D-E-F)**	**217,756**	**187,498**
	Financed by:		
H)	**Shareholders' equity**	**219,743**	**205,719**
	Long-term financial payables	6,213	4,693
	Cash and short-term financial receivables	(13,471)	(20,882)
	Other financial assets	-	(4,000)
	Short-term financial payables	5,271	1,968
I)	**Net Debt/(Availability)**	**(1,987)**	**(18,221)**
J)	**Total sources of funds (H+I)**	**217,756**	**187,498**

Shareholders' equity

Consolidation adjustments determined the following differences between the Financial Statements of the Parent Company Cembre S.p.A. at December 31, 2024 and the consolidated accounts at the same date:

(euro '000)	Shareholders' equity	Net Profit
Shareholders' equity and result of the Parent Company	**182,818**	**37,200**
Difference between the book value and shareholders' equity and pro-rota result	42,260	6,206
Elimination of intra-group profits included in the value of inventories (*)	(5,343)	(347)
Cancellation of dividends	-	(484)
Other	8	15
Shareholders' equity and result of the Group	**219,743**	**42,590**

Main risks and uncertainties

Risks connected to the economic situation

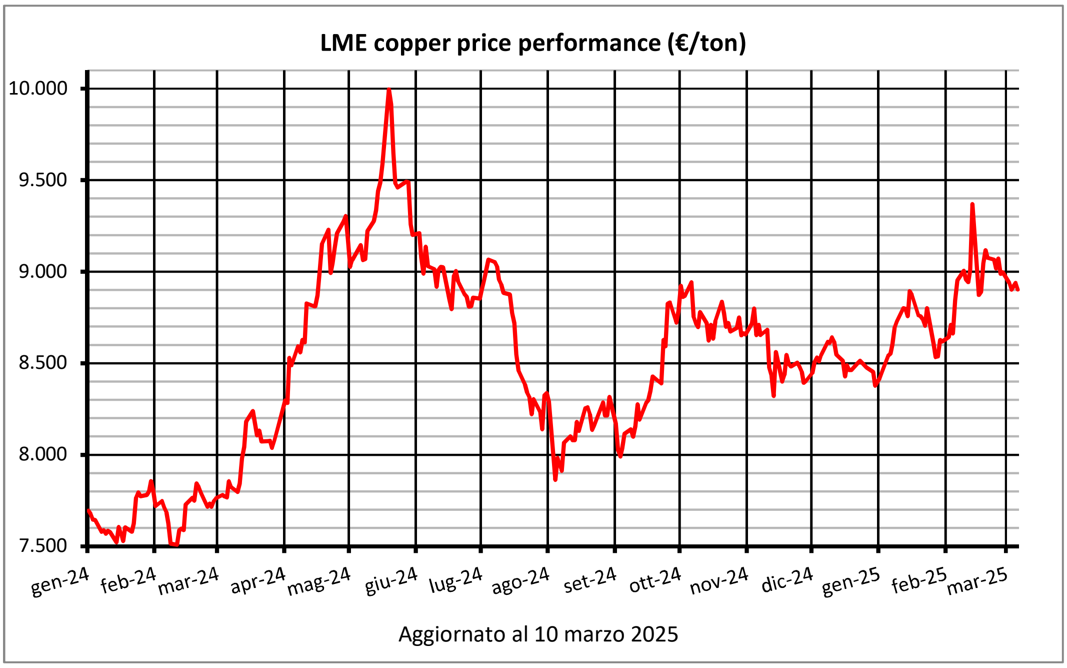
The economic and financial situation of the Group is influenced by macroeconomic factors such as changes in the Gross Domestic Product, consumer and business confidence, changes in interest rates and the cost of raw materials, as well as the repercussions of the various international crises connected to ongoing conflicts.

The International Monetary Fund forecasts global growth of 3.3 percent in both 2025 and 2026, in both years below the historical average (2000-2019).

Forecasts for 2025 are essentially unchanged from those in the World Economic Outlook (WEO) of October 2024 mainly due to an upward revision in the US, offsetting downward revisions in other major economies. Global inflation is expected to fall to 4.2 percent in 2025 and 3.5 percent in 2026, earlier in advanced economies than in emerging economies.

Copper continues to represent the main raw material used in the Cembre Group production process and the price of the commodity is thus constantly monitored.

In the early months of 2024, the price of copper remained at very high levels, reaching its peak between May and June.



The wide margins of uncertainty on which estimates of future performance are based make it very difficult to have reliable predictions regarding the performance of markets and demand. The Cembre Group, thanks to its strong financial position and good competitive hedge, is confident about the future and feels it is in a position to take advantage of the opportunities that may arise and to react to possible changes in the economic scenario that may develop in the next months.

Risks connected with the market

The Group protects its market position by pursuing ongoing innovation, the widening of the product range, the launch of lower cost products and by introducing into production processes the most advanced methods and machinery, while implementing targeted marketing policies with the help of its foreign subsidiaries.

Credit risk

Cembre and its subsidiaries focused over time on a careful selection of customers, managing prudently sales to those that do not possess an adequate credit standing. The Group has accrued a provision for doubtful accounts and their management, constantly monitoring past due amounts and soliciting payment when terms have expired. Some time ago, to further reduce this type of risk, Cembre S.p.A., Cembre España SLU and Cembre Sarl stipulated an insurance policy with a leading insurance company against commercial credit losses.

Exposure to credit risk relates exclusively to trade receivables.

Liquidity risk

Thanks to its solid financial position, the Group is not currently subject to particular liquidity risk, even in case the cash flow generated by operations should decline drastically.

Interest rate risk

As at December 31, 2024, two fixed rate loans were taken out by the Parent Company Cembre S.p.A., expiring in May 2025 and December 2026. Owing to the nature and duration of the contracts, the interest rate risk can be considered zero.

Currency risk

Despite its strong international presence, the Group does not have a significant exposure to currency risk, as it operates almost entirely in the euro area, the currency in which the vast majority of its trade transactions are mainly denominated. Exposure to currency risk is basically limited to sales in US dollars and British pounds, but the size of these transactions is not significant in influencing the overall performance of the Group or its financial position. For further details, please refer to the “Currency Risk” section in the notes to the consolidated financial statements.

Integrity and reputation risk

Possible illicit behaviour of employees, aimed at obtaining benefits for themselves and for the Group, can imply the risk of a loss of reputation and of sanctions against the Group. To prevent the risk of these occurrences and in line with Legislative Decree 231/2001, the Parent Company Cembre S.p.A. adopted an organisational, management and control model that identifies processes that are subject to risk and establishes the conduct that the various persons are to engage in while carrying out their tasks. The model was illustrated to employees through specific training sessions. The Parent Company constantly integrates and upgrades the model. The Code of Ethics was adopted at Group level, containing the values and principles that all Group companies must be inspired by in carrying out their activities.

Cembre S.p.A. has adopted an anti-corruption policy and an anti-corruption system pursuant to ISO 37001.

Risks and effects linked to climate change

Climate change is one of the biggest challenges that companies and institutions will have to face in the coming years. At present, it is very complex to estimate the effects that this process may bring in the long run; however, it is possible to begin to make a rough assessment of what may be the critical areas of the Group business and what may be the possible solutions to be put in place, in order to prevent the most onerous effects of climate change and possible restrictions imposed by Governments to try to reverse this dangerous process.

Geographically, as also highlighted in the risk map published on its website by SACE, a company specialising in credit and investment insurance controlled by the Ministry of Economy and Finance, the Group companies are not located in areas that may be subject to extreme weather events, such as to jeopardise the continuation of business. The Cembre Group has always paid particular attention to the safety and maintenance of its buildings, with an eye also to environmentally friendly solutions.

For further details on sustainability, please refer to the specific section of this document dedicated to the topic.

The Group production process has an extremely limited impact on the environment, as evidenced by the analyses carried out periodically by external bodies. Furthermore, fixed assets and plants are cyclically renewed, thus ensuring compliance with the latest standards and regulations.

The electrical connection segment, in which the Group operates, could be positively affected by the increasing use of electricity as a driving force. In recent years, the range of battery-powered tools has been increasingly expanding, which now provide performance comparable to endothermic-powered machinery, but with the absence of combustion emissions. This focus on innovation, which is also aimed at respecting the sustainability of the Group offer, makes the risk of a loss of value that would jeopardise the Group operations extremely remote.

The Group believes that its business model and products will still be attractive following the transition to a low-emission economy.

Climate change entails a broad spectrum of possible impacts for the Group arising from both physical and transition risks. When making new investments, the Group takes into account the possible future impacts that climate change may have on their usability and useful life. It also closely monitors regulatory developments and changes, such as new climate-related regulations and standards.

Climate-related issues may increase the uncertainty of the estimates and assumptions regarding certain elements or items of the financial statements. For further discussion of this aspect, please refer to the section "Effects of Climate Change" in the sub-chapter "Use of estimates" of the chapter "ACCOUNTING STANDARDS AND VALUATION CRITERIA".

Result indicators

To provide a better understanding of results of the Group, we provide below the value of some ratios commonly used in financial statement analysis:

Financial ratios

		12/31/2024	12/31/2023
ROE	Return on Equity	19.4%	19.8%
ROS	Sales revenues	23.0%	24.2%
ROI	Revenues from ordinary operations	19.5%	21.7%

ROE (Return on Equity): is the ratio between net profit and Shareholders' Equity. It is an index of the profitability of capital invested, used to compare the investment in the company with investments of a different nature on a yield basis.

ROS (Return on Sales): is calculated as the ratio between operating profit and net revenues. It indicates profitability as a proportion of revenues, or the ability to generate profit from the purchase-manufacturing-resale cycle.

ROI (Return on Investment): is the ratio between capital employed (total assets net of investments in non-operating assets, which for the Cembre Group do not exist). It indicates the ability of the company to generate profits through operating activities.

Liquidity ratios

		12/31/2024	12/31/2023
DI	Current ratio	3.58	4.24
LS	Liquidity ratio	1.70	2.14

DI: it is computed by dividing current assets by current liabilities. It indicates the ability of the company to face current liabilities with current assets. A value above 2 signals an optimal situation.

LS: it is computed by dividing the sum of current and deferred liquidity by current liabilities, and is used to assess the firm's ability to pay off current liabilities. A value above 1 signals an ideal liquidity position.

Debt management ratios

		12/31/2024	12/31/2023
CI	Self-coverage of fixed assets ratio	1.73	1.93
LEV	Debt ratio	1.23	1.21
IN	Debt ratio	19.0%	17.4%

CI: it is computed by dividing Shareholders' Equity by Fixed Assets and it indicates the ability of the company's equity to cover its investment needs. A value above 1 signals an optimal situation.

LEV (Leverage): it is computed by dividing capital employed by the Shareholders' Equity and it represents the degree of debt of the company. The higher the ratio, the higher the riskiness of the company.

A value between 1 and 2 represents equilibrium in the sources of funds.

IN: it is computed by dividing the sum of current and non-current liabilities by capital employed and it indicates the percentage share of funds provided by third parties in financing the company. A value below 50% indicates an adequate financial structure.

Research, development and technological innovation

The costs for the personnel of Cembre S.p.A. dedicated to product Research and Development amounted to a total of €811 thousand, of which €430 thousand for research and €381 thousand for development activities. Costs for external supplies and the provision of services amounted to €200 thousand for research and €273 thousand for development.

Below we include a brief description of projects undertaken during the year. The description, in some cases, will be deliberately lacking in details, because some products are not yet in production and in some cases they are the subject of patent applications still pending.

Cable lugs and Clamps

There were 51 projects carried out for Cable lugs and Clamps. Each study involved both new connectors and machinery for their manufacturing.

The equipment for the high volume production of the connector range for the German market was designed and built for the high rotating (pilot) size during the second half of the year in order to define process automation. The full range will be producible by the end of the year 2025.

The new range of connectors for the foreign market was developed throughout 2024, both in terms of product optimisation to minimise costs and in terms of equipment to ensure production according to Cembre's quality standards.

A second and important range of connectors for the foreign market has been analysed but, in order to have competitive costs in the target market, a new manufacturing technology will need to be introduced. The search for the optimal technology continued throughout 2024 and will continue in the following year.

During 2024, the design of new mechanical connectors for splicing cables of different cross-sections was improved and defined. The testing and certification phase has started and will continue throughout 2025.

No less important is the effort that Cembre devoted in 2024 to the development and optimisation of dedicated connector crimping accessories, often in collaboration with or at the request of customers. Similarly, new connector families are UL certified to meet market requirements.

New sales codes for panel clamps were introduced during the year to improve Cembre's offer. Each new code is thoroughly researched and validated before it is introduced into the market.

A new temporary connector for the railway sector was designed to meet more stringent technical specifications and optimised, in terms of both product and production process, with new and innovative simulation software introduced during the year in Cembre's Research & Development department.

Finally, a version with non-metric measurements of a connector for the American railway market was created to replace a competitor's product. The solution was developed and tested in the Cembre laboratory and validated in the field directly by the end customer.

Tools

There was a total of 134 projects relating to tools, in both Industry and Rail&Power. Each study involved both new tools and machinery for their manufacturing.

The study and design of a new lightweight tool for railway line maintenance began and continued throughout 2024. Besides being particularly economical, this product will be highly ergonomic and robust for professional use on railway lines. The machine was presented at the trade fair in September and will be marketed in 2025. A patent has been filed to protect the machine’s design.

At the same time, two cost reduction projects were developed for other railway machines. For each of them, part of the mechanics has been re-evaluated with the aim of minimising costs while keeping machine performance at the same levels to which Cembre customers are accustomed.

The design of a new machine for railway line maintenance continued throughout 2024. Given its extremely innovative nature, it required Cembre to introduce new technical mechanical and electronic solutions, leading to the creation of an extremely professional and innovative product. During 2025, the prototype will be tested and pre-series production will begin.

Two new electro-hydraulic tools for dieless crimping, i.e. without dedicated dies but using a punch capable of ensuring compliant crimping within the tool's range, have been introduced into the market. A patent has been filed associated with this new technology.

Cable marking

There were 29 projects for products for industrial marking. Studies also included the related manufacturing tools.

A new plastic material with excellent mechanical properties and especially suitable for outdoor applications has been tested and validated. Throughout the first half of the year, new tags were defined and the associated equipment was designed, which was built based on sales forecasts during the second half of the year.

New clamp tags dedicated to the German market were produced and added to the catalogue. At the same time, the mould was designed and manufactured to produce them as well as the printing plate to accommodate them on both MG4 and MK1.

Samples for MG4 and ROLLY of new and innovative cable marking nameplates were designed and manufactured. New materials suitable for the product were identified and writing tests were carried out to validate them. The product industrialisation phase has begun and will continue through 2025.

Cable glands

There were 27 projects for new cable glands. Studies also included the related manufacturing tools. VDE and UL certification was required for all products.

The range of new EWO split cable entry systems for cable assemblies has been completed and introduced into the market. This product family was developed by overcoming the limitations of competing products and increasing quality levels, especially with a view to certification. The study of new solutions and the relative grommets continued as a priority throughout the year. The technical solutions introduced on this product have been patented.

During the second half of the year, two-component end plates were presented for protection against water and dirt, and quick-release couplings with gaskets to meet the needs of customers who prefer this solution.

In addition, the design of metric split cable entry systems and the production of the relative moulds has been completed, and the product will be introduced into the market in early 2025. This product has also been patented to protect the technical solutions employed.

Two new cable entry system ranges were designed during the year and are currently in the tooling and pilot product sampling process. As soon as they are validated, all of the equipment for the full range will be made.

All products in the new cable gland ranges have been designed and will be manufactured at Cembre thanks to the purchase of the two-component press, a new technology introduced specifically for these products.

In parallel with the new product ranges, similar to what takes place for connectors, Cembre continues to develop and customise cable glands at the request of major customers in addition to introducing new certifications to meet new market requirements.

Transactions with related parties

Cembre S.p.A. signed leases with "Tha Immobiliare S.p.A.", with registered office in Brescia, and capital subdivided between Anna Maria Onofri, Giovanni Rosani and Sara Rosani, members of the Board of Directors of Cembre S.p.A..

Invoices issued in the year relating to the above contracts were all paid in full.

Cembre Ltd. leases an industrial building from Borno Ltd., a company controlled by Lysne S.p.A. (holding company of Cembre S.p.A).

A summary of the amounts reported in the financial statements relating to the above-mentioned contracts is provided below:

	Assets	Non-current liabilities	Current liabilities	Amortisation	Interest expense
Leased assets from THA - Cembre S.p.A.	627	933	558	523	39
Leased assets from Borno - Cembre Ltd	2,363	2,212	269	289	101

Detail of compensation received by directors and statutory auditors is provided in the notes.

Absence of management and coordination

Despite the fact that article 2497-sexies of the Italian Civil Code states that "it is presumed that, unless otherwise proved, the management and coordination activities of companies is exercised by the company or entity that is required to consolidate the same in its accounts or that, in any case, controls the former company pursuant to article 2359 of the Italian Civil Code", Cembre S.p.A. believes that it operates in full autonomy with respect to its parent company Lysne S.p.A..

In particular, as a non-exhaustive example, the Company manages autonomously its own treasury and the relationships with its customers and suppliers, and it does not make use of any service provided by its parent company.

The relationships with Lysne S.p.A. are limited to the normal exercise of shareholders rights on the part of the parent company.

Companies incorporated under the laws of States that are not part of the European Union

In 2024, Cembre S.p.A. controlled three companies incorporated under the laws of States that are not part of the European Union, Cembre Inc., incorporated in the US, Cembre Ltd, incorporated in the UK, and Cembre Electrical Connections Shanghai Limited incorporated in China. The latter began operating in 2025.

The company deems the administrative, accounting and reporting systems currently in use to be adequate in supplying regularly its Management and the Parent company independent auditors with the operating and financial information necessary for the preparation of the consolidated financial statements.

The financial statements prepared by Cembre Inc and Cembre Ltd, for the purpose of preparing the consolidated financial statements, are subject to auditing by the parent company's auditor.

Cembre S.p.A. is active in ensuring an adequate flow of information from Cembre Ltd, Cembre Inc and Cembre Electrical Connections Shanghai Limited to the Parent company independent auditors and it believes the current communication process in place with the independent auditors to be effective.

Cembre S.p.A. already holds the By-laws, composition and powers of the boards of Cembre Ltd, Cembre Inc. e Cembre Electrical Connections Shanghai Limited; directives have been issued ensuring the timely disclosure of any change or amendment to the above.

Treasury shares and shares of parent companies

At December 31, 2024, the number of own shares held by Cembre S.p.A. was 185,041, corresponding to 1.09% of the capital stock. During the 2024 financial year, no own shares were purchased. The only transaction is related to the assignment of 17,500 shares to employees, in execution of the provisions of the incentive plan. It annually provides for the allocation to Company executives and middle managers of the rights to acquire Cembre S.p.A. ordinary shares, approved by the Shareholders' Meeting of April 18, 2019, described in detail in the notes, to which reference is made for further details.

Report on corporate governance and ownership structure

In compliance with the regulatory obligations contained in article 123-bis of Legislative Decree 58, dated February 24, 1998 (Testo Unico della Finanza - Consolidated Law on Finance), we refer to the "Report on corporate governance and ownership structure" which, in addition to providing a general description of corporate governance and of risk management and internal control procedures, contains information regarding the ownership structure of the Company, the adoption of the code of conduct and the observance of the resulting commitments. Said Report is available in the Investor Relations section of the Group's institutional web site www.cembre.it.

Significant events after year-end

No event having significant effects on the Group's financial position or operating performance occurred after the close of the year.

Outlook

In consideration of the uncertainty of the current economic situation, with persistent geopolitical tensions, making forecasts is extremely difficult. Despite this, the Cembre Group remains confident in its ability to increase its consolidated turnover in 2025 while maintaining a positive economic result.

Proposal for the Allocation of the Net Profit

In order to complete the planned investments and to benefit from self-financed growth, it is advisable that at least a portion of net profit generated be retained. In seeking the approval for our actions by submitting to you the present Financial Statements and Report on Operations, we also invite you, in view of the fact that the legal reserve has already reached 20% of the share capital, to approve our proposed allocation of net profit, amounting to €37,199,731.72 (rounded off to €37,199,732) as follows:

- €1.88 to be distributed to each of the Company's 16,814,959 shares entitled to dividends (taking into account the 185,041 own shares held), for a total of €31,612,122.92, with May 12, 2025 as the ex-dividend date, May 13, 2025 as the record date pursuant to article 83-terdecies of Legislative Decree 58/1998, and May 14, 2025 as dividend payment date;

- the remainder, amounting to €5,587,608.80, to the extraordinary reserve;

- noting that, keeping into account the program for the acquisition of own shares currently under way, (i) the total amount of the dividend distributed could vary with the number of shares entitled to a dividend at the date of the Shareholder's Meeting resolution, and (ii) additional own shares acquired after the date of the Shareholders' Meeting resolution allocating net profit held by the Company at the record date will not be entitled to the distribution of a dividend and the corresponding share of net profit will be accrued to the extraordinary reserve.

Attachments to SECTION 1

This document includes the following attachments:

Attachment 1 Comparative Consolidated Income Statement for the year ended December 31, 2024.

Attachment 2 Composition of corporate boards.

Attachment 1 - Report on Operations for 2024

Comparative Consolidated Income Statement

(€ '000)	2024	% of sales	2023	% of sales	Change
Revenues from contracts with customers	229.713	100,0%	222.551	100,0%	3,2%
Other revenues	1.843		1.274		44,7%
TOTAL REVENUES	**231.556**		**223.825**		3,5%
Cost of goods and merchandise	(76.960)	-33,5%	(69.043)	-31,0%	11,5%
Change in inventories	3.669	1,6%	(2.370)	-1,1%	
Cost of goods sold	***(73.291)***	-31,9%	***(71.413)***	-32,1%	2,6%
Cost of services received	(29.159)	-12,7%	(28.163)	-12,7%	3,5%
Lease and rental costs	(319)	-0,1%	(361)	-0,2%	-11,6%
Personnel costs	(61.602)	-26,8%	(56.640)	-25,5%	8,8%
Other operating costs	(1.897)	-0,8%	(1.792)	-0,8%	5,9%
Increase in assets due to internal construction	1.103	0,5%	1.480	0,7%	-25,5%
Revalutation of credits	(86)	0,0%	(237)	-0,1%	-63,7%
Accruals to provisions for risks and charges	(128)	-0,1%	(130)	-0,1%	-1,5%
GROSS OPERATING PROFIT	**66.177**	28,8%	**66.569**	29,9%	-0,6%
Property, plant and equipment depreciation	(9.979)	-4,3%	(9.466)	-4,3%	5,4%
Intangible asset amortization	(1.140)	-0,5%	(1.070)	-0,5%	6,5%
Depreciation of right of use assets	(2.254)	-1,0%	(2.069)	-0,9%	8,9%
OPERATING PROFIT	**52.804**	23,0%	**53.964**	24,2%	-2,1%
Financial income	357	0,2%	313	0,1%	
Financial expenses	(630)	-0,3%	(354)	-0,2%	78,0%
Foreign exchange gains (losses)	195	0,1%	(95)	0,0%	-305,3%
PROFIT BEFORE TAXES	**52.726**	23,0%	**53.828**	24,2%	-2,0%
Income taxes	(10.136)	-4,4%	(13.000)	-5,8%	-22,0%
NET PROFIT	**42.590**	18,5%	**40.828**	18,3%	4,3%

Attachment 2 to the Report on Operations for 2024

CORPORATE BOARDS

Board of Directors

Giovanni Rosani	Chairman and Managing Director
Aldo Bottini Bongrani	Deputy Chairman
Anna Maria Onofri	Director
Sara Rosani	Director
Felice Albertazzi	Director
Franco Celli	Director
Paola Carrara	Independent Director
Elisabetta Ceretti	Independent Director

Board of Statutory Auditors

Stefano Colpani	Chairman
Riccardo Astori	Auditor
Rosanna Angela Pilenga	Auditor
Maria Grazia Lizzini	Substitute Auditor
Alessandra Biggi	Substitute Auditor

Independent Auditors

EY S.p.A.

This situation is updated at March 13, 2025.

The Board of Directors and the Board of Statutory Auditor term expires with the approval of the Financial Statements at December 31, 2026.

The Chairman holds by statute (article 18) powers of legal representation of the Company; the Board of Directors conferred to the Chairman and Managing Director Giovanni Rosani all the ordinary management powers not specifically reserved to it by law, including exclusive powers over the organization, management and monitoring of the internal control system.

In case of absence or impediment of the Chairman and Managing Director Giovanni Rosani, Deputy Chairman Aldo Bottini Bongrani holds all ordinary management powers not reserved to the Board by law. All Managing Directors must keep the Board of Directors informed of all the relevant transactions concluded in the context of their mandate. The Board of Directors has approved rules that define which particularly relevant transactions may be concluded exclusively by the same.

SECTION 2 - SUSTAINABILITY REPORT

General Information

ESRS 2

Criteria for drafting

General criteria for drafting the consolidated sustainability report

BP-1

The Cembre Group has prepared this Sustainability Report 2024 on a consolidated basis, in accordance with Legislative Decree 125/2024, which transposed Directive 2022/2464/EU and the European Sustainability Reporting Standards (ESRS) set out in Delegated Regulation (EU) 2023/2772, which came into force in December 2023.

The data and information in this Report refer to the Cembre Group companies consolidated in the Annual Financial Report at 31 December 2024. It should be noted that Italian offices and warehouses used for exclusively commercial purposes are excluded from the scope of reporting on environmental aspects, as their impact on these indicators is considered immaterial.

As of December 2024, the Chinese office was included in the reporting scope of the social aspects, as it recorded the presence of an employee. On the contrary, the Dutch office, having no employees as at 31 December 2024, was excluded from this perimeter as it was still inactive.

This Report provides information with respect to both direct and indirect impacts, risks and opportunities also generated along its upstream and downstream value chain, assessed according to a Dual Materiality analysis exercise carried out by the Group.

In particular, the following were taken into account when assessing the significance of impacts (Figure 1):

- for the upstream phase, raw material extraction, raw material processing and inbound logistics;

- for the downstream phase, commercial support and services, outbound logistics and Use & End-of-life.

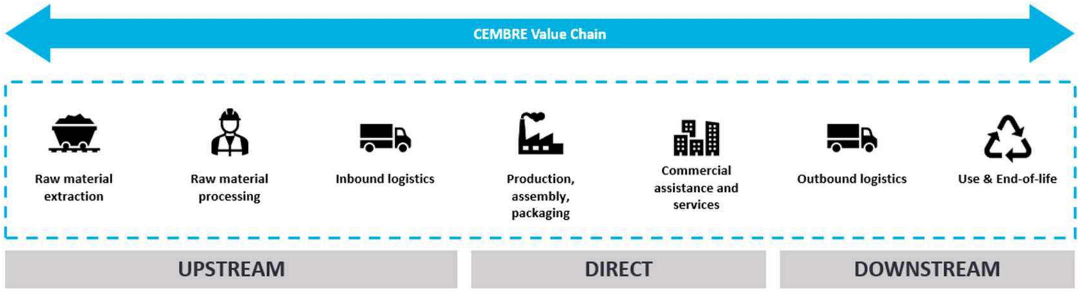


Figure 1 - Cembre Value Chain

Information in relation to specific circumstances

BP-2

The information contained in this report refers to the period between 01/01/2024 and 31/12/2024.

In drafting this document, the Cembre Group adopts the following time intervals:

- short term: the period covered by the Annual Financial Report, i.e. one year;
- medium term: up to five years after the end of the short term;
- long term: beyond five years from the end of the short reference period.

These definitions are consistent with the time horizons defined in ESRS 1, 77, and with the assessments made as part of the Group's dual materiality analysis.

The drafting of the document was guided by the principles of accuracy and authenticity. To this end, the data and information collected were checked by the heads of the respective company departments to ensure their correctness, completeness and reliability.

For information that is subject to estimates, the respective assumptions as well as the process that led to the determination of the figure entered, including the inherent uncertainties, are disclosed in the remainder of this document.

The quantitative and monetary information included in this Report, where based on estimates, is clearly identified in the respective chapters[1].

The year 2024 was adopted as the reference and base year for this Report; therefore, no comparisons were made with previous years and no significant errors relating to earlier reporting periods were reported.

In addition to the information required by ESRS, the Report includes information on environmentally sustainable investments in accordance with Regulation (EU) 2020/852. In this regard, please refer to the Environmental Information chapter of this document.

Governance

Role of the administration, management and control bodies

GOV-1

The Cembre Group is governed by an eight-member Board of Directors, equally distributed among four executive and four non-executive members. All members have professionalism, skills appropriate to the tasks entrusted to them and experience related to the sectors, products and geographical areas in which the company operates. The non-executive members, 50% of whom are independent (25% of the total membership), can, on the basis of their experience and expertise, offer an external and different point of view to those involved in operational management, thus supporting the adoption of board resolutions and ensuring effective management monitoring. During the financial year 2024, the members of the Board of Directors and the Board of Statutory Auditors attended a training session on the reference sustainability legislation.

In addition, the members of the board of auditors and an independent director have gained knowledge and expertise on sustainability issues by participating in specific training courses, or by following CSRD-related activities in other companies. This is also, for some of them, in the context of acquiring the

[1] All prospective disclosures are the result of reasonable assumptions made by Cembre management but, given their nature, are inherently characterised by elements of uncertainty.

qualification of 'sustainability auditor', according to the guidelines laid down by the supervisory bodies.

This training effort will continue through 2025.

Further details on the competences of the Board of Directors are available in the Corporate Governance and Share Ownership Report and in the Curriculum Vitae of the members on the company website in the Investor Relations section.

To foster effective interaction between top management and employees, individual performance appraisal and professional development interviews are organised each year, as well as meetings dedicated to providing a clear view of the company's performance, future strategies and growth objectives.

Cembre did not adopt specific policies on diversity with regard to the composition of the management and administrative bodies, with regard to issues such as age, gender, training and professional background, both because the legal provisions and the By-laws in force already ensure a balanced composition of the administrative body, and because, historically, the lists submitted by the shareholders for the appointment of directors were always characterised by the diversity of candidates' profiles. In this regard, it should be noted that there are four female directors on the Board of Directors, corresponding to 50% of the total, as indicated in Table 1.

	FEMALE	MALE	TOTAL
Total	**4**	**4**	**8**
%	**50%**	**50%**	**100%**

Table 1 - Board composition by gender

Cembre has a corporate risk control and management system, understood as a set of processes aimed at monitoring the efficiency of corporate operations, the reliability of financial information, compliance with laws and regulations, and the protection of corporate assets.

To this end, the Board set up a Control and Risks Committee consisting of two non-executive and independent Directors with experience in accounting and finance and risk management; it also established an Internal Audit function.

In order to update its risk map, a risk assessment activity is carried out every two years, taking into account the identification and assessment of the main business risks (financial, strategic, governance, operational, digital, compliance, environmental and social) perceived by company management.

The Board defines the nature and level of risk that is compatible with the strategic objectives, including in its assessments the main risks that may be material in view of sustainability in the medium to long term, and takes care of defining the guidelines of the system itself.

To such end, the Board, having received the opinion of the Control and Risks Committee:

- defines the guidelines of the control and risk management system;
- verifies periodically, and in any case at least annually, the adequacy, efficacy and effective functioning of the internal control and risk management system.
- approves, at least annually, the plan prepared by the manager responsible for Internal Audit, having heard the Board of Statutory Auditors and the Chief Executive Officer;
- evaluates, after consulting with the Board of Statutory Auditors, the comments of the Independent Auditing firm in the letter of suggestions, where issued, and in the auditing letter issued by the legal audit.

Furthermore, the Board, upon proposal of the Chief Executive Officer and with the prior favourable opinion of the Control and Risks Committee, as well as having consulted the Board of Statutory Auditors:

- appoints and revokes the responsible for Internal Audit;
- ensures that the same has adequate resources to carry out their task.

The Organisation, Management and Control Model describes the roles and responsibilities of persons involved to various degrees in the drafting and/or control of financial reporting of the Cembre Group. As indicated in the Report on

Corporate Governance and Ownership Structure, the main managers identified to ensure the proper functioning of the system are:

- Board of Directors;
- CEO, responsible for establishing and maintaining the internal control and risk management system system;
- Financial Reporting Officer;
- Internal Audit function;
- Heads of Functions and Subsidiaries.

In particular, the Control and Risks Committee assists the Board of Directors through the following functions:

a) evaluates, having consulted the Manager responsible for the preparation of the Company’s accounts, the Independent Auditor and the control body, the correct application of accounting standards and their consistency for the preparation of the Consolidated Financial Statements;

b) assesses the suitability of periodic financial and non-financial information to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved;

c) examines the content of the periodic non-financial disclosure, which is relevant for the purposes of the internal control and risk management system;

d) expresses opinions on specific aspects regarding the identification of the main corporate risks and supports the evaluations and decisions of the administration body relating to the management of risks deriving from prejudicial facts that have come to the knowledge of the latter;

e) examines the periodic reports and those of particular relevance prepared by the Internal Audit department;

f) monitors the autonomy, adequacy, efficiency and effectiveness of the Internal Audit department;

g) may entrust the performance of specific checks on operating areas to the Internal Audit department, simultaneously notifying the Chair of the Statutory Auditors of this;

h) reports to the Board of Directors, at least at the time of approval of the annual and half-year financial report, on the activities carried out and on the adequacy of the internal control and risk management system.

During the 2024 financial year, the Board of Statutory Auditors, consisting of one woman and two men, carried out the supervisory activities required by law, also taking into account the principles of conduct recommended by the National Council of Chartered Accountants and Accounting Experts and Consob communications on corporate controls and the activities of the Board of Statutory Auditors.

In particular, with regard to Sustainability Reporting, it should be noted that the Board of Auditors monitored and verified how the company was organised and structured to adequately fulfil the preparation of the Sustainability Report.

The corporate structure also benefits from the consulting support of professionals qualified in ESG issues and, in particular, experts in CSRD regulations.

The Board of Statutory Auditors, in addition to verifying the organisation and processes adopted by the company, is constantly informed on the progress of activities concerning the preparation of sustainability reporting, through specific meetings with those involved in the preparation of the document, as well as by the CEO at board meetings.

There are currently no formalised specific procedures concerning the management of sustainability-relevant risks, impacts and opportunities, although these are integrated within the procedures underlying the company's business management.

In order to control corporate risks so as to reduce their exposure within acceptable levels and oversee the achievement of corporate objectives, the Board of

Directors, through the 'appointed functions', performs control activities through administrative-accounting control procedures and corporate procedures for the prevention and monitoring of operational risks.

In the area of sustainability competencies, the Board of Directors approves the results of the Dual Materiality Analysis and the relevant documentation integrating them.

From an operational point of view, starting with the 2020 financial year, Cembre chose to appoint a Sustainability Manager to improve its ability to effectively manage issues related to sustainability and to spread the culture of social, environmental, and economic responsibility in all the Group's locations. In addition, Cembre has adopted a dedicated procedure for sustainability reporting, approved by the Board of Directors. Concerning material impacts, risks, opportunities and their interaction with the strategy and business model, please refer to the specific section within this report.

Information provided to the company's administrative, management and control bodies and sustainability issues addressed by them

GOV-2

The administration, management and control bodies are informed about sustainability issues assessed as material and, in particular, the impacts, risks and opportunities encountered, through special meetings held with the Sustainability Manager, both during and after the definition phases of dual materiality. In fact, the Group has an internal procedure for the preparation of Sustainability Reporting, according to which the analysis of Dual Materiality can be subjected to an annual internal review process.

Furthermore, the procedure, approved by the Board of Directors, defines roles, responsibilities, activities and control steps.

The Group's corporate strategies and business plans are influenced by the outcomes of the biennial Risk Assessment, the Dual Materiality Analysis and specific circumstances that may generate opportunities, helping to guide strategic choices.

The Dual Materiality analysis also takes into account the issues assessed when defining the corporate Risk Assessment and the corporate risk management and control system. During the reporting year, the impacts, risks and opportunities (IRO) identified through the dual materiality analysis were submitted to the Board of Directors for approval and detailed in Tables 5, 6 and 7 of this document. The initiatives and policies adopted in response to the IRO that emerged are described in the respective chapters.

Integration of sustainability-related performance in incentive systems

GOV-3

The medium to long-term incentive scheme of the CEO also considers certain non-financial objectives.

the calculation system takes into account the achievement of results linked to process innovation and energy efficiency (the "LTI Non-Financial Objective"), with an on/off mechanism, as specified from time to time by the Board of Directors, at the proposal of the Appointments and Remuneration Committee. The maximum limit is set at 100% of the LTI Non-Financial Objective and envisages the payment of the maximum bonus that can be disbursed, equal to 15% of the overall LTI bonus, which constitutes the cap (i.e. maximum limit) for the component linked to non-financial objectives.

On 14 November 2024, the Board, at the proposal of the Appointments and Remuneration Committee, approved the new medium-long term monetary incentive plan for the Company's Chair and Chief Executive Officer, setting the maximum bonus payable for the period 2024-2026 at 180,000 euro, establishing as a performance target (i.e. Economic-Financial Objective LTI) the cumulative consolidated EBITDA of the period 2024-2026, with a minimum guarantee clause represented by the growth of the cumulative consolidated sales revenue of the three-year period 2024-2026, as well as Non-Financial Objectives LTI, the increase of self-produced energy through the installation of photovoltaic panels, the introduction of process innovations with the reduction of repetitive manual movements of operators and the implementation of a new production line.

Due Diligence Statement

GOV-4

This Report describes the methodologies and due diligence processes adopted with regard to managing ESG impacts, risks and opportunities (IRO). For further details, please refer to the individual chapters of the document dedicated to the specific issues, all measured through specific indicators.

BASIC ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN SUSTAINABILITY STATEMENTS
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
b) Involving stakeholders at all key stages of the due diligence	ESRS 2 GOV-2 ESRS SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P Thematic ESRS
c) Identifying and assessing negative impacts	ESRS IRO-1 ESRS 2 SBM-3
d) Intervening to address negative impacts	ESRS 2 MDR-A Thematic ESRS
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M ESRS 2 MDR-T Thematic ESRS

Table 2 - Basic elements of due diligence

Risk management and internal controls over sustainability reporting

GOV-5

The Group is progressively integrating ESG principles and sustainability reporting guidelines into its risk management and control system, incorporating them into its biannual risk assessment, preparatory to the definition of the dual materiality analysis, with a specific focus on financial materiality.

Cembre has established a reporting procedure to ensure that the data underlying the values displayed are complete, accurate and available over time.

Strategy

Strategy, business model and value chain

SBM-1

The sales network

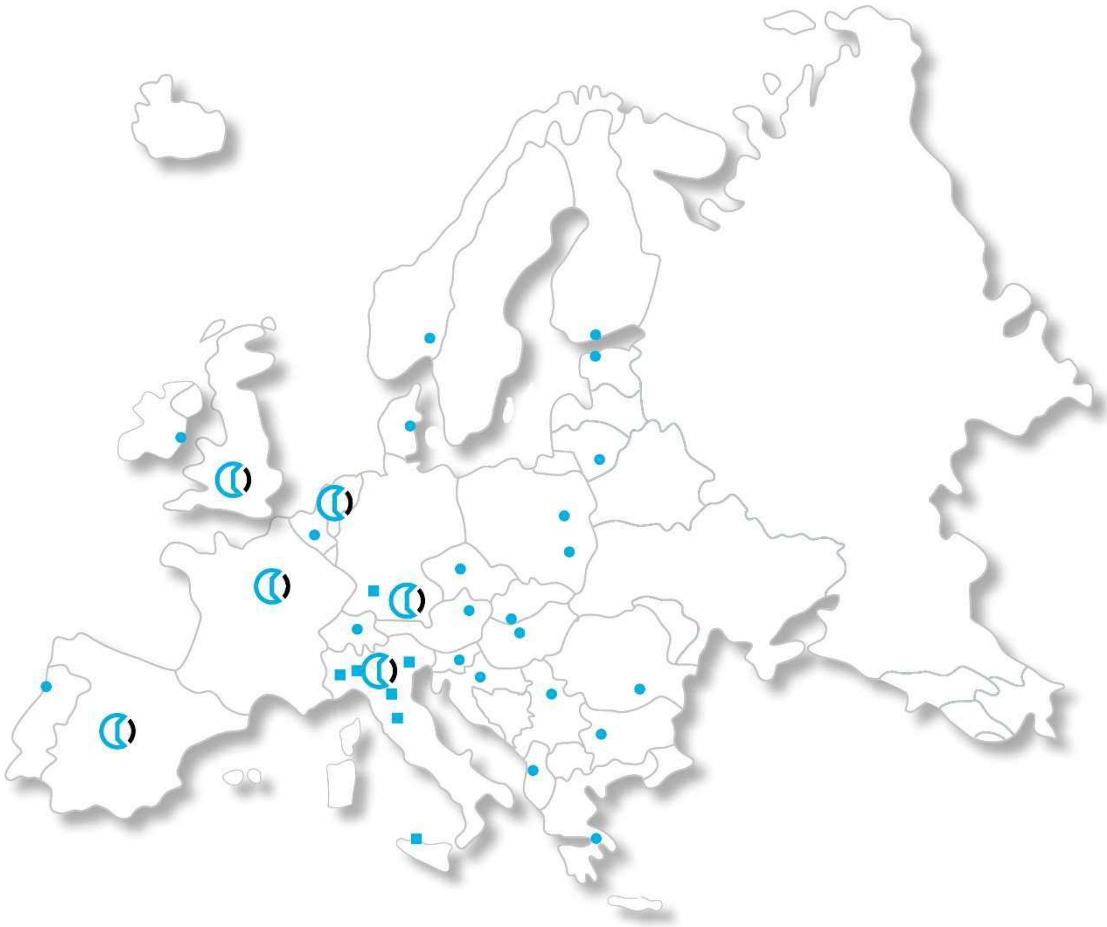
Cembre pursues its growth by establishing itself on international markets, seeking to replicate its industrial model and values in all the countries in which it operates, with due consideration for local culture.

Consistently with its values and mission, the Group operates in full respect of human rights and the environment.

In Italy, Cembre S.p.A. operates through a capillary distribution network, with its own offices and warehouses in Brescia, Turin, Milan, Padua, Bologna, Florence and Palermo; in the other regions, it operates through agents, organised for technical-commercial assistance and with warehouses for rapid deliveries. Cembre is also present in the main countries across the globe, thanks to a network of representatives or correspondents, who can guarantee immediate, qualified technical-commercial assistance and rapid deliveries of products from their warehouses.

The Cembre sales force worldwide numbers more than 150 functionaries dedicated to daily visits to customers.

The Group intends to further consolidate its relationships with customers and distributors in order to strengthen its position as the main supplier of a comprehensive range of products, also thanks to its ability to adapt production processes to the specific needs of customers and to provide an increasingly wide range of products.



The Dutch office is excluded from the reporting scope, as it was inactive as at 31 December 2024.

Personnel by company (unit of measure no.)	2024
Cembre S.p.A.	509
Cembre GmbH (D)	64
Cembre Ltd. (UK)	123
Cembre S.a.r.l. (F)	35
Cembre España S.L.U. (E)	48
Cembre Inc. (USA)	38
Cembre El. Conn. Shanghai Limited (CN)	1

Table 3 - Personnel by company

Cembre offers different product ranges, designed specifically for industrial, railway and power & utilities applications, aggregated into five main macro-categories:

- Electrical connectors;
- Tools:
- Sealing;
- Cable glands:
- Wiring accessories.

For a breakdown of total revenues by geographic area and Group companies, please refer to the section 'Operating Performance and Analysis of Group Results' in the Annual Financial Report 2024.

In addition, Cembre has set some targets to improve the sustainability of its products. These include the conversion of some heat-powered tools to electric versions and the calculation of the carbon footprint of its products, divided into the five macro-categories to be analysed progressively over time. To date, a number of Cembre screwdrivers, drills and boring machines have already been converted to electrical, and the macro-categories of electrical connectors and signalling have been examined in terms of LCA[2].

For an overview of its value chain, please refer to the section 'General Criteria for drafting Sustainability Statements'.

<u>Stakeholders' interests and opinions</u>

SBM-2

The Cembre Group's Sustainability Report focuses on assessing the impacts, both positive and negative, that the Group's activities may have on the entire value chain, both actual and potential. For a better understanding of the value chain in which Cembre operates, the main stakeholders were considered, as indicated in Table 4.

Cembre has already established an active and constant dialogue over the years, both at individual level (visits, dedicated events at the company) and collective

[2] Life Cycle Assessment: methodology for assessing the environmental impact of a product throughout its life cycle.

level (publications on website and social media, participation and organization of conferences). This dialogue is based on values of transparency and trust and allows the Group to maintain an open dialogue with stakeholders, periodically check alignment with the issues raised and identify any new impacts.

The table below summarises the listening and engagement tools and expectations of all Cembre stakeholders. The results of stakeholder engagement activities are communicated to and taken into account by the administrative and management bodies in managing the impacts the Group generates towards them.

Cembre Stakeholder	Listening and engagement tools	Stakeholder expectations and interests towards Cembre
INVESTORS	• Shareholders' Meeting • Investor Relations section of the website • At least twice a year, participation in conferences organised by Borsa Italiana or other professional operators dedicated to institutional investors and financial analysts. • Listening and support channels offered by the Investor Relations department. • Meetings and video calls with analysts and institutional investors on request. • Visits to the company's headquarters and manufacturing units by institutional investors and analysts organised periodically or on request.	• Cembre Group shareholder value growth • Reducing investment risks • Transparency on Corporate Governance structures, long-term strategy, objectives, management operations, business development, and environmental and social performance.
CUSTOMERS	• Daily activities and relations with business units • Institutional website and dedicated email accounts • Supplier evaluation questionnaires • Customer service channels • Support and training network for customer repair operators • Surveys of customer needs and expectations for new product development • Events for costumers	• Product reliability and safety • Reliability and flexibility of manufacturing processes to ensure business continuity and adherence to delivery schedules. • Support for the joint development of customized solutions • Technical support to the network of repair professionals and assistance in know-how transfer. • Continuous product innovation, also concerning improving environmental performance and care for product design.
COMPANIES IN THE SECTOR	• Participation in market-specific events and round tables. • Participation in work and thematic committees of trade associations.	• Protection of free competition
EMPLOYEES	• Daily activities and reports of the Human Resources and Organisation Department. • Channels for collecting reports of violations of the Code of Conduct. • Internal communication activities (e-mail and notice boards). • Training on organisational behaviour. • Annual personal and corporate performance assessment interviews.	• Safe working environment, where people's health and psychophysical well-being are protected. • Employment stability. • Opportunities for personal and professional growth. • Training and skills development pathways. • Remuneration policies and merit-based incentive systems. • Inclusion and enhancement of diversity.

		• Transparency and involvement regarding the company's objectives and performance.
SUPPLIERS	• Qualification and evaluation process. • Daily activities and reports of the Procurement Department.	• Timely and correct compliance with contract terms. • Supply continuity requests. • Possibility of developing strategic partnerships for the improvement of its activities.
LOCAL COMMUNITIES	• Orientation and involvement of high school and university students and related recruitment programmes. • Discussion and dialogue tables with the Public Administration. • Initiatives to support the social and cultural development of the territories promoted by the Group. • Media monitoring (press, web, social networks). • Donation of technological equipment to schools.	• Support to the school world, also through the availability to host students in school-work training schemes. • Collaboration with universities and research centres in the development and dissemination of engineering and technical-scientific knowledge and skills. • Provide job opportunities and protect employment in the Group and the related industries. • Development of manufacturing and logistics processes that safeguard the environment and the health of people living in the vicinity of Cembre production units and the Group's suppliers. • Cembre participation in and support for cultural development and social inclusion projects
INSTITUTIONS	• Attention to awareness-raising campaigns by environmental associations and analyses by the scientific community.	• Ensure full compliance and adherence to applicable regulations. • Control of the supply chain to manage social and environmental risks throughout the value chain. • Combat air pollution and global warming. • Conservation of natural resources and circularity of the economy. • Protection of ecosystems and natural biodiversity. • Contribution to the achievement of the UN Sustainable Development Goals.

Table 4 - Stakeholders: involvement and expectations

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

SBM-3

For the impacts, risks and opportunities assessed as material, please refer to Table 5, Table 6 and Table 7 of this section and in more detail to the individual chapters in this document.

Also with regard to the specific actions and resources implemented to deal with the material themes in relation to the current and expected effects of IRO, as well as the related impacts identified, please refer to the individual chapters of the document.

Risks and opportunities in financial terms were assessed as part of the financial materiality analysis. To date, a specific analysis of the resilience of their business with respect to the identified IRO has not been developed.

Below is a list of the sustainability issues that emerged as material for each of the three ESG macro-pillars (environmental, social, governance) as part of the dual materiality analysis. The analysis identified the company's external impacts (impact materiality) and related risks and opportunities (financial materiality), then clustered them into themes and sub-themes.

This approach makes it possible to identify the most appropriate ways to effectively manage each theme.

ESRS AND THEME	SUBTHEME	MATERIALITY OF IMPACT	FINANCIAL MATERIALITY
		IMPACTS	RISKS/OPPORTUNITIES
Climate change	Climate change mitigation Energy	Contribution to climate change due to fuel combustion, energy consumption and F-gas leakage during activities.	Operational risk due to physical damage caused by adverse weather events that may impact Group-owned assets.
		-	Operational risk due to physical damage caused by adverse weather events that may impact the assets owned by the Group's suppliers and customers.
		-	Operational and economic risk of production and delivery delays due to stringent raw material extraction regulations.
	Climate change adaptation	-	Strategic and operational opportunity to access subsidised finance schemes through new

			investments in energy efficiency measures and technological innovation.
	Energy	Contribution to climate change due to fuel combustion, energy consumption and dispersion of F-gases during activities.	
E2 – Pollution	**Air pollution**	Potential air pollution and worsening of human health conditions due to air pollutant emissions (e.g. NOx, PM, VOC) generated by industrial and civil processes.	
	Water pollution	Potential pollution of water basins linked to the incorrect treatment of polluting discharges after certain industrial activities (e.g. discharges of contaminated water from raw material extraction activities, generation of sludge from ferrous materials processing activities).	
	Soil pollution	Potential soil pollution related to the accidental dispersion of pollutants and other contaminants during certain industrial activities (e.g. release of metal and sludge residues from the extraction and processing of raw materials, such as plastics and ferrous materials).	
		Potential negative environmental impacts related to employment and soil pollution from the expansion of the Brescia production site.	
E3 - Water and marine resources	**Water withdrawal and consumption**	Potential negative impacts on ecosystems and local communities due to excessive water use during industrial and civil processes near water-stressed areas.	
E5 - Circular economy	**Inflows of resources including use of resources**		Operational risk of delays due to the limited availability of virgin raw materials and primary resources of the Group.
			Operational risk due to commodity price volatility.
	Waste	Potential soil occupation and water and air pollution due to incorrect treatment of waste generated during production activities.	

Table 5 - Material environmental themes

ESRS AND THEME	SUBTHEME	MATERIALITY OF IMPACT	FINANCIAL MATERIALITY
		IMPACTS	RISKS/OPPORTUNITIES
S1 - Own workforce	**Health and safety**	Negative impacts on workers' health and safety related to the consequences of workplace accidents.	
	Working conditions	Negative impacts on employees and collaborators due to the lack of specific welfare and benefits plans (e.g. hour flexibility, smart working and work-life balance protection) and technical-professional development activities (e.g. development of technical and transversal skills) for Group employees.	
	Other work-related rights	Potential negative impacts on employees caused by incidents of disrespect for human rights due to unfair labour practices.	
	Equal treatment and opportunities for all	Potential negative impacts related to the failure to respect and safeguard diversity, gender equality and equal pay for work of equal value and the inclusion of people from protected categories.	
S2 - Workers in the value chain	**Health and safety**	Negative impacts on workers' health and safety related to the consequences of workplace accidents.	
	Equal treatment and opportunities for all	Potential negative impacts on employees caused by incidents of disrespect for human rights due to unfair labour practices.	
S3 - Communities concerned	**Entity-specific**	Positive impacts on local communities due to the implementation of job offers, training and cooperation with schools and institutes.	
S4 - Consumers and end users	**Personal safety of consumers and/or end users**		Risk of increased complaints and reduced customer satisfaction due to potential damage to customers' health and safety from unsafe products.

Table 6 - Material social themes

ESRS AND THEME	SUBTHEME	MATERIALITY OF IMPACT	FINANCIAL MATERIALITY
		IMPACTS	RISKS/OPPORTUNITIES
G1 – Business conduct	**Enterprise culture**	- -	Operational and strategic risk due to the loss of strategic and sensitive Group data.

Table 7 - Material governance themes

IRO assessed as significant may have an impact on the Group's business model and strategy. In particular, the company has implemented specific management systems that provide a structured and systematic approach to streamlining processes, resources and activities.

The following have therefore been implemented:

- Quality Management System in accordance with ISO 9001;
- Environmental Management System in accordance with ISO 14001;
- Management System for the Prevention of Corruption according to ISO 37001;
- Occupational Health and Safety Management System according to ISO 45001.

For specific policies, resources, implemented actions and related metrics, please refer to the individual chapters of the document. In relation to specific targets, the Group has not yet publicly defined targets for the management of identified impacts, risks and opportunities, but is committed to setting them for future years. Again, detailed information will be provided in the following chapters.

Managing impacts, risks and opportunities

Disclosure of the materiality assessment process

Description of processes to identify and assess material impacts, risks and opportunities

IRO-1

To identify the impacts, risks and opportunities related to the Group's sustainability issues, and thus assess their relevance, a Dual Materiality Analysis was conducted. This analysis was carried out considering both the historical company and sectoral context. In detail, the main industry trends and the sustainability performance of the Group's peers and competitors were analysed, as well as the results of the latest materiality analysis conducted. In this way, it was possible to obtain a preliminary list of potential impacts, risks and opportunities relevant to Cembre. The analysis covered all three sustainability macro-pillars: environmental, social and governance.

As far as the Materiality of Impact is concerned, an in-depth assessment of the identified impacts was carried out in cooperation with the various company contact persons. These company representatives were able, in view of their knowledge and experience, to contribute to the analysis by also taking into account the views of any external stakeholders not actively involved in this initial analysis. The analysis, conducted according to an inside-out approach, included both positive and negative impacts, actual and potential, that the company's activities and along the identified value chain may generate on the outside world, in particular on the environment and society. A detailed analysis was carried out with respect to direct impacts, resulting from the company's internal activities - core activities- and indirect impacts, related to operations along the value chain. In both cases, the analysis process was conducted following the same methodology.

For each impact, specific parameters of severity and probability were defined and assessed.

Severity is the sum of the following three sub-parameters:

- Scales: rated in levels from *minimum* to *absolute*;
- Scope: rated in levels from *limited* to *global*;
- Irreparable character: rated in levels from *easily remediable* to *irreversible*.

The sum of these values makes it possible to determine a severity level that can range from *minimal* to *critical*. Next, the level of severity was multiplied by the probability, the latter graded on a scale ranging from *very likely* to *unlikely*.

It is emphasised that the positive impacts were not considered to be irremediable. Taking a precautionary approach, however, the actual impacts were associated with the two highest probability levels.

In order to understand the relevance of each impact, a graphical representation was drawn up in the form of a matrix cross-referencing the severity and probability parameters and in which the analysed impacts were positioned according to the score assigned. The matrix is divided into three areas corresponding to low, medium and high relevance respectively: impacts falling in the medium and high relevance areas were therefore material. The significance of the impact determined its reporting in the document against the relevant ESRS standard.

With regard to Financial Materiality, an assessment was also conducted in cooperation with the corporate functions.

In this case, financial risks and opportunities related to sustainability issues that have or may have an impact on the company were assessed, thus adopting an outside-in approach. These were identified by also considering the impacts generated by the Group or along its value chain and the Group's main dependencies from which risks or opportunities might arise. Also considered as input for the identification of risks and opportunities were any sustainability actions implemented by Cembre and what was already included in the Cembre Risk Assessment exercise conducted in 2024.

The scores obtained from this assessment were determined on the basis of two main parameters:

- magnitude: assessed through a level from *minimum* to *critical*;
- probability: assessed through a level from *unlikely* to *very likely*.

Direct and indirect events were taken into account and considered in the short-, medium- and long-term time horizons. In the short term, the elements in the company's Risk Assessment that could be related to sustainability were assessed and found not to be materially significant; in the medium to long term, on the other hand, both the elements in the Risk Assessment and those arising from impact assessments and dependencies were analysed. Finally, the results of the analyses were represented in three matrices: one relating to the short term, one to the medium to long term, and one integrating the overall results and shared with all top management, including the Control Body.

At the end of the Dual Materiality analysis, the results that emerged were grouped in a single table, allowing the themes to be examined from both the impact and financial perspectives. A theme was considered material and thus subject to reporting if it is so in at least one of the two Dual Materiality analyses. The final results were shared with the company management.

Minimum reporting requirements on policies, actions, targets and metrics

Information on the policies, actions, objectives and metrics adopted and reported by the Group regarding the material impacts, risks and opportunities identified are included within the following chapters of this document.

Disclosure requirements of the ESRS covered by the corporate sustainability statement

IRO-2

The following is the content index and table summarising the disclosure obligations and application requirements under ESRS relevant to the Group and therefore included in this document that derive from other European legislation.

ESRS	DISCLOSURE REQUIREMENT	DESCRIPTION	PAGE	NOTES
ESRS 2 - General Information	BP-1	General criteria for drafting sustainability statements	25	
	BP-2	Information in relation to specific circumstances	26	
	GOV-1	Role of the administration, management and control bodies	27	
	GOV-2	Information provided to the company's administrative, management and control bodies and sustainability issues addressed by them	32	
	GOV-3	Integration of sustainability-related performance in incentive systems	33	
	GOV-4	Due Diligence Statement	34	
	GOV-5	Risk management and internal controls over sustainability reporting	35	
	SBM-1	Strategy, business model and value chain	35	
	SBM-2	Stakeholders' interests and opinions	38	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	42	

	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	45	
	IRO-2	Disclosure requirements of the ESRS covered by the corporate sustainability statement	48	
E1 - Climate change	**GOV-3**	Integration of sustainability-related performance in incentive systems	85	
	E1-1	Transition plan for climate change mitigation	85	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	85	
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to the climate	86	
	E1-2	Policies related to climate change mitigation and adaptation	88	
	E1-3	Actions and resources related to climate change policies	89	
	E1-4	Objectives related to climate change mitigation and adaptation	93	
	E1-5	Energy consumption and energy mix	94	
	E1-6	Gross GHG emissions of scope 1, 2, 3 and total GHG emissions	96	
	E1-7	GHG absorption and GHG mitigation projects financed with carbon credits	-	Not material
	E1-8	Internal carbon pricing	-	Not material
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	100	Three-year phase-in
E2 – Pollution	**IRO-1**	Description of processes to identify and assess material impacts, risks and opportunities related to pollution	101	
	E2-1	Policies related to pollution	102	
	E2-2	Actions and resources related to pollution	102	Unreported volunteer data points
	E2-3	Objectives related to pollution	103	
	E2-4	Pollution of air, water and soil	103	Not material
	E2-5	Substances of concern and substances of extreme concern	-	Three-year phase-in
	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	-	Three-year phase-in
E3 - Water and marine resources	**IRO-1**	Description of processes to identify and assess material impacts, risks and opportunities related to water and marine resources	105	
	E3-1	Policies related to water and marine resources	106	
	E3-2	Actions and resources related to water and marine resources	106	
	E3-3	Objectives related to water and marine resources	106	
	E3-4	Water consumption	107	

	E3-5	Expected financial effects from impacts, risks and opportunities related to water and marine resources	-	Three-year phase-in
E4 - Biodiversity	**E4-1**	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	-	Not material
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	-	Not material
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems	-	Not material
	E4-2	Policies related to biodiversity and ecosystems	-	Not material
	E4-3	Actions and resources related to biodiversity and ecosystems	-	Not material
	E4-4	Objectives related to biodiversity and ecosystems	-	Not material
	E4-5	Impact metrics related to changes in biodiversity and ecosystems	-	Not material
	E4-6	Expected financial effects	-	Not material
E5 - Circular economy	**IRO-1**	Description of processes to identify and assess material impacts, risks and opportunities related to resource use and the circular economy	108	
	E5-1	Policies related to resource use and the circular economy	109	
	E5-2	Actions and resources related to resource use and the circular economy	109	
	E5-3	Objectives related to resource use and the circular economy	109	
	E5-4	Resource inflows	-	Not material
	E5-5	Resource outflows	110	
	E5-6	Anticipated financial effects of impacts	112	Three-year phase-in
S1 - Own workforce	**SBM-2**	Stakeholders' interests and opinions	113	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	113	
	S1-1	Policies related to own workforce	115	
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	117	
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	118	
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	119	
	S1-5	Objectives related to managing material negative impacts, enhancing positive impacts and	125	

		managing material risks and opportunities		
	S1-6	Characteristics of the undertaking's employees	125	
	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	127	
	S1-8	Coverage of collective bargaining and social dialogue	127	
	S1-9	Diversity metrics	129	
	S1-10	Adequate wages	130	
	S1-11	Social protection	130	
	S1-12	Persons with disabilities	131	
	S1-13	Training and skills development metrics	132	
	S1-14	Health and safety metrics	132	
	S1-15	Work-life balance metrics	133	
	S1-16	Remuneration metrics (pay gap and total remuneration)	134	
	S1-17	Serious human rights incidents, complaints and impacts	135	
S2 - Workers in the value chain	**SBM-2**	Stakeholders' interests and opinions	135	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	135	
	S2-1	Policies related to workers in the value chain	137	
	S2-2	Processes for engaging with value chain workers about impacts	138	
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	139	
	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	140	
	S2-5	Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	141	
S3 - Communities concerned	**SBM-2**	Stakeholders' interests and opinions	142	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	142	
	S3-1	Policies related to affected communities	143	
	S3-2	Processes for engaging affected communities on impacts	144	
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	144	
	S3-4	Taking action on material impacts on affected communities and approaches to manage material risks and achieve material opportunities for affected	145	

		communities, as well as the effectiveness of these actions		
	S3-5	Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	146	
S4 - Consumers and end users	**SBM-2**	Stakeholders' interests and opinions	147	
	SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	147	
	S4-1	Policies related to consumers and end users	148	
	S4-2	Processes for engaging with consumers and end- users about impacts	149	
	S4-3	Processes to remediate negative impacts and channels for consumers and end users to raise concerns	-	Not material
	S4-4	Taking action on material impacts on consumers and end users and approaches to mitigating material risks and the achievement of material opportunities related to consumers and end users, and effectiveness of those actions	150	
	S4-5	Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	151	
G1 – Business conduct	**GOV-1**	Role of the administration, management and control bodies	152	
	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	153	
	G1-1	Policies related to corporate culture and business conduct	155	
	G1-2	Management of relations with suppliers	-	Not material
	G1-3	Prevention and detection of active and passive corruption	-	Not material
	G1-4	Established cases of active or passive corruption	-	Not material
	G1-5	Political influence and lobbying	-	Not material
	G1-6	Payment Practices	-	Not material

Table 8 - Content index

Duty of disclosure and corresponding information element	SFDR Reference	Third Pillar Reference	Reference Index Regulation	EU climate regulation reference	Reference
ESRS 2 GOV-1 Gender diversity in the board, paragraph 21(d)	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816[5], Annex II		
ESRS 2 GOV-1 Percentage of independent board members paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 GOV-4 Due diligence statement, paragraph 30	Annex I, Table 3, Indicator No. 10				
ESRS 2 SBM-1 Involvement in fossil fuel related activities, paragraph 40(d)(i)	Annex I, Table 1, Indicator No. 4	Article 449a of Regulation (EU) No. 575/2013; Implementing Regulation (EU) 2022/2453 of the Commission [7] Table 1 - Qualitative Information on Environmental Risk and Table 2 - Qualitative Information on Social Risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in chemical production related activities, paragraph 40(d)(ii)	Annex I, Table 2, Indicator No. 9		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Not material
ESRS 2 SBM-1 Participation in activities related to controversial weapons, paragraph 40(d)(iii)	Annex I, Table 1, Indicator No. 14		Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not material

ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production, paragraph 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818[8] and Annex II of Delegated Regulation (EU) 2020/1816	""	Not material
ESRS E1-1 Transition Plan to achieve climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	
ESRS E1-1 Companies excluded from benchmarks aligned with the Paris Agreement, paragraph 16(g)		Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Article 12(1)(d) to (g) and (2) of Delegated Regulation (EU) 2020/1818		
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, Table 2, Indicator No. 4	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking book - Indicators of potential transition	Article 6 of Delegated Regulation (EU) 2020/1818		

		risk related to climate change: alignment metrics			
ESRS E1-5 Energy consumption from fossil fuels disaggregated by source (high climate impact sectors only), paragraph 38	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				
ESRS E1-5 Energy consumption and energy mix, paragraph 37	Annex I, Table 1, Indicator No. 5				
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, Table 1, Indicator No. 6				
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44	Annex I, Table 1, Indicators 1 and 2	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		
ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	Annex I, Table 1, Indicator No. 3	Article 449 bis of Regulation (EU) No	Article 8(1) of Delegated Regulation (EU) 2020/1818		

		575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking book - Indicators of potential transition risk related to climate change: alignment metrics			
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	
ESRS E1-9 Exposure of the benchmark index portfolio to physical climate-related risks, paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a) **ESRS E1-9 Location of material physical risk significant assets, paragraph 66(c)**		Article 449 bis of Regulation (EU) No. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking book - Indicators of potential physical risk related to climate change: exposures subject to physical risk			

ESRS E1-9 Breakdown of book value of its real estate assets by energy efficiency classes, paragraph 67(c)		Article 449 bis of Regulation (EU) No. 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio - Indicators of potential climate change-related transition risk: loans secured by real estate - Energy efficiency of collateral			
ESRS E1-9 Degree of exposure of the climate-related opportunity portfolio, paragraph 69			Annex II of Delegated Regulation (EU) 2020/1818		
ESRS E2-4 Amount of each pollutant listed in Annex II of E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and land, paragraph 28	Annex I, Table 1, indicator No. 8; Annex I, Table 2, indicator No. 2; Annex 1, Table 2, indicator No. 1; Annex I, Table 2, indicator No. 3				
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, Table 2, Indicator No. 7				

ESRS E3-1 Dedicated policy, paragraph 13	Annex I, Table 2, Indicator No. 8				
ESRS E3-1 Sustainability of the oceans and seas, paragraph 14	Annex I, Table 2, Indicator No. 12				Not material
ESRS E3-4 Total recycled and reused water, paragraph 28(c)	Annex I, Table 2, Indicator No. 6.2				
ESRS E3-4 Total water consumption in m³ compared to net revenues from own operations, paragraph 29	Annex I, Table 2, Indicator No. 6.1				
ESRS 2 SBM-3 - E4 paragraph 16(a)(i)	Annex I, Table 1, Indicator No. 7				Not material
ESRS 2 SBM-3 - E4 paragraph 16(b)	Annex I, Table 2, Indicator No. 10				Not material
ESRS 2 SBM-3 - E4 paragraph 16(c)	Annex I, Table 2, Indicator No. 14				Not material
ESRS E4-2 Sustainable agricultural/land-use policies or practices, paragraph 24(b)	Annex I, Table 2, Indicator No. 11				Not material
ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24(c)	Annex I, Table 2, Indicator No. 12				Not material
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Annex I, Table 2, Indicator No. 15				Not material
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, Table 2, Indicator No. 13				
ESRS E5-5 Hazardous Waste and Radioactive Waste, paragraph 39	Annex I, Table 1, Indicator No. 9				

ESRS 2 - SBM3 - S1 Risk of forced labour, paragraph 14(f)	Annex I, Table 3, Indicator No. 13				
ESRS 2 - SBM3 - S1 Risk of child labour, paragraph 14(g)	Annex I, Table 3, Indicator No. 12				
ESRS S1-1 Political commitments to human rights, paragraph 20	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
ESRS S1-1 Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-1 Procedures and measures to prevent trafficking in human beings, paragraph 22	Annex I, Table 3, Indicator No. 11				
ESRS S1-1 Policy on occupational accident prevention or management system, paragraph 23	Annex I, Table 3, Indicator No. 1				
ESRS S1-3 Mechanisms for handling claims/complaints, paragraph 32(c)	Annex I, Table 3, Indicator No. 5				
ESRS S1-14 Number of deaths and number and rate of work-related injuries, paragraph 88(b) and (c)	Annex I, Table 3, Indicator No. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-14 Number of days lost due to injury, accident, fatality or illness, paragraph 88(e)	Annex I, Table 3, Indicator No. 3				
ESRS S1-16	Annex I, Table 1,		Commission Delegated Regulation		

Unadjusted gender pay gap, paragraph 97(a)	Indicator No. 12		(EU) 2020/1816, Annex II		
ESRS S1-16 Excessive pay gap in favour of the CEO, paragraph 97(b)	Annex I, Table 3, Indicator No. 8				
ESRS S1-17 Discrimination-related incidents, paragraph 103(a)	Annex I, Table 3, Indicator No. 7				
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD, paragraph 104(a)	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS 2 SBM-3 - S2 Serious risk of child labour or forced labour in the labour chain, paragraph 11(b)	Annex I, Table 3, Indicators 12 and 13				
ESRS S2-1 Political commitments to human rights, paragraph 17	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
ESRS S2-1 Policies related to workers in the value chain, paragraph 18	Annex I, Table 3, Indicators 11 and 4				
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS S2-1 Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S2-4	Annex I, Table 3,				

Human rights issues and incidents in its upstream and downstream value chain, paragraph 36	Indicator No. 14				
ESRS S3-1 Political commitments to human rights, paragraph 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Principles or the OECD Guidelines, paragraph 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS S3-4 Human Rights Issues and Incidents, paragraph 36	Annex I, Table 3, Indicator No. 14				
ESRS S4-1 Policies related to consumers and end users, paragraph 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS S4-4 Human Rights Issues and Incidents, paragraph 35	Annex I, Table 3, Indicator No. 14				
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Annex I, Table 3, Indicator No. 15				
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Annex I, Table 3, Indicator No. 6				

ESRS G1-4 Fines imposed for violations of laws against active and passive corruption, paragraph 24(a)	Annex I, Table 3, Indicator No. 17		Annex II of Delegated Regulation (EU) 2020/1816		Not material
ESRS G1-4 Rules for combating active and passive corruption, paragraph 24(b)	Annex I, Table 3, Indicator No. 16				Not material

Table 9 – Duty of disclosure and corresponding information element

Environmental information

Information pursuant to Article 8 of Regulation 2020/852

Introduction

In 2020, the European Commission introduced Regulation (EU) 2020/852 - EU Taxonomy Regulation, hereinafter also referred to as "Taxonomy" or "Regulation". The "Taxonomy", in line with the overall goal of the European Green Deal to achieve climate neutrality in Europe by 2050, establishes a unified system of classification of economic activities that can be considered environmentally sustainable.

To be classified as such, economic activities must contribute substantially to the achievement of at least one of the six environmental objectives defined in art. 9 of the same Regulation, do no significant harm (Do No Significant Harm - DNSH) to any of the above environmental objectives, respect minimum safeguards, recognising the importance of international rights and standards and meet the technical screening criteria defined by the Regulation for each activity.

In particular, pursuant to art. 3 and 9 of the Regulation, companies that fall under the scope of application of Legislative Decree 254/2016 are being asked to report, beginning in 2021, information regarding turnover, capital expenditure (CAPEX), and operating expenditure (OPEX) for all activities eligible and/or aligned under the taxonomy with respect to the following six environmental objectives:

1. Climate change mitigation (CCM);
2. Climate change adaptation (CCA);
3. Sustainable use and protection of water and marine resources (WTR);
4. Transition to a circular economy (CE);
5. Pollution Prevention and Control (PPC);
6. Protection and restoration of biodiversity and ecosystems (BIO).

The information provided must verify compliance with the Substantive Contribution Criteria, DNSH and Minimum Safeguards.

The Cembre Group's Eligibility and Alignment Analysis

In line with the Regulation, an analysis of the Group's activities was carried out with the aim of identifying eligible activities aligned with the six objectives of the Taxonomy. In particular, with respect to what was carried out in 2023, the eligibility and alignment analysis was conducted not only with respect to the activities indicated in Annexes I and II of the Climate Delegated Act[3] but also with respect to those of the other delegated regulations, i.e., the activities contained in Annexes I, II, III and IV of the Environmental Delegated Act and within Delegated Act 2023/2485. In addition, any eligible activities were also analysed with regard to the Capital Expenditure KPI (CapEx) (Annex 1 of Delegated Regulation (EU) 2021/2178, paragraph 1.1.2.2 point (c)) relating to the purchase of products deriving from economic activities eligible for and/or aligned with the European Taxonomy and any measures enabling these activities to reduce their emission profile. With regard to the analyses carried out with reference to 2024, the following activities were classified as eligible but not aligned:

- Activity 3.6 (CCM) - Manufacture of other low-carbon technologies;
- Activity 3.10 (CCM) - Hydrogen production;
- Activity 6.5 (CCM) - Transportation by motorcycles, cars and light commercial vehicles;
- Activity 7.2 (CCM) and Activity 3.2 (CE) - Renovation of existing buildings;
- Activity 7.3 (CCM) - Installation, maintenance, and repair of energy efficiency devices;
- Activity 7.4 (CCM) - Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings);
- Activity 7.5 (CCM) - Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings;

[3] Delegated Regulation (EU) 2021/2139.

- Activity 7.6 (CCM) - Installation, maintenance and repair of renewable energy technologies;
- Activity 1.2 (CE) - Manufacture of electrical and electronic equipment;
- Activity 3.4 (CE) - Maintenance of roads and motorways.

According to the eligibility analysis conducted by the Group, the objective related to climate change mitigation (CCM) was found to be the most material as most of the activities listed above contribute to it (i.e. 3.6, 3.10, 6.5, 7.2, 7.3, 7.4, 7.5, 7.6).

With regard to the Climate Change Adaptation Objective (CCA), as specified in the Commission Communication C/2023/305 of 20 October 2023 concerning the eligibility assessment of non-enabling activities, the company must have carried out a climate risk assessment and should adopt adaptation solutions that can make the business more resilient to climate change. At present, the Group has conducted a climate risk assessment with reference to the Cembre S.p.A. headquarters, near Brescia, however no expenses have been incurred for adaptation measures, i.e. interventions aimed at reducing climate risks. Therefore, the Group does not consider activities under the climate change adaptation objective as eligible according to the European Taxonomy.

As required by the Regulations, the Group carried out an analysis to verify the alignment of the activities deemed eligible. The following section sets out the evaluations carried out with regard to the analysis of the alignment of eligible activities against the criteria of substantial contribution and DNSH.

Technical Evidence

Below are the Group's assessments of asset alignment for each of the Group's assets assessed as eligible.

Activity 3.6 (CCM) - Manufacture of other low-carbon technologies

Substantial contribution to climate change mitigation: With reference to activity 3.6 (Manufacture of other low-carbon technologies), the production of battery-powered tools allows for a substantial reduction in lifecycle greenhouse gas emissions compared to using internal combustion engine tools. In particular, emissions related to the following battery tools produced by Cembre were analysed:

- NR-25B screwdriver
- LD-16B boring machine
- SD-19B boring machine

As shown in the table, the use of battery-powered screwdrivers, drills and boring machines reduces CO_2 emissions into the atmosphere by more than 80%.

CO_2 emissions	UoM	Screwdriver	Drills	Boring machines
Combustion engine	gCO2/hole	2.7591	3.9129	2.7390
Battery		0.5064	0.6330	0.4431
CO_2 saving	%	**81.64%**	**83.82%**	**83.82%**

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the production of cordless tools does not fully comply with the DNSH criteria for activity 3.6 as not all the criteria of the other environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 3.10 (CCM) - Hydrogen production

Substantial contribution to climate change mitigation: With reference to Activity 3.10 (Hydrogen Production) in 2024, Cembre concluded a contract for the use of a dissociator for hydrogen production. No life cycle greenhouse gas emission calculations have been made that meet the 73.4% reduction requirement for hydrogen, so the Group does not consider the activity to be aligned with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the use of the equipment does not fully comply with the DNSH criteria for activity 3.10 as not all the criteria of the other environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 6.5 (CCM) - Transportation by motorcycles, cars and light commercial vehicles

Substantial contribution to climate change mitigation: With reference to activity 6.5 (Transport by motorbikes, cars and light commercial vehicles), the following transactions were performed in 2024:

- purchase for Cembre Spa: MERCEDES SEDAN E300, TESLA MODEL Y LONG RANGE;
- Lease for Cembre Ltd: IONIQ 5 Electric Hatchback, Ariya Electric Hatchback, Polestar2.

Purchased or leased hybrid vehicles comply with the Euro 6 type-approval requirements for light vehicle emissions and meet the emission thresholds for low- and zero-emission light vehicles, set at 50 gCO2/km, as shown in the table below:

Model	gCO2/km	Source
MERCEDES SEDAN E300	39	MERCEDES E 300 e 4Matic Auto Plug in hybrid Sport Price, Fuel Economy and Configurator|
TESLA MODEL Y LONG RANGE	0	TESLA Model Y Long Range AWD Price, Fuel Economy and Configurator| Quattroruote.it
IONIQ 5 Electric Hatchback	0	HYUNDAI Ioniq 5 72.6 kWh AWD Launch Edition Price, Fuel Economy and Configurator|
Ariya Electric Hatchback	0	NISSAN Ariya 63 kWh Engage Price, Fuel Economy and Configurator| Quattroruote.it
Polestar 2	0	https://www.polestar.com/it/polestar-2/

According to the analysis, the Group considers the activity to be in line with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the purchase and rental of cars is not fully compliant with the DNSH criteria for activity 6.5 as not all the criteria of the other environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 7.2 (CCM) - Renovation of existing buildings

Substantial contribution to climate change mitigation: With reference to activity 7.2 (Renovation of existing buildings) in 2024, upgrading work was carried out in building B of the Cembre SpA headquarters, for which documentation indicating the energy performance of the resulting building is not yet available. In fact, the APE of the building will only be provided upon completion of the works. For this reason, the Group does not consider the activity to be in line with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the renovation activity does not fully comply with the DNSH criteria for activity 7.2 as not all the criteria of the other environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 7.3 (CCM) - Installation, maintenance, and repair of energy efficiency devices

Substantial contribution to climate change mitigation: With reference to activity 7.3 (Installation, maintenance and repair of energy efficiency devices) in 2024, 126 conventional lamps were replaced with 68 LED technology lamps, resulting in an energy saving of 54.66%, as presented in the following table.

Lamp type		Number	Power (W)	Total (W)
Goods Receiving Department, Quality Control, Laboratory, Prototypes				
LED technology lamps installed	META 18 LED Floodlight	33	199	6,567
Traditional lamps replaced	Photon	33	400	13,200
Saving achieved				**50.25%**
Industrial building 32 - TGW warehouse shipping department				
LED technology lamps installed	Palazzoli LED	16	199	3,184
Traditional lamps replaced	Photon	16	400	6,400
Saving achieved				**50.25%**
Industrial building 32 - Foreign Department				
LED technology lamps installed	Palazzoli LED	15	199	2,985
	LED ceiling lights	4	50	200
Traditional lamps replaced	Neon ceiling lights	77	116	8,932
Saving achieved				**64.34%**
Average saving achieved				**54.66%**

In addition, the following energy-efficient systems were installed:

- daikin monosplit air-conditioning system in the office building, with seasonal efficiency values up to class A++ in heating, which allows lower running costs compared to gas boilers and electric heating;
- air exchange system in building B classified as energy class A+;
- external wall-mounted boilers in Calcinate classified as energy class A.

Finally, water-saving plumbing fixtures were installed.

According to the analysis, the Group considers the activity to be in line with the substantial contribution criterion.

For some activities, such as the installation of air-conditioning, plumbing, dehumidification and heating systems, not enough information is available to assess alignment. Therefore, the Group does not consider them to meet the substantive contribution criterion for this activity.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the installation and maintenance of energy efficiency devices is not fully compliant with the DNSH criteria for activity 7.3 as not all the criteria of the other environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 7.4 (CCM) - Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)

Substantial contribution to climate change mitigation: With reference to activity 7.4 (Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)), charging stations for electric vehicles have been installed at the Cembre Sarl premises, taking into account safe flooding conditions. According to the analysis, the Group considers the activity to be in line with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the installation and maintenance of charging stations is not fully compliant with the DNSH criteria for activity 7.4 as not all the criteria of the other environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 7.5 (CCM) - Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings

Substantial contribution to climate change mitigation: With reference to Activity 7.5 (Installation, maintenance, and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings), six energy consumption monitoring devices and one device for monitoring methane gas consumption were installed in 2024. According to the analysis, the Group considers the activity to be in line with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the installation and maintenance and repair of energy performance measuring instruments and devices does not fully comply with the DNSH criteria for activity 7.5 as not all the criteria of the other environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 7.6 (CCM) - Installation, maintenance and repair of renewable energy technologies

Substantial contribution to climate change mitigation: With reference to Activity 7.6 (Installation, maintenance and repair of renewable energy technologies), the following operations were carried out during 2024:

- installation, maintenance and repair of solar photovoltaic systems and ancillary technical equipment for Cembre Ltd and Cembre SLU;
- installation, maintenance, repair and upgrading of heat pumps contributing to renewable energy targets in the heat and cooling sector in accordance with Directive (EU) 2018/ 2001 and ancillary technical equipment for Cembre SpA;

According to the analysis, the Group considers the activity to be in line with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the installation, maintenance and repair of renewable energy technologies does not fully comply with the DNSH criteria for activity 7.6 as not all the criteria of the other environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 1.2 (CE) - Manufacture of electrical and electronic equipment

Substantial contribution to the circular economy: With reference to Activity 1.2 (Manufacture of electrical and electronic equipment), in 2024, Cembre purchased electronic boards for the manufacture of electrical and electronic equipment for which there is insufficient information to assess the alignment. For this reason, the

Group does not consider the activity to be in line with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the purchase of electrical and electronic equipment is not fully compliant with the DNSH criteria for activity 1.2 as not all the criteria of the other climate and environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 3.2 (CE) - Renovation of existing buildings

Substantial contribution to the circular economy: With reference to Activity 3.2 (Renovation of existing buildings) in 2024, refurbishment works were carried out in Building B of the Cembre SpA headquarters, for which documentation is currently not yet available indicating an organisation of the activity according to the correct principles of circular economy and waste management. For this reason, the Group does not consider the activity to be in line with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the renovation activity is not fully compliant with the DNSH criteria for activity 3.2 as not all the criteria of the other climate and environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Activity 3.4 (CE) - Maintenance of roads and motorways

Substantial contribution to the circular economy: With reference to Activity 3.4 (Maintenance of roads and motorways) in 2024, maintenance works were carried out on some roads external to the Cembre SpA headquarters, for which documentation is currently not yet available indicating an organisation of the activity according to the correct principles of circular economy and waste management. For this reason, the Group does not consider the activity to be in line with the substantial contribution criterion.

Do no significant harm (DNSH): For the purposes of taxonomic alignment, Cembre considers that the road maintenance activity is not fully compliant with the DNSH criteria for activity 3.4 as not all the criteria for the other climate and environmental objectives are considered to have been met. In particular, with regard to the objective of adapting to climate change, although an analysis of climate risks has been carried out, there is currently no adaptation plan.

Minimum safeguards

In order to make its ethical principles clear and unequivocal, with a social and moral focus, the Cembre Group has drawn up a Code of Ethics, approved by the Board of Directors and publicly available on its website.

Both internal stakeholders (including shareholders, directors, auditors and employees) and external stakeholders (including consultants, suppliers and business partners) are addressees of the Code of Ethics, obliged to observe its principles and subject to sanctions for violating its provisions.

The Cembre Group and each recipient of the Code recognises and respects the personal dignity, privacy and personality rights of any individual and works with women and men of different nationalities, cultures, religions and races. Discrimination, harassment or sexual, personal or other offences or the creation of an intimidating, hostile or isolating work environment against individuals or groups of workers will not be tolerated.

The Group refuses all types of child or forced labour, banning entertaining of business relations with organisations exercising this form of oppression or with organisations whose products come from regions that do not respect internationally recognised human rights.

The Group also observes the DNSH principle, as stipulated in SFRD, Art. 2, item 17, by calculating the Group Gender Pay Gap and gender diversity in administrative and management bodies. This information has been included in this document.

Specifically with regard to the requirements defined in the selection and qualification of suppliers, for which reference is made to the chapter "Workers in the value chain" for further details, Cembre drew up ad hoc specifications requiring suppliers to commit to the protection of the human and labour rights of their employees, making reference to the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO Conventions and the ICC Charter for Sustainable Development.

From the point of view of the protection of human rights, each supplier must:

- respect the personal dignity and rights of each individual;
- treat all employees fairly, ethically, respectfully and with dignity;
- protect their employees from harassment, bullying and victimisation in the workplace, including forms of sexual, physical and psychological abuse.

With regard to ensuring fair working conditions, in particular, it must ensure compliance with the following issues:

- prohibition of forced labour and child labour;
- prohibition of unjustified disciplinary sanctions;
- adequate wages;
- fair working hours;
- Worker health and safety.

It is also Cembre policy not to consciously purchase and use metals from mines in the "Conflict Region" or in any case not certified as "Conflict Free" and to favour suppliers with Quality, Environmental and Occupational Health and Safety Management Systems certified by independent and internationally recognised third-party bodies.

Finally, with specific regard to tax regulations, Cembre implements all activities deemed necessary to ensure adequate oversight and timely compliance with such regulations; to this end, each Group company independently manages its own administration and taxation at a local level, employing dedicated administrative personnel at each office and availing itself of the consultancy of local tax professionals to ensure constant compliance and updating with respect to the tax laws of each country in which the Group operates.

In order to have better visibility of the relevant regulations to which Cembre is subject and is required to comply, a “Group Legal and Corporate Affairs Office” has been established.

The choice of the countries in which Cembre operates is driven by business considerations and not by fiscal reasons, aware that tax revenues are a fundamental source for the economic and social development of the countries in which it operates.

The Cembre Group's whistleblowing channels can also be used to report any critical issues arising from unethical or illegal conduct.

As a result of the analysis conducted, adopting a conservative and precautionary approach, the Group does not believe that all the criteria set forth in the Minimum Safeguards are fully met to date.

Methodological aspects

Process for defining activities aligned to taxonomic requirements

The process followed by Cembre to verify the eligibility and subsequent alignment of its activities involved the following steps for the underlying elements of the three KPIs investigated:

- mapping of individual eligible activities carried out by the various Group companies and subsequent skimming of the various activities according to the operations carried out by the individual company;
- for each eligible activity identified, both the specific substantive contribution criteria and the DNSH ("Do no significant harm") requirements were mapped in order to analyse alignment with climate change mitigation and adaptation objectives. Evidence of specific individual requests was collected;
- having identified the taxonomy aligned activities, these were then extrapolated from the accounts in order to associate each individual activity with the material economic values generated in 2024 in terms of revenues generated; the CapEx and OpEx that contribute to preserving or increasing the useful life of tangible or intangible assets related.
- Finally, compliance with the minimum safeguards clauses was assessed for each activity found, in order to define its possible alignment.

The KPIs for Turnover, CapEx and OpEx calculated as part of the eligibility and alignment analysis were obtained according to the following criteria:

- For the calculation of KPI turnover, the sum of revenues from the sale of products and the provision of services was considered in accordance with IAS 1 paragraph 82(a) and Directive 2013/34/EU, which defines, with respect to the denominator, "Total Revenues and Income" as revenues from the sale of products and the provision of services net of VAT, returns and other added taxes. In 2024, the total value of this KPI was 231,556 thousand euro. This value is shown under "Total Revenues and Income" in the Group's Annual Financial Report 2024;

- The CAPEX KPI takes into account the sum of all increases, occurring over 2024, to tangible and intangible assets of the balance sheet including capitalised assets related to R&D and rights of use arising from IFRS 16. In 2024, the total value of this KPI was 33,394 thousand euro.
- The OPEX KPI takes into account the sum of operating expenses associated with R&D not capitalised, maintenance of production facilities, day-to-day servicing of assets and short-term leases. In 2024, the total value of this KPI was 4,983 thousand euro.

TURNOVER

Numerator

The numerator of the KPI consists of the values for the Group's activities, which include sales of battery-operated tools as an alternative to those with combustion engines. To avoid double counting, intercompany items were not included in the KPI calculation.

Denominator

The denominator is made up of the items in the financial statements relating to the sale of goods and services, net of discounts, VAT or other direct taxes, from the point of view of the Group's revenues from ordinary operations.

CAPEX

Numerator

The numerator of the KPI consists of the values for the following Group activities:

- Renovation of existing buildings
- manufacturing of highly energy efficient machinery;
- purchases and leases of cars regulated by IFRS 16;

- replacement of lighting fixtures with LED modules, installation of energy-efficient air conditioning and air exchange systems, installation of water-saving plumbing devices;
- installation of electric car charging stations:
- installation of consumption monitoring devices;
- installation of photovoltaic system components;
- maintenance of roads and highways.

Denominator

The denominator is made up by taking into account the sum of increases in value of both aligned and non-aligned assets.

The increases in value generated during 2024 relate to tangible, intangible and right of use of assets (according to IFRS 16). The values taken into consideration have been selected by excluding the effects of amortization, depreciation, write-downs and changes in fair value, as required by the Regulation.

OPEX

Numerator

The numerator of the KPI consists of the values relating to the Group's activities relating to the maintenance of heat pumps and air conditioning and cooling systems, as well as the use of machinery for the production of hydrogen.

Denominator

The denominator, on the other hand, is formed by taking into account the components related to each eligible activity according to the Regulation.

Share of turnover from products and services associated with taxonomy aligned activities - Disclosure for the year 2024

Financial year N	Year			Criteria to contribute substantially						Criteria for "do no significant harm"									
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Share of turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Share of turnover aligned (A.1.) or eligible (A.2) with taxonomy FY 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (taxonomy aligned)																			
Turnover of environmentally sustainable activities (taxonomy aligned) (A.1)		€0.00	0.00%													No	2.28%		
of which enabling		€0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	No	0.00%	A	
of which transitional		€0.00	0.00%	0.00%						Yes	Yes	Yes	Yes	Yes	Yes	No	0.00%		T
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																			
				AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM										
Manufacture of other low-carbon technologies	CCM 3.6	3,744,253.00	1.62%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Turnover from activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities) (A.2)		€3,744,253.00	1.62%	1.63%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Total (A.1 + A.2)		€3,744,253.00	1.62%	1.63%	0.00%	0.00%	0.00%	0.00%	0.00%								2.28%		

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY		
Turnover from activities not eligible for taxonomy (B)	€227,811,747.00	98.38%
Total (A + B)	€231,556,000.00	100%

Share of capital expenditure from products and services associated with taxonomy aligned activities - Disclosure for the year 2024

Financial year N	Year			Criteria to contribute substantially						Criteria for "do no significant harm"									
Economic activities (1)	Code(s) (2)	CapEx (3)	Share of CapEx, FY N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Share of CapEx aligned (A.1.) or eligible (A.2.) with taxonomy, FY 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (taxonomy aligned)																			
CapEx of eco-sustainable activities (aligned with taxonomy) (A.1)		€0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	No	11.96%		
of which enabling		€0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	No	0.00%	A	
of which transitional		€0.00	0.00%														0.00%		T
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																			
				AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM										
Manufacture of other low-carbon technologies	CCM 3.6	€35,172.79	0.11%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Transportation by motorcycles, cars and light commercial vehicles	CCM 6.5	€145,580.33	0.44%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Renovation of existing buildings	**CCM 7.2** CE 3.2	€28,984.70	0.09%	AM	N/AM	N/AM	AM	N/AM	N/AM								2.81%		
Installation, maintenance, and repair of energy efficiency devices	CCM 7.3	€327,160.89	0.98%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.44%		
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)	CCM 7.4	€7,611.32	0.02%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the	CCM 7.5	€12,260.72	0.04%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		

energy performance of buildings																			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	€139,062.32	0.42%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Manufacture of electrical and electronic equipment	CE 1.2	€4,862.00	0.01%	N/AM	N/AM	N/AM	AM	N/AM	N/AM								0.08%		
Maintenance of roads and highways	CE 3.4	€32,362.87	0.10%	N/AM	N/AM	N/AM	AM	N/AM	N/AM								0.00%		
CapEx of activities eligible for taxonomy but not eco-sustainable (activities not aligned with taxonomy) (A.2)		€733,057.94	2.21%	2.10%	0.00%	0.00%	0.11%	0.00%	0.00%								3.57%		
Total (A.1 + A.2)		€733,057.94	2.21%	2.21%	0.00%	0.00%	0.0%	0.00%	0.00%								15.53%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
CapEx of activities not eligible for taxonomy (B)		€32,660,942.06	97.79%																
Total (A + B)		€33,394,000.00	100%																

	Share of CapEx/total CapEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.00%	2.10%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
EC	0.00%	0.20%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Share of operating expenses from products and services associated with taxonomy aligned activities - Disclosure for the year 2024

Financial year N	Year			Criteria to contribute substantially						Criteria for “do no significant harm”									
Economic activities (1)	Code(s) (2)	OpEx (3)	Share of OpEx, FY N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Share of OpEx aligned (A.1.) or eligible (A.2.) with taxonomy, FY 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes; No; N/ AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (taxonomy aligned)																			
OpEx of eco-sustainable activities (aligned with taxonomy) (A.1)		€0.00	0.00%														0.00%		
of which enabling		€0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	No	0.00%	A	
of which transitional		€0.00	0.00%	0.00%						Yes	Yes	Yes	Yes	Yes	Yes	No	0.00%		T
A.2 Activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities)																			
				AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM	AM; N/ AM										
Hydrogen production	CCM 3.10	€39,235.20	0.79%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.13%		
Installation, maintenance, and repair of energy efficiency devices	CCM 7.3	€27,653.59	0.55%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	€11,420.06	0.23%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
OpEx of activities eligible for taxonomy but not eco-sustainable (activities not aligned with taxonomy) (A.2)		€78,308.85	1.57%	1.57%	0.00%	0.00%	0.00%	0.00%	0.00%								0.13%		
Total (A.1 + A.2)		€78,308.85	1.57%	1.57%	0.00%	0.00%	0.00%	0.00%	0.00%								0.21%		

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY		
OpEx of activities not eligible for taxonomy (B)	€4,904,827.31	98.43%
Total (A + B)	€4,983,136.16	100%

In addition, the disclosure relating to activities related to the use of nuclear energy and gaseous fossil fuels, as provided for in Article 8 of Delegated Regulation (EU) 2021/2178 as amended according to Delegated Regulation (EU) 2022/1214, is provided below. Given the type of business in which it operates, Cembre does not carry out, finance or is exposed to or involved in activities involving the construction, development or redevelopment of infrastructure for nuclear energy or gaseous fossil fuels.

	Nuclear energy activities	
1.	The enterprise carries out, finances or has exposures to research, development, the demonstration and realisation of innovative plants for the generation of electricity that produce energy from nuclear processes with a minimum quantity of waste from the fuel cycle.	No
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, with the help of the best available technology.	No
3.	The company carries out, finances or has exposures to the safe operation of existing nuclear plants that generate electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improvements in their safety.	No
	Fossil gas activities	
4.	The company carries out, finances or has exposures to the construction or operation of electricity production plants that use gaseous fossil fuels.	No
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants that use gaseous fossil fuels.	No
6.	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling that use gaseous fossil fuels.	No

Climate change

ESRS E1

Governance

Integration of sustainability-related performance in incentive systems

ESRS 2 GOV-3

For further information on the ESG incentive scheme, please refer to the disclosure requirement 'Integration of Sustainability Performance into Incentive Schemes', in accordance with ESRS 2 GOV-3, explained in the chapter 'General Information'. To date, however, the Cembre Group's incentive system does not include any schemes linked to the climate performance of executive directors or the Chief Executive Officer.

Strategy

Transition plan for climate change mitigation

E1-1

To date, the Cembre Group has not developed a transition plan for climate change mitigation, which would ensure the compatibility of the Group's business model with the Paris Agreement objectives of keeping the global temperature increase below 1.5°C, nor does it plan to adopt such a plan in the short term.

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

SBM-3

Through the financial materiality exercise, the Cembre Group considered both physical and transitional climate risks. In particular, two physical climate risks were identified that could impact the Group's activities in the medium to long term:

- Operational risk due to physical damage caused by adverse weather events that may have a negative impact on the Group's assets (physical risk);

- Operational risk due to physical damage caused by adverse weather events that may have a negative impact the assets owned by the Group's suppliers and customers (physical risk).

While recognising the importance of these issues, a resilience analysis of their strategy and business model with respect to climate change has not yet been conducted. However, limited to Cembre S.p.A., a climate risk assessment was prepared to understand the potential impacts of climate change on the company's assets and strategies. In this respect, please also refer to the section "Disclosure pursuant to Article 8 of Regulation 2020/852" of this document.

Managing impacts, risks and opportunities

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

ESRS 2 IRO-1

In order to identify and assess its material climate-related impacts, risks and opportunities, Cembre has developed and maintains an Environmental Management System that complies with the UNI EN ISO 14001 standard, incorporates the latest climate change regulations, and is audited annually by independent third parties. The management system is based on legislative compliance and a risk-oriented approach. The first consists of all activities to ensure compliance with all mandatory and voluntary requirements, the second aims to identify, estimate and manage the environmental risks and opportunities generated by the impacts of production activities.

In addition, climate change risks are integrated into the UNI EN ISO 9001-compliant Quality Management System, in line with the latest provisions of the standard. These assessments contribute to the identification of risks highlighted in the Cembre biennial risk assessment, with a focus on contextual and strategic risk analysis. In fact, the context analysis is periodically updated, considering the impact of climate change both at a strategic level, in cooperation with senior management, and at an operational level. In this process, specific strategic objectives are defined and subsequently reported in the management review.

These assessments were integrated into the dual materiality analysis, which identified the company's impact in terms of its contribution to climate change. This impact is attributable to fuel combustion, energy consumption and F-gas leakage, being significant and very likely for both direct and indirect activities.

These impacts are measured through the monitoring of energy consumption (detailed in disclosure obligation E1-5 "Energy Consumption and Energy Mix") and the calculation of the Organisation's Carbon Footprint, based on the calculation of Scope 1, Scope 2 and Scope 3 emissions of the Cembre Group in accordance with the GHG Protocol Framework (detailed in disclosure obligation E1-6 "Gross Greenhouse Gas (GHG) Emissions of Scope 1, 2, 3 and Total GHG Emissions").

As regards the analysis of physical risks related to climate change, on the other hand, a climate risk assessment was conducted with specific reference to the parent company Cembre S.p.A., based on data from climate modelling studies. In particular, the climate scenarios developed by the Centre Euro-Mediterranean on Climate Change (CMCC) described in the documentation entitled 'Risk Analysis - Climate Change in Italy' were used. This analysis considers both short-term and long-term time horizons for the assessment of climate risks in Italy, in line with the expected lifespan of the Group's main assets. Subsequently, it was analysed how business activities could be exposed to climate hazards by consulting local and national management plans and specific geographical maps. On the other hand, no detailed climate scenarios were considered in assessing transition risks, nor were any material transition climate risks or opportunities identified with regard to the Cembre Group's activities.

Policies related to climate change mitigation and adaptation

E1-2

Currently, the Group does not have a formalised, public policy to manage issues related to climate change mitigation and adaptation, energy efficiency or renewable energy implementation. However, in 2023, the Cembre Group Corporate Policy was approved by the CEO. Disseminated and illustrated to all company personnel and made known to external stakeholders through publication on the Group's website, this deals with the principles that inspire Cembre, including environmental protection.

Furthermore, the implementation of the ISO 14001 environmental management standard at the Group's manufacturing units in Italy and England, Cembre S.p.A. and Cembre Ltd. respectively, underscored the Group's decisive adherence to recognised environmental standards, contributing significantly to promoting an operational management more oriented towards mitigating climate change and increasing energy efficiency.

The Group has envisaged various ways of monitoring and managing environmental data from an energy and climate perspective:

- monthly monitoring of energy consumption for each production department. These data are related to production hours and/or the quantity of materials processed in order to obtain a clear and unambiguous set of performance indicators. This information is represented by means of special charts, distributed both to the Management and to each Department Manager, thus ensuring its dissemination to all the operators concerned;
- annual checks of refrigeration systems to identify possible leakage of ozone depleting substances (F-GAS);
- annual calculation of an organisation's Carbon Footprint.

As a large company within the meaning of current legislation, Cembre S.p.A. is actively committed to energy efficiency. To this end, it periodically updates its energy diagnosis using a certified company. The latest diagnosis, conducted in 2023 and referring to 2022 consumption, confirmed the awareness of Cembre of the benefits of adopting energy efficiency measures. Reducing costs and protecting the environment, in terms of lower greenhouse gas emissions, are indeed two priority aspects for the company.

Cembre is convinced that energy efficiency and supply from renewable sources are key building blocks for building a more sustainable future. Although the policy does not explicitly include a reference to promoting climate change adaptation measures, the company will continue to invest in innovative technologies and promote a culture of environmental sustainability within its workforce, aimed at climate change mitigation and responsible management of its climate impacts.

Actions and resources related to climate change policies

E1-3

The Cembre Group's commitment to energy efficiency and the sourcing of energy from renewable sources is reflected in a series of initiatives that testify to its focus on environmental sustainability, to date not yet supported by a specific decarbonisation plan.

Below are some examples of the targeted actions undertaken by the Group and broken down by decarbonisation lever.

1. **Energy efficiency**

- Replacement of lighting installations with LED systems: the replacement of more than 900 conventional lighting fixtures with LED technology by 2026 will achieve an estimated 40% energy saving related to lighting, with a reduction in annual CO_2 emissions of more than 100 tCO_2eq. In 2024, the replacement process covered 68 lamps, achieving a reduction in energy consumption of more than 50%. The economic resources allocated for the implementation of the project, as well as further details of the replacements made in 2024, are set out in the 'Disclosure pursuant to Article 8 of Regulation 2020/852'. The expenses incurred for the realisation of the project amounted to 38,115 euro.

- Installation of monitoring systems: during 2024, new energy and gas consumption monitoring systems were installed at Cembre S.p.A. headquarters. These systems make it possible to accurately quantify the energy consumption of the oven and the gas consumption of the washing machines, which will be replaced with new equipment when production is transferred to the new industrial buildings. It is estimated that the adoption of these solutions will allow a reduction in greenhouse gas (GHG) emissions of approximately 21% (6 $kgCO_{2eq}$ per tonne produced) for the oven and 100% (32,600 $kgCO_{2eq}$ per year) for the washing machines compared to current values because they will switch to power supply with renewable electricity certified through guarantees of origin. The economic resources allocated for the installation of the monitoring devices are indicated in the disclosure obligation concerning the taxonomic analysis "Disclosure pursuant to Article 8 Regulation 2020/852". The expenses incurred in the implementation of the project amounted to 12,261 euro.

2. Use of energy from renewable sources

- Installation of new photovoltaic systems: In December 2024, the installation of a new photovoltaic system was completed at the Group's sales office in Madrid, Spain, with a capacity of approximately 89 kW. The estimated annual output of the latter plant exceeds 135 MWh, enabling it to fully cover the site's energy needs and enabling a 100% reduction in GHG emissions generated by the purchase of electricity calculated according to the market-based method. The economic resources allocated for the installation of new photovoltaic systems are indicated in the disclosure obligation for the taxonomic analysis "Disclosure pursuant to Article 8 Regulation 2020/852". The expenses incurred in the implementation of the project amounted to 57,130 euro.
- Procurement of electricity from 100% renewable sources: in 2024, the Cembre SLU Spanish site and, from July 2024, the Cembre SpA Brescia site signed contracts for the procurement of 100% renewable energy, ensuring that all operations are powered exclusively by renewable sources. The purchase of electricity through Guarantees of Origin will enable the Spanish and Italian headquarters to reduce their Scope 2 GHG emissions calculated according to the market-based method by 100%.

3. Sustainable mobility

- Definition of the Home-Work Commute Plan: Cembre S.p.A.'s Home-Work Commute Plan (PSCL), active since 2022, is contributing to a gradual change in employees' home-work commuting habits with economic, environmental and social benefits. The document identifies a number of alternative measures to the use of private cars for home-work-home transfers of company personnel.

  The main objective is the reduction of travel, i.e. the reduction of atmospheric emissions as well as the improvement of urban traffic, making overall mobility to and from the company more sustainable.

In 2024, thanks to the initiatives taken and the active participation of Cembre S.p.A. employees, who chose alternative modes of transport to the private car, more than 49 tCO2eq were avoided. In addition, the planned actions are expected to further increase avoided emissions during 2025.

4. Measuring and monitoring emissions

- Calculation of product carbon footprint: Cembre started a process to measure the carbon footprint of its products according to UNI EN ISO 14067:2018 standard. This activity is based on the assessment of the entire life cycle, which allows to analyse the environmental impact of a product along the entire production and consumption chain.

  In 2023, the development of the model to measure the carbon footprint of the connector family was completed within the SimaPro software, which was subsequently used in 2024 to measure the carbon footprint of the industrial signage family.

  It will also be used to measure the carbon footprint of the cable gland family in 2025.

  The timely analysis of impacts along the entire supply chain makes it possible to identify the most environmentally critical steps and will allow targeted actions to be taken to reduce greenhouse gas emissions associated with products and processes, using objective data to ensure effective and measurable decisions.

Metrics and objectives

Objectives related to climate change mitigation and adaptation

E1-4

Outside the internal objectives set by the Environmental Management System adopted by the Group, there are no measurable, public objectives related to climate change. However, the definition and monitoring of its Corporate Management System has allowed the Cembre Group to define specific internal objectives and KPIs for the periodic monitoring of its environmental performance, with a particular focus on climate change mitigation in the medium term. These targets include both general targets related to the development of the plants, in order to assess the benefit brought by each project, and specific targets for each production department, updated monthly and modulated according to the results obtained in previous periods.

Energy consumption and energy mix

E1-5

	Energy consumption and energy mix	2024
1	Fuel consumption from coal and coal products (MWh)	-
2	Fuel consumption from crude oil and petroleum products (MWh)	4,745.08
3	Fuel consumption from natural gas (MWh)	3,664.39
4	Fuel consumption from other non-renewable sources (MWh)	-
5	Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired (MWh)	5,259.77
6	**Total energy consumption from fossil sources (MWh) (sum of rows 1 to 5)**	13,669.24
	Share of fossil sources in total energy consumption (%)	**62.81%**
7	**Consumption from nuclear sources (MWh)**	459.68
	Share of nuclear sources in total energy consumption (%)	**2.11%**
8	Fuel consumption for renewable sources, including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	-
9	Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired (MWh)	4,344.10
10	Consumption of self-generated non-fuel renewable energy (MWh)	3,290.40
11	**Total energy consumption from renewable sources (MWh) (sum of rows 8 to 10)**	7,634.50
	Share of renewables in total energy consumption (%)	**35.08%**
	Total energy consumption (MWh) (sum of rows 6, 7 and 11)	21,763.42

Table 10 - Total energy consumption

The energy mix used for electricity supply is determined by analysing different sources, depending on the location.

The reported data were extracted from the official website of the Association of issuing bodies (AIB) (https://www.aib-net.org).

The classification of purchased energy from renewable and non-renewable sources was done by considering residual mix data. Following a precautionary approach, the residual share of energy from renewable sources on the market, net of the shares covered by a guarantee of origin[4], was attributed to natural gas as a

[4] source: www.aib-net.org

fossil source, in the absence of precise details on its actual use. This method ensures an accurate and transparent analysis of the energy sources used.

Furthermore, in the above table, energy consumption data have been disaggregated by fuel type as the Group is among the companies operating in high climate impact sectors, with NACE code 27.90.09 belonging to category C of the sectoral classification (manufacturing activities).

The conversion factors used are as follows:

Source	**Conversion factor**
Diesel	11.91 MWh/t
Petrol	11.98 MWh/t
Natural Gas	0.0098 MWh/m³
LPG	12.74 MWh/t

The natural gas conversion factor is calculated starting from:

- the calorific power of natural gas, as obtained from the table of standard national parameters of coefficients used for the inventory of CO_2 emissions in the national inventory UNFCCC (average values 2021-2023), equal to 0.035584 GJ/stdm³;
- and the conversion factor from GJ to MWh, which in technical literature is 0.27778.

Energy intensity	**2024**
Energy consumption MWh	21,763.42
Net revenue €/000	229,713
Energy intensity	**0.095**

Table 11 - Energy intensity

Energy intensity is calculated as the ratio of total energy consumption, corresponding to the sum of direct consumption and indirect consumption and net revenues consolidated in thousands of euro:

$$\frac{\text{Energy consumption}}{\text{Net revenue in thousands of €}}$$

Gross Greenhouse Gas (GHG) emissions of scope 1, 2, 3 and total GHG emissions

E1-6

Cembre is committed to increasingly accurate measurement of its organisation's Carbon Footprint. After consolidating the calculation of GHG Scope 1 and Scope 2 emissions over the years, the goal of expanding the analysis to include the calculation of indirect GHG Scope 3 emissions was achieved in 2024. This provided a complete picture of emissions, considering not only the company's direct activities, but also those along the entire value chain. In 2024, greenhouse gas (GHG) emissions were calculated in accordance with the GHG Protocol Framework. The analysis therefore focused on:

- Scope 1, which includes direct emissions from the company's activities;
- Scope 2, which considers indirect emissions related to the consumption of externally purchased or generated energy;
- Scope 3, which includes indirect emissions generated along the entire value chain, both upstream and downstream, providing a complete picture that integrates Scope 1 and Scope 2 emissions.

This breakdown ensures a thorough and transparent analysis of the overall climate change impact, providing a solid basis for possible future decarbonisation strategies.

It should be noted that, at present, Cembre is not included in any regulated GHG emissions trading scheme, either Scope 1 or Scope 2.

The emissions value was obtained by applying the formula:

GHG emissions= A*FE*GWP

Where:

GHG emissions is the amount of emissions calculated in tonnes of CO_2 equivalent;

A is the activity data, specific to each emission category, e.g. quantity of fuel burned (kg), (m3), (l) or (ton);

FE (Emission Factor) is the amount of GHG emissions for each unit of activity;

GWP is the Global Warming Potential defined by the IPCC.

Greenhouse gas emissions (tCO2eq)	**2024**
SCOPE 1 (direct)	**2,077.83**
from Diesel	1,016.52
from Petrol	243.37
from Natural Gas	748.49
from refrigerated gases	69.45
SCOPE 2 (indirect)	
Electricity - Location based	2,232.84
Electricity – Market based	2,622.69
SCOPE 3 (indirect along the value chain)	111,507.0
1. Purchased goods and services	28,156.5
2. Capital goods	7,012.3
3. Fuel and energy activities (not included in Scope 1 or 2)	637.8
4. Upstream transport and distribution	1,824.4
5. Waste generated during operations	11.4
10. Transformations of products sold	73,865.0
Total emissions Scope 1, 2 (LB), 3	**115,817.7**
Total emissions Scope 1, 2 (MB), 3	**116,207.6**

Table 12 - Greenhouse gas emissions

The coefficients used to calculate direct emissions are taken from the national standard parameters table of coefficients used for the CO2 emissions inventory in the UNFCCC national inventory, obtained from ISPRA 2023 data:

	UoM	**Coefficients**
Diesel	t CO_2e/t	3.169
Petrol	t CO_2e/t	3.152
Natural Gas	t CO_2e/1000m^3	2.019

By contrast, for refrigerating gases, the following global heating potentials were used (GWP), whose source is the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC):

	UoM	GWP
Fgas - R410A	Kg CO2e/kg	2,255.5
Fgas - R404A	Kg CO2e/kg	4,728
Fgas - R407C	Kg CO2e/kg	1,907.93
Fgas – R32	Kg CO2e/kg	771

On the other hand, with respect to indirect emissions:

- for Location-based emission factors related to electricity supply the source is Terna 2019 for UK and US, and European Environment Agency (EEA) 2023 for other countries;
- for Market-based emission factors relating to electricity supply, the source is Residual Mixes 2023 published by the Association of Issuing Bodies (AIB) for European countries and Emissions & Generation Resource Integrated Database (eGRID) of the U.S. Environmental Protection Agency (EPA) for the USA.

Coming from different sources, it is possible that Location Based emission factors are higher than Market Based ones, as the methodologies used to estimate them are different. In these cases, specifically for France and the USA in this document, the same value of the Location Based factor is used to calculate the emissions for both approaches, as required by the GHG Protocol.

Country	UoM	Location Based	Market Based
Italy	t CO2e/MWh	0.225	0.501
United Kingdom	t CO2e/MWh	0.261	0.388
France	t CO2e/MWh	0.05	0.05
Spain	t CO2e/MWh	0.158	0.282
USA	t CO2e/MWh	0.374	0.374
Germany	t CO2e/MWh	0.329	0.720

Regarding Scope 3 emissions, Cembre conducted a materiality analysis to assess which categories were applicable and material to the Group.

Indirect emissions along the value chain[5] were calculated using emission factors published by:

- UK full dataset 1990 - 2021, including conversion factors by SIC code
- UK Department for Environment Food & Rural Affairs 2024
- Ecoinvent database version 3.9.1 used via Simapro software with cut-off approach

The scope 3 calculation includes the following 7 categories:

Emissions from the purchase of goods (category 1) were calculated using the SimaPro software, based on the Ecoinvent database, and measured according to the quantities actually used.

The emissions associated with category 1 (purchase of services), 2, 4, 10 and 12 were estimated by multiplying the direct cost or turnover associated with each type of service (expenditure on services for category 3.1, expenditure on capital goods for 3.2, expenditure on the transport of goods in and out of the country for 3.4, economic value of semi-products sold for 3.10, economic value of products and semi-products sold for 3.12) by the corresponding emission factor. This coefficient was determined by reference to the category indicated in table SIC_multipliers_2021 of the UK Government Conversion Factors for Company Reporting.

The direct cost was converted into GBP using the average exchange rate for the reference year.

Emissions from fuel and energy related activities (category 3) and disposal and treatment of waste generated (category 5) were calculated using the latest version of DEFRA greenhouse gas conversion factors.

[5] the calculation methodologies for Scope 3 greenhouse gas emissions are subject to greater inherent limitations than those for Scope 1 and 2, due to the limited availability and relative accuracy of the information used to define this information, both quantitative and qualitative in nature, relating to the value chain.

GHG emission intensity based on consolidated turnover	**2024**
GHG emissions (location-based)	115,851.1
GHG emissions (market-based)	116,240.9
Net revenue €/000	229,713
GHG emission intensity (location-based)	**0.504**
GHG emission intensity (market-based)	**0.506**

Table 13 - GHG emission intensities

GHG emission intensity was calculated as the ratio of scope 2 location-based and market-based emissions to consolidated net revenue in thousands:

$$\frac{\text{GHG emissions}}{\text{Net revenue in thousands of €}}$$

Anticipated financial effects from physical and transition risks and from potential climate-related opportunities

E1-9

With regard to information on the types and quantification of the anticipated financial effects of physical and transitional climate risks assessed as material according to the Financial Materiality Analysis, the Group makes use of the transition period provided for in Appendix C of ESRS 1.

Pollution

ESRS E2

Managing impacts, risks and opportunities

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

IRO-1

Based on the Dual Materiality process carried out by the Group, significant impacts related to air, water and soil pollution emerged with regard to the Group's production sites.

For more information on the process followed to define pollution-related impacts, risks and opportunities, please refer to the disclosure requirement "Description of processes for identifying and assessing significant impacts, risks and opportunities" in the "General Information" chapter corresponding to ESRS 2 - IRO 1. It is specified that, in this analysis, both direct and indirect corporate activities, Group sites and operations were taken into account. Please refer to the disclosure obligation mentioned above for further details.

Cembre has developed and maintains an Environmental Management System that complies with the UNI EN ISO 14001 standard, is audited annually by independent third parties and uses a two-yearly Risk Assessment process that involves company management, while it does not consult with interested communities on the issue.

Policies related to pollution

E2-1

The Cembre Group's Corporate Policy, approved by the CEO and applicable to all persons in the Company, also attaches importance to the prevention and reduction of air, water and soil pollution. For this reason, the company has provided for different ways of monitoring and managing environmental data from the point of view of pollution:

- monthly monitoring for each production department of the chemicals used and waste produced. These data are related to production hours and/or the quantity of materials processed in order to obtain a clear and unambiguous set of performance indicators. This information is represented by means of special charts, distributed both to the Management and to each Department Manager, thus ensuring its dissemination to all the operators concerned;
- annual analyses to monitor the concentration of pollutants emitted into the atmosphere, ensuring compliance with the limits set by the regulations in force, and periodic checks on the proper functioning of the plants;
- bi-annual analyses to monitor the concentration of pollutants emitted into the water, ensuring compliance with the limits set by current regulations;
- periodic verification of the integrity of the containers and containment tanks used for temporary storage of waste, ensuring compliance with environmental protection standards in accordance with current legislation.

The Cembre Group's Corporate Policy does not cover indirect operations and has not involved external stakeholders. Furthermore, the policy does not refer to external standards or initiatives.

Actions and resources related to pollution

E2-2

Cembre is committed to mitigating environmental pollution through constant monitoring of its plants and their periodic maintenance. The storage, handling, use and disposal of hazardous and chemical substances are carried out by following rigorous procedures that are checked periodically and updated, when necessary. Polluting substances are kept in dedicated areas, segregated with respect to the other materials needed for the production process. The personnel involved in the management are specifically trained and instructed.

Plant conformity is guaranteed through the continuous update and application of the management system, which requires frequent, scheduled emissions monitoring, including with the support of specialised consultancy firms. Moreover, the continuous renewal of the production lines prevents the risk of obsolescence and wear and tear of machinery.

In addition to the traditional management approach adopted by Cembre, no additional actions are reported for 2024.

Metrics and objectives

Objectives related to pollution

E2-3

To date, the Cembre Group has no public targets for air, water and soil pollutant emissions. However, as part of its Environmental Management System according to ISO 14001, Cembre tracks its performance on this issue through the introduction of specific KPIs, such as the one related to the reduction of the amount of effluent discharged into the sewerage system after the purification process for the new galvanic plant, in relation to the volume of water withdrawn. The Group also monitors the values of released pollutants with reference to legal limits.

Pollution of air, water and soil

E2-4

A review of emissions to air and water was carried out, assessing the quantities of substances released as indicated in the AUA (single environmental authorisation) management deed no.1971/22. The values measured were below the thresholds set out in Annex 2 of Regulation (EC) No. 166/2006.

It is also pointed out that no specific micro-plastics are used in the production processes.

Finally, activities are managed in such a way as to prevent the accidental release of substances into the soil. The risk of contamination is further mitigated through regular audits conducted as part of the Environmental Management System, which ensure regular monitoring and full compliance with environmental standards.

Water and marine resources

ESRS E3

Managing impacts, risks and opportunities

Description of processes to identify and assess material impacts, risks and opportunities related to water and marine resources

IRO-1

Based on the Dual Materiality process carried out by the Group, the following impact emerged as material: potential negative impacts on ecosystems and local communities due to excessive water use during industrial and civil processes near water-stressed areas.

For more information on the Group's process for identifying impacts, risks and opportunities, please refer to the disclosure requirement "Description of processes for identifying and assessing material impacts, risks and opportunities" in the chapter "General Information" corresponding to ESRS 2 - IRO 1.

The identification of the water-related impact took place following a mapping of the Group's sites within the Aqueduct tool(https://www.wri.org/aqueduct), which showed that the Brescia plant and the sales companies in Spain, Germany and America are classified as water stress areas, according to a 'high' or 'extremely high' range.

Cembre has developed and maintains an Environmental Management System that complies with the UNI EN ISO 14001 standard, is audited annually by independent third parties and uses a two-yearly Risk Assessment process that involves company management, while it does not consult with interested communities on the issue.

Policies related to water and marine resources

E3-1

Currently, the Group does not have a formalised, public policy for the management of water resources used by the Group. However, in 2023, the Cembre Group Corporate Policy was approved and formalised by the CEO. Disseminated and illustrated to all company personnel and made known to external stakeholders through publication on the Group's website, this deals with the principles inspiring Cembre, including the monitoring of the consumption of environmental resources used.

Actions and resources related to water and marine resources

E3-2

In terms of water protection, an intervention was implemented in 2024 to optimise the water system at the Cembre headquarters, which is the most significant in terms of water consumption and located in a water-stressed area. In particular, a section of the aqueduct was decommissioned, allowing the elimination of a section subject to significant leakage over the years. This has contributed to a reduction in water consumption, improving the efficiency of water resource management.

Metrics and objectives

Objectives related to water and marine resources

E3-3

At present, the Group has no measurable public objectives related to water resource management.

However, through its Environmental Management System in accordance with ISO 14001, Cembre monitors its performance related to water management through reference to specific internal KPIs, including supplying the cutting department's washing machines with purified water instead of well water, reducing the consumption of well water for washing connectors or for production and watering.

Water consumption

E3-4

Water withdrawal, consumption and discharge (m_3)	All areas	Water-stressed areas
Total water consumption	4,030.60	3,851.00
Total recycled and reused water	0.00	0.00
Total stored water	0.00	0.00

Table 14 - Water withdrawals, consumption and discharges

Within this analysis, the Group's Chinese headquarters was not considered, as it is not reported for environmental information.

The data considered in Table 14 were calculated based on estimates taken from the bills for each of the Group's locations.

Water intensity	2024
Water consumption m^3	4,030.60
Consolidated net revenue €/000	229,713
Water intensity	**0.018**

Table 15 - Water intensity

Water intensity is calculated as the ratio of total water consumption to consolidated turnover in thousands of euro:

$$\frac{\text{Water consumption}}{\text{Net revenue in thousands of €}}$$

Resource use and the circular economy

ESRS E5

Managing impacts, risks and opportunities

IRO-1

The Group has identified the following significant impact related to waste: potential soil occupation and water and air pollution due to incorrect treatment of waste generated during production activities.

In terms of risks, the following risks related to inflows of resources have been identified:

- operational risk of delays due to the limited availability of virgin raw materials and primary resources of the Group;
- Operational risk due to commodity price volatility.

The listed impacts and risks were assessed on the basis of the mapping of the Group's main activities and the locations in which it operates.

For more information on the definition of impacts, risks and opportunities related to resource use and the circular economy, please refer to the disclosure requirement "Description of processes for identifying and assessing material impacts, risks and opportunities" in the chapter "General Information" corresponding to ESRS 2 - IRO 1.

Cembre has developed and maintains an Environmental Management System that complies with the UNI EN ISO 14001 standard, is audited annually by independent third parties and uses a two-yearly Risk Assessment process that involves company management, while it does not consult with interested communities on the issue.

Policies related to resource use and the circular economy

E5-1

The Cembre Group's Corporate Policy, approved and formalised in 2023 by the Chief Executive Officer, deals with the principles by which Cembre is inspired, including the management of material used by incentivising its recycling as opposed to the use of virgin material. The document is disseminated and explained to all company personnel and made known to external stakeholders through publication on the Group's website.

This Policy applies to all Group companies, including therefore the production sites, which are responsible for generating the most significant quantities of waste, and is approved by the Chief Executive Officer.

There is no reference in the document to the purchase or procurement of renewable resources.

Actions and resources related to resource use and the circular economy

E5-2

Cembre has drawn up instructions to ensure proper waste management, from collection to disposal. In addition, the company raises awareness among its employees on a daily basis, providing them with containers for the separate collection of paper/cardboard, plastic, dry, glass/can and organic waste, as well as bins for toner and alkaline batteries.

Metrics and objectives

Objectives related to resource use and the circular economy

E5-3

To date, the group has no public targets for the management of waste produced. However, through its Environmental Management System according to ISO 14001, Cembre has defined specific KPIs through which it monitors its performance with regard to waste management. In particular, these concern the reduction of waste production through the removal of the softener in the cutting department and from the cleaning of the washing machines, and the reduction of the consumption of whole oil for the production of connectors in relation to the material processed through the recovery of part of the oil residues removed from the connectors during the washing process.

Resource outflows

E5-5

The table below shows the figures for waste produced by the Cembre Group in 2024. It is emphasised that there is no radioactive waste and that, by 2024, 80% of the waste generated will have been recycled.

Waste produced (kg)	2024
Total hazardous waste	**514,614.00**
of which sent for re-use	-
of which for recycling	231,494.00
of which for composting	-
of which for recovery (including energy recovery)	6,359.00
of which injection into a deep well	-
of which for landfill	258,000.00
of which for incineration (mass burning)	18,761.00
Other	**-**
Temporary storage and/or warehousing in the previous year	**-**
Total non-hazardous waste	**1,156,736.00**
of which sent for re-use	28,962.00
of which for recycling	1,079,190.00
of which for composting	-
of which for recovery (including energy recovery)	23,069.00
of which injection into a deep well	-
of which for landfill	8,960.00
of which for incineration (mass burning)	10,630.00
Other	**5,925.00**
Temporary storage and/or warehousing in the previous year	**-**
Total waste	**1,671,350.00**
of which: Total quantity of radioactive waste	-
% Total non-recycled waste	**19.85**

Table 16 - Waste produced

The data included in Table 16 are derived from point measurements of the quantities of waste delivered, declared in the Single Environmental Declaration Form (MUD).

The non-hazardous waste generated by Cembre comes mainly from the cutting and moulding processes of connectors, as well as from mechanical processing for the production of tool components and cable glands.

In particular, 70% of this waste is made up of metal and plastic scrap, including EER 120103 ('Brass, aluminium and copper scrap'), EER 120101 ('Iron/iron+aluminium turnings') and EER 120105 ('Polycarbonate scrap, waste and residues').

Approximately 20% of non-hazardous waste comes from wood packaging (EER 150103), mainly from packaging waste used for the delivery of ferrous and non-ferrous materials.

The remaining 10% is made up of different types of waste of lesser incidence.

The hazardous waste generated by Cembre comes mainly from tinning and purification processes, mechanical processing and washing operations. Specifically, about 42% of hazardous waste is from tinning and purification processes and consists of waste classified as EER 110105* 'Acid eluate' and EER 060502* 'Filter press sludge'.

Mechanical processing and the connector washing process contribute about 43% to the generation of hazardous waste, mainly in the form of EER 120109* 'Oily sludge'. Of this, 6% is made up of waste EER 060313* "Salts and their solutions containing metals" from softeners, while the remaining 9% is made up of different types of waste with a lower incidence.

Anticipated financial effects from risks related to the circular economy and resource use

E5-6

With regard to information on the types and quantification of the expected financial effects of risks assessed as material according to the Financial Materiality Analysis on circular economy and resource use, the Group makes use of the transition period provided for in Appendix C of ESRS 1.

Social information

Own workforce

ESRS S1

Strategy

Stakeholders' interests and opinions

SBM-2

Among the stakeholders identified by Cembre, the workers in its workforce constitute a key group. In defining its strategy and business model, the Group promotes an ongoing dialogue with employees in order to understand their needs and expectations, while ensuring the protection of their human and labour rights.

The listening and involvement tools adopted, as well as the expectations of employees, are detailed in the chapter 'General Information', under the paragraph 'Stakeholders' interests and opinions'.

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

SBM-3

The dual materiality analysis conducted by Cembre highlighted the following actual or potential material impacts on its workforce. For further details see ESRS 2:

- Negative impacts on workers' health and safety related to the consequences of workplace accidents.
- Potential negative impacts on employees caused by incidents of disrespect for human rights due to unfair labour practices.
- Potential negative impacts related to the failure to respect and safeguard diversity, gender equality and equal pay for work of equal value and the inclusion of people from protected categories.

- Negative impacts on employees and collaborators due to the lack of specific welfare and benefits plans (e.g. hour flexibility, smart working and work-life balance protection) and technical-professional development activities (e.g. development of technical and transversal skills) for Group employees.

These impacts are closely linked to the company's business model. In particular, negative impacts on workers' health and safety are related to the company's business model as they may arise from the metalworking activities carried out within the company. In fact, these operational processes require a high level of attention and adequate preventive measures to ensure a safe working environment that complies with current regulations. The occurrence of such impacts could affect the current health and safety strategy of Cembre.

Potential impacts on employees resulting from a failure to respect human rights or diversity and equal opportunities depend directly on the company's strategy, which is aimed at protecting these aspects and creating a fair and inclusive working environment. These principles are upheld within the Group Code of Ethics and supported by the whistleblowing reporting system.

Finally, the potential impacts of the absence of further welfare plans may also derive from current company policy and could influence the company's future strategic choices in this regard.

From the results of the Financial Materiality process, no material risks or opportunities related to the own workforce emerged.

The Group's workforce subject to material impacts includes both employees and non-employees, in particular trainees and temporary workers. Significant negative impacts identified are related to the Cembre type of business and not related to individual incidents, while no significant positive impacts or impacts related to environmental transition plans emerged.

No operations with a serious risk of forced or child labour were found. Despite this, the Cembre Group's Code of Ethics reaffirms the rejection of all forms of child and forced labour throughout the value chain.

In the case of negative health and safety impacts, workers employed in production are more exposed than administrative personnel as they are in direct contact with machinery, tools or process materials. Consequently, also at geographical level, the risk is greater in locations that host production facilities, i.e. Cembre S.p.A. in Italy and Cembre Ltd. in the United Kingdom.

Moreover, with regard to the potential negative impacts of not respecting and safeguarding diversity, workers belonging to minorities or protected categories may be more vulnerable. From the results of the Financial Materiality process, no risks or opportunities related to the own workforce emerged, so paragraph 16 of ESRS S1 is not applicable.

Managing impacts, risks and opportunities

Policies related to own workforce

S1-1

In order to effectively manage the material impacts related to its own workforce, Cembre adopts a structured approach based on its Corporate Policy, the responsibility for which lies with the Company Management. The principles and guidelines of this policy are discussed in more detail in the chapter 'Environmental Information', under the paragraph 'Policies related to climate change mitigation and adaptation'. Within the framework of this policy, Cembre is actively committed to promoting the empowerment, involvement, participation and listening of its employees, as well as strengthening awareness on occupational health and safety issues. The company adopts an integrated approach involving all organisational levels through targeted training activities, systematic risk analysis and reduction, and the provision of safe and healthy working environments.

In order to concretely translate the objectives of the Company Policy, plan company processes, proactively manage risks and opportunities, and identify continuous improvement actions, Cembre has implemented a harmonised Company Management System, compliant with ISO 9001 (adopted at Group level) and ISO 45001 (for production units only). In particular, the company has adopted a structured system of operating procedures and instructions aimed at preventing accidents and injuries. This system is constantly monitored through internal and external audits, periodic reviews of targets by management and a continuous personnel training programme, thus ensuring continuous improvement in occupational health and safety performance.

The Group's employees and collaborators are among the addressees of the Code of Ethics, which was updated by the Board of Directors' resolution of 14 November 2024 and made publicly available on the company website. This document sets out fundamental principles and values that guide corporate conduct, with a strong emphasis on respect for personal dignity, privacy and the rights of every individual. In particular, the Code promotes a working environment in which men and women of different nationalities, cultures, religions and ethnicities cooperate in an atmosphere of mutual respect.

The Code also imposes respect for the principle of equality, prohibiting any form of discrimination or harassment, and actively upholds internationally recognised human rights, firmly rejecting all forms of child or forced labour as understood by the International Labour Organisation (ILO) Minimum Age Convention No. 138/1973. Consistent with these values, the Group does not tolerate discrimination or unfair treatment based on gender, race, disability, ethnic or cultural origin, religion or belief, age or sexual orientation. Through the Code, in fact, the Group aims to create and maintain a working environment modelled on the protection of human and fundamental rights, including guaranteeing the protection of the privacy of all employees. The document is inspired by international documents such as the UN Guiding Principles on Business and

Human Rights and the ILO Declaration of Fundamental Principles and Rights at Work.

To reinforce this commitment, the Group defines its relationship with its employees through corporate policies based on respect, trust and the enhancement of skills, promoting professional development through targeted training programmes and recognising individual merits and capabilities in line with the principles of its code of ethics and corporate policy.

Processes for engaging with own workers and workers' representatives about impacts

S1-2

In order to promote an effective and constructive interaction between top management and employees, Cembre implements an articulated stakeholder engagement process, as detailed in the section "Stakeholders' interests and opinions".

In this context, the Group adopts an approach that includes, on an annual basis, both individual interviews with employees, aimed at performance evaluation and professional development, and collective meetings dedicated to providing a transparent overview of the company's performance, future strategies and growth objectives. These initiatives aim to foster open dialogue, strengthen a sense of belonging and stimulate a collaborative working environment. The relevant Directors, having received the approval of the administrative bodies, are responsible for the organisation and implementation of these initiatives.

In addition, there are employee representatives at some of the Group's locations to ensure that the interests and needs of employees, including human rights issues, are protected. For details on the percentages of workers covered by this form of representation, please refer to the section 'Coverage of collective bargaining and social dialogue'. There are currently no systems in place to evaluate the effectiveness of individual interviews or collective meetings. As these initiatives are aimed at the entire corporate population, no special mechanisms have been implemented to obtain feedback from the most vulnerable groups in the company's own workforce.

Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3

In order to identify and remedy any negative impact on its own workers, Cembre has defined a whistleblowing reporting system, which provides for a specific process for managing internal reports, comprising the following phases:

- Receipt of report;
- Verification of procedural feasibility;
- Verification of eligibility;
- Investigation and assessment of the report;
- Feedback to the reporter.

In addition, an ad hoc process has been defined to handle cases of reports concerning corporate bodies and conflict of interest situations.

To report alleged misconduct, three different reporting channels are made available: internal, external or public disclosure, to be used in a progressive and subsidiary manner. In particular, with regard to the internal reporting channel, a dedicated online portal and an oral channel via voice messaging system were set up. Reports will always be treated with respect for the privacy and anonymity of the respondents.

Finally, having received the report with the outcome of the investigation and assessment phase of the report, the Chair of the Board of Directors decides whether to initiate disciplinary proceedings against the persons reported, who are deemed responsible for the breach or unlawful conduct following the analysis carried out and the assessment carried out also in the case of personnel-related issues.

The presence of the aforementioned channels is communicated to all employees by displaying material information both in the workplace and on the company website, as well as provided when hiring a new employee. In addition, specific training on whistleblowing is also included in the personnel training plans provided by the Company.

Annually, the reporting manager prepares a report summarising the reports received during the year, the analysis performed and the outcome of the reports in order to monitor the issues raised and ensure the effectiveness of the reporting channels.

To date, there are no specific processes or mechanisms in place to assess the level at which the Group's people consider the reporting systems provided to be reliable. More information on the systems by which the confidentiality of the reporting subject is ensured can be found in the chapter 'Policies on corporate culture and business conduct' of this document.

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

S1-4

In accordance with the principles defined in its Corporate Policy and Code of Ethics, Cembre has implemented various actions to mitigate as far as possible the negative impacts generated or that could occur on its workforce.

Below are the initiatives of particular relevance to Cembre, divided into three macro-themes: training, welfare and health and safety in the workplace.

These initiatives, in line with the principles enshrined in the Group's Code of Ethics, are implemented with full respect for human rights and workers' rights. The provision takes place ensuring equal opportunities for all, without any gender distinction, to protect dignity and inclusion.

The actions described represent activities already implemented in 2024 and, at present, do not include structured planning with specific objectives and dedicated budgets for future years.

Training

Cembre is committed to providing its employees with comprehensive and customised training in line with their duties and seniority level in accordance with the internal procedures of the Integrated Company System and without making gender distinctions, guaranteeing equal opportunities also in terms of diversity.

Training takes place in several stages:

- upon recruitment: new employees are trained on their specific tasks and company protocols;
- in the event of a change in assignments: employees receive specific training for their new role;
- when updating or changing procedures, processes, machinery or technology: training ensures that employees are always up-to-date with the latest developments.

The company defines minimum requirements for experience, preparation and training for the different tasks, specifying the education, information and training and the related responsibilities. In this way, Cembre ensures that its employees have the necessary skills to perform their work to the best of their ability and to grow professionally within the company.

The Personnel Department coordinates the training of employees, recording participation in courses and verifying their effectiveness through evaluation. Thus, individual progress is measured and areas for improvement are identified, outlining customised development paths. This training plan also makes it possible to avoid contributing to or minimise any negative impact on Group employees related to a potential lack of technical and professional development activities.

In 2024, Cembre confirmed its commitment to the continued growth of its employees by offering 'open' subscriptions to e-learning course libraries. In this way, employees have the opportunity to choose and follow both professional and personal development paths in line with their needs and aspirations.

The effectiveness of the training is evaluated by the head of function at the end of the training and through satisfaction questionnaires dedicated to the individual courses.

Company welfare

To preserve and promote the well-being of its employees, Cembre S.p.A. offers a range of services and initiatives aimed at reconciling the demands of daily life with work commitments. This includes taking into account the family sphere and childcare responsibilities, supporting the maintenance of good psychophysical health, simplifying daily tasks, both in terms of time and financial resources, and promoting leisure activities and initiatives of an artistic and cultural nature. All initiatives are set out in specific internal documentation shared periodically through corporate communication channels.

Employee welfare initiatives launched or continued in 2024 covered the following aspects:

- economic support for newly-weds and new parents: Cembre S.p.A. offers financial support to employees who marry or become parents, showing attention to the highlights of their employees' private lives;
- sustainable mobility, in cooperation with local public transport bodies, Cembre S.p.A. offers season tickets at favourable rates to encourage the use of public transport and reduce environmental impact;
- green mobility incentive scheme, which rewards cycling to work, promoting healthier and more sustainable mobility;
- incentives for the purchase of electric vehicles and the possibility of recharging them at subsidised rates at the company;

- collaboration with a Tax Assistance Centre for filling in tax returns at the company's premises at reduced rates;
- agreement with a Patronage entity to provide free social security assistance at the head office;
- annual free flu vaccination campaign in cooperation with Fondazione Poliambulanza;
- counteracting the increase in expenses by offering free meals at the company canteen, assuming the workers' share for the entire year;

In addition, the following family-oriented initiatives were implemented:

- possibility of requesting leave for family reasons of care and assistance to relatives, facilitating the reconciliation of work and private life;
- voucher for the children of employees, who attend secondary school with good results;
- scholarships for deserving children attending high school and university;
- distribution of toys to employees' children up to 10 years old.

In 2024, Cembre S.p.A. confirmed its commitment to the WHP network 'Workplaces that promote Health', an initiative promoted by the Lombardy Region and ATS of Brescia. Through its membership, Cembre is committed to ensuring a working environment that is not only safe and productive, but also oriented towards the well-being and health of its employees.

In addition to the initiatives already in place, such as the promotion of sustainable mobility and the support of the certified competent doctor in the "Minimal advice and/or motivational counselling" approach, Cembre S.p.A. offers healthy food options in the canteen and refreshment areas of its Brescia headquarters. In addition, it has set up agreements with local sports clubs and organised walking groups to promote a more active lifestyle.

In 2024, Cembre S.p.A. introduced new initiatives aimed at supporting tobacco cessation, combating addictive behaviour and promoting cancer prevention, with a specific focus on breast and prostate cancer.

Finally, in September 2024, a company smart locker was installed for the exclusive use of employees, offering a further service to improve the well-being and quality of working life.

These concrete initiatives demonstrate the proximity of Cembre to its employees and its commitment to creating a safe and serene working environment.

At the moment, the effectiveness of the initiatives is periodically evaluated by monitoring the number of accessions to individual actions.

Health and safety

Cembre has made the protection of Safety a distinctive element of its business and corporate approach, guaranteeing products of the highest quality. The attention paid to health and safety issues is reflected not only in the production of safe products, but also in the commitment to all people in the Group. This commitment is expressed through an organised management of the Health and Safety system, which aims both to respond positively and concretely to the needs of all stakeholders, and to ensure increasingly healthy and safe working environments for Cembre employees and for all persons who, for various reasons, access the workplace. The aim is to prevent the occurrence of accidents, occupational diseases and near miss situations.

The Cembre Group is committed to mitigating, where possible, the potential impacts generated relating to the health and safety of its employees and customers. In line with the principles of the Group's Code of Ethics, current regulations and the ISO 45001-compliant Management System, Cembre has adopted a system of procedures and operating instructions to prevent accidents and injuries. Moreover, the Management System is subject to continuous monitoring through internal and external audits, verification of objectives by Management and continuous personnel training.

The Employer of Cembre S.p.A., assisted by its collaborators, conducts and documents an in-depth analysis of the risks associated with company processes, identifying any hazardous situations. On the basis of the Risk Assessment Document, and with the aim of preventing or at least mitigating the identified potential threats, they work to implement the necessary actions. These may include the adoption of Personal Protective Equipment (PPE), the promotion of specific training opportunities, intervention in equipment and changes in operating methods, all aimed at effectively reducing identified risks.

Cembre pays particular attention to the working environment, ensuring comfortable and safe conditions for carrying out work activities. It also promotes awareness of the importance of protecting the environment and working conditions, involving both internal and external personnel.

In 2024, the safety training process started in 2023 was extended. In each department, critical safety issues are checked in operations and employees are trained on how to deal with them, with the support of an external expert.

Cembre constantly monitors indicators of near misses (potential incidents), accidents and injuries. The reports, duly collected and analysed, make it possible to identify solutions to limit dangerous situations and prevent their recurrence. Data processing takes place annually at the Management Review and the Workers' Health and Safety Meeting. The results are presented to the management and to internal and external interested bodies.

In order to verify the effectiveness of the actions implemented during the year, stakeholder engagement initiatives are again carried out for employees.

Metrics and objectives

Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

S1-5

To date, Cembre has neither quantitative nor qualitative targets related to the management and monitoring of the impacts generated on the Group's people. However, the company recognises the importance of these aspects and is committed to developing appropriate strategies and tools in the near future to ensure a more structured approach to managing its employees.

Characteristics of the undertaking's employees

S1-6

Quantitative information on Cembre employees in 2024 is given below. The figures refer to the number of registered employees as at 31.12.2024 and are expressed in headcount.

All the metrics indicated in this paragraph were obtained from the managers of the Group companies and validated by the Parent Company, as reported in the chapter 'General Information' in the section 'Strategy, Business Model and Value Chain'.

Personnel by company (headcount)	2024		
	female	male	total
Cembre S.p.A.	125	384	509
Cembre S.a.r.l. (F)	13	22	35
Cembre GmbH (D)	17	47	64
Cembre España S.L.U. (E)	7	41	48
Cembre Ltd. (UK)	32	91	123
Cembre Inc. (USA)	11	27	38
Cembre El. Conn. Shanghai Limited (CN)	0	1	1
Total	**205**	**613**	**818**

Table 17 - Personnel by company

The average number of employees in 2024 was 903. For more details, please refer to section 24 'Personnel Costs' of the Group's Annual Report 2024.

Personnel by contract type (headcount)	2024		
	female	male	total
Full time	174	599	773
Part time	31	14	45
Total	**205**	**613**	**818**

Table 18 – Personnel by contract type

Personnel by contract term (headcount)	2024		
	female	male	total
Permanent	200	583	783
Fixed term	5	30	35
Personnel with non-guaranteed hours	0	0	0
Total	**205**	**613**	**818**

Table 19 - Personnel by contract term

Turnover rate (headcount)	2024
	total
Outgoing personnel	101
Total number of persons (reference ESRS S1-6)	818
Turnover rate[6]	**12.3%**

Table 20 - Turnover rate

[6] The turnover rate is calculated as the ratio of the number of dismissals in the year 2024 to the total number of employees as at 31/12/2024

Characteristics of non-employee workers in the undertaking’s own workforce

Below is information on the number of non-employee workers registered in the Group in 2024. The figures are expressed in headcount and refer to the number of workers within Cembre as at 31.12.2024.

S1-7

Temporary workers (headcount)	2024
Cembre S.p.A.	84
Cembre S.a.r.l. (F)	7
Cembre GmbH (D)	0
Cembre España S.L.U. (E)	4
Cembre Ltd. (UK)	4
Cembre Inc. (USA)	0
Cembre El. Conn. Shanghai Limited (CN)	0
Total	**99**

Table 21 - Temporary workers

In the calculation of non-employees of the Cembre Group, temporary workers and trainees, including students in work-school alternation present as at 31 December 2024, were taken into account. Temporary workers, in particular, are generally hired on contracts of varying lengths (6, 8 or 12 months), which ensures their continuous presence for much of the year.

Coverage of collective bargaining and social dialogue

S1-8

The employment contracts applied to all Cembre SpA employees are the Italian National Collective Bargaining Agreements "CCNL Industria metalmeccanica e della installazione di impianti" and "CCNL Dirigenti Industria". In accordance with the provisions of the national bargaining agreement, the company provides for a minimum notice period of two weeks for its employees, if moved from one place to another.

The employment contracts of the European subsidiaries Cembre Sarl (France), Cembre GmbH (Germany) and Cembre España SLU (Spain) are drawn up in accordance with the collective agreements of the sector and the regulations in force in the various countries. In France, the minimum notice period is set at four weeks, while in Spain it is two weeks. In Germany, the minimum notice period is stated in the contract with the employee as it is an individual agreement. If the employment contract contains no rules or refers to the law, the statutory notice period of four weeks applies. Furthermore, for Cembre GmbH, only the general manager and the COO are not covered by the works council with which the management agrees on new hirings, dismissals and in general matters of common interest to the company.

The non-European subsidiaries Cembre Ltd. (UK) and Cembre Inc. (USA) enter into employment contracts with their employees on an individual basis. In the UK, the minimum notice period is usually 4 weeks and can be extended to 12-24 weeks for personnel with a significant length of service. In the United States, on the other hand, four weeks' notice is given whenever possible. However, since there are no applicable collective bargaining agreements or contracts, there is no obligation.

The following table shows the collective bargaining coverage for employees of the Group's European locations. As shown, in all four European locations, 100% of employees are covered by collective bargaining, while the percentage of employees represented by union representatives varies according to location. It should be noted that there are no representation agreements by the European Works Council (EWC), the European Company (SE) Works Council or the European Cooperative Society (SCE) Works Council.

Collective agreements	**Cembre S.p.A.**	**Cembre S.a.r.l.**	**Cembre GmbH**	**Cembre S.L.U.**
% employees covered by collective bargaining agreements	**100%**	**100%**	**100%**	**100%**
% employees covered by workers' representatives	**100%**	**0%**	**96.9%**	**0%**
Total employees (reference to ESRS S1-6).	509	35	64	48
Workers covered by collective bargaining agreements	509	35	64	48
Workers covered by workers' representatives	509	0	62	0

Table 22 - Contractual agreements for the Group's European sites

As regards the Group's non-European locations, on the other hand, the following figures were recorded.

Collective agreements (unit of measure no.)	Cembre Ltd	Cembre Inc	Cembre El. Conn. Shanghai Limited
% employees covered by collective bargaining agreements	**0%**	**0%**	**100%**
% employees covered by workers' representatives	**0%**	**0%**	**100%**
Total employees (reference to ESRS S1-6).	123	38	1
Workers covered by collective bargaining agreements	0	0	1
Workers covered by workers' representatives	0	0	1

Table 23 - Contractual agreements for the Group's non-European sites

Diversity metrics

S1-9

The definition of top management in the Corporate Governance Code is as follows: "senior managers who are not members of the board of directors and have the power and responsibility for planning, directing and controlling the activities of the company and the group they head".

Based on this definition, the company considers that there are currently no top managers in the organisation chart as defined in the Corporate Governance Code 2020. Individuals with the aforementioned powers and responsibilities sit on the Board of Directors.

Top Management (unit of measure no.)	Female	Male	Total
Total	**0**	**2**	**2**
Percentage	**0%**	**100%**	**100%**

Table 24 - Top Management

The Cembre Group's Board of Directors is composed of eight members equally divided between women and men, representing 50% of the total respectively.

Board members (unit of measure no.)	Female	Male	Total
Total	**4**	**4**	**8**
Percentage	**50%**	**50%**	**100%**

Table 25 - Board members by gender and age group

Personnel by age group (unit of measure no.)	Total
<30 years	**190**
30-50 years	**394**
>50 years	**233**
Total	**818**

Table 26 - Personnel by age group

Adequate wages

S1-10

Employees of Group companies located in Italy (Cembre S.p.A.), in Spain (Cembre SLU), in France (Cembre Sarl) and in Germany (Cembre GmbH) are covered by national collective bargaining agreements or agreements with trade associations aimed at protecting a level of remuneration deemed adequate with respect to international benchmarks or applicable national regulations.

With regard to the Group's production site in the UK and the sales site in the US, the official government and labour sites set a minimum hourly wage that is considered adequate. In particular, in the US, the average wage is about twice the minimum wage. The new Chinese business site also provides for a collective bargaining system for the registered employee, which safeguards obtaining a fair wage.

It should also be noted that the average hourly remuneration analysed also in relation to the Gender Pay Gap indicator and detailed in the paragraph "Remuneration metrics (pay gap and total remuneration)", is higher than the minimums established by national regulations for all Group companies.

Social protection

S1-11

All Cembre Group companies cover their employees through the appropriate social protection instruments against loss of income due to major life events.

In particular, Cembre SpA, through specific public programmes (provided by INPS, INAIL, METASALUTE and FASI) covers workers for all the following events:

- illness;
- unemployment from the moment the own worker works for the enterprise;
- occupational injury and acquired disability;
- parental leave;
- retirement.

The aforementioned macro-categories of events are also covered by all other Group companies according to the legislation in force in the specific countries of reference, public programmes, the directives of the trade associations to which they belong and the corporate policies implemented by the individual company.

Persons with disabilities

S1-12

As at 31 December 2024, the Cembre Group had 24 workers with disabilities, corresponding to approximately 3% of its total workforce, as shown in the table below.

People with disabilities among employees subject to legal restrictions[7]	**Value**
Total number of persons with disabilities	24
Total number of persons (reference ESRS S1-6)	818
Percentage of persons with disabilities	**2.93%**

Table 27 - Persons with disabilities in the Cembre Group

[7] For methodological purposes, it should be noted that in the calculation carried out for Cembre SpA, only persons with disabilities were considered, not including the two protected categories present at the headquarters.

Training and skills development metrics

S1-13

Annual training hours by gender (unit of measure h)	2024	
	Training hours	Average hours
Female	3,471	16.9
Male	17,166	28
Total	**20,637**	**25.2**

Table 28 - Annual training hours by gender

Annual personal and corporate performance assessment interviews (unit of measure no.)	2024		
	Female	Male	Total
Personnel who participated in the interview	175	547	722
Total number of persons (reference ESRS S1-6)	205	613	818
Participation percentage	**85.4%**	**89.2**	**88.2**

Table 29 - Evaluation interviews

Health and safety metrics

S1-14

With regard to occupational health and safety performance in 2024, ISO 45001 validity checks were carried out and it was reconfirmed. In total, 77.3% of the Group's employees are covered by the Health and Safety Management System according to this certification.

The following table shows the data on occupational accidents recorded by the Cembre Group for the year 2024, divided between employees and non-employees. In particular, an overall occupational accident rate of 5.69 was calculated. In contrast, the mortality rate is zero.

Injuries at work	Employees	Non-employees	Total
Number of hours worked	1,437,485.18	145,568.23	1,583,053.41
Number of near misses	30	0	30
Number of high impact occupational accidents (> 6 months absence) excluding deaths	1	0	1
Number of deaths due to accidents at work or occupational diseases	0	0	0
Number of recordable occupational accidents, including fatalities	7	2	9
Rate of recordable accidents at work (base 1,000,000)	**4.87**	**13.7**	**5.69**
Rate of occupational accidents with serious consequences (base 1,000,000)	**0.70**	**0.00**	**0.63**

Table 30 - Accidents at work for employees and non-employees

For methodological purposes, it should be noted that the data on safety in the workplace were provided by the management software used by human resources, the company doctor's report and the files used for accident management.

Finally, the following table summarises the number of cases of occupational disease and days lost due to occupational accidents, occupational diseases and deaths due to illness.

Cases and lost working days due to injuries, accidents and deaths (employees)	Value
Number of documented cases of occupational disease	3
Number of days lost due to accidents at work, occupational diseases and deaths due to illness	549

Table 31 - Cases and lost working days due to injuries, accidents and deaths

Work-life balance metrics

S1-15

All Cembre Group employees are entitled to family leave in accordance with the specific national laws in force in their countries. Below are details of the number of employees who took family leave during 2024.

Employees who took family leave	Female	Male	Total
Number of employees who took family leave	29	47	76
Total number of employees (number of employees) (from S1-6)	205	613	818
Percentage of eligible employees who took family leave	14.15%	7.67%	9.28%

Table 32 - Employees who took family leave

Remuneration metrics (pay gap and total remuneration)

S1-16

The weighted average[8] of the gender pay gap in the Cembre Group, calculated as the percentage between women's and men's average gross hourly earnings, is 21.18%.

The Cembre Group's average remuneration ratio between the highest paid person and the average annual remuneration of all employees excluding the highest paid is 4.06.

In the calculation, the numerator includes the remuneration and bonuses received by the executive who is also a member of the Board of Directors, while the denominator takes into account the figures for all employees employed by Cembre in the reference year.

An approximate rate of 1.21 was used to convert the amount from GBP to euro (for Cembre Ltd.) while an approximate rate of 0.9702 was used to convert USD to euro (for Cembre Inc.).

It should be noted that the Chinese site was not included in the calculation of the indicators because only one employee was registered as at 31.12.2024.

[8] For the calculation of the weighted average hourly wages, each company of the Cembre Group was given a weight in proportion to the number of female and male employees. This method allows the impact of each company on the overall average figure to be more accurately reflected, taking into account its size in terms of workforce.

Serious human rights incidents, complaints and impacts

S1-17

In 2024, no serious human rights incidents, complaints or impacts were recorded at any Cembre Group site.

Workers in the value chain

ESRS S2

Strategy

Stakeholders' interests and opinions

SBM-2

The Group's strategy and business model, and thus its associated activities, can significantly affect workers along the value chain, contributing to the creation, aggravation or mitigation of significant impacts. For this reason, in defining its strategy and business model, the Group has implemented a qualification and evaluation process that also considers the working conditions offered to supply chain employees, whose needs must be listened to and whose human and labour rights must be safeguarded.

In addition, workers in the value chain are indirectly involved by Cembre through the more general involvement activities aimed at suppliers.

The listening and involvement tools adopted, as well as supplier expectations, are explained in detail in the chapter 'General Information', under the paragraph 'Stakeholders' Interests and Opinions'.

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

SBM-3

The dual materiality analysis conducted by Cembre revealed the following material impacts on employees in the value chain:

- Potential negative impacts on workers' health and safety related to the consequences of workplace accidents;
- Potential negative impacts on employees caused by incidents of disrespect for human rights due to unfair labour practices.

For both of the above categories, the impacts concern workers along the Group's value chain, engaged in the extraction and processing of raw materials purchased and used by Cembre. These impacts can be high because workplace accidents or incidents of forced labour, child labour and discrimination can cause serious, sometimes irreversible, effects on the quality of life of employees in the value chain.

These impacts are related to the Group's business model, characterised by the presence of suppliers operating in countries subject to regulations sometimes different from the European one, some of which are at risk of human and labour rights violations according to the classification against the SA8000 system[9]. Similarly, the Cembre current strategy and business model are also geared towards monitoring these aspects, favouring suppliers with solid commitments and policies towards the protection of human rights in their activities.

The significant negative impacts identified are spread along the entire value chain upstream of Cembre activities.

From the results of the Dual Materiality analysis, no significant positive impacts emerged concerning employees along the Group's value chain.

The Dual Materiality analysis did not identify any material risks or opportunities related to workers along the Group's value chain. For further details see ESRS 2.

[9] These countries include some of those on the African or Asian continents.

Managing impacts, risks and opportunities

Policies related to workers in the value chain

S2-1

To date, there is no Supplier Code of Conduct available from Cembre. However, the Group's Code of Ethics, approved by the Board of Directors and also available on the company website, contains the Group's active commitment to promote and protect internationally recognised human rights, working to eliminate all forms of discrimination. Through the document, applied to all those who work for or are linked to the Group, Cembre categorically rejects child and forced labour, prohibiting any commercial relationship with organisations that practice these forms of exploitation or with companies whose products come from areas where human rights are not adequately respected. No form of discrimination or unfair treatment based on gender, race, disability, ethnic or cultural origin, religion, personal beliefs, age or sexual orientation is tolerated.

In addition, in order to define specific prescriptions for quality, environmental and health and safety management, as well as social responsibility for suppliers of products and services to Cembre Group companies, a specific set of specifications (Chapter 1050) applicable to all supplies has been defined.

Each supplier is required to respect the fundamental principles that guide Cembre activities, as defined in the Code of Ethics. In particular, by formally accepting the specifications, it must ensure that its activities and product development comply with the requirements concerning human rights, working conditions, and the health and safety of workers.

In addition, Cembre adheres to the Conflict Minerals Rules with the objective of avoiding the purchase and use of minerals whose trade could finance or favour armed groups operating in Conflict Regions (Democratic Republic of Congo and neighbouring countries) or not certified as Conflict-Free.

The commitments undertaken through the aforementioned specifications pursue the principles of the United Nations (UN) Global Compact, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the Conventions of the International Labour Organisation (ILO) and the Charter for Sustainable Development of the International Chamber of Commerce (ICC).

In order to ensure and demonstrate compliance with the requirements of these specifications, the supplier must allow access to the plant and offices of both its own and any sub-suppliers, so that those in charge may verify the correct implementation of the requirements. In the event of serious and/or repeated non-compliance, Cembre reserves the right to take action, including suspension or termination of business relations with the supplier.

Finally, it is Cembre policy to favour suppliers with Quality, Environmental and Occupational Health and Safety Management Systems certified by independent and internationally recognised third-party bodies.

In 2024, there were no instances of non-compliance by Group suppliers with human rights requirements according to the United Nations (UN) Global Compact, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the International Labour Organisation (ILO) Conventions or the International Chamber of Commerce (ICC) Charter for Sustainable Development.

Processes for engaging with value chain workers about impacts

S2-2

As indicated in the section on 'Stakeholders' Interests and Opinions' in this chapter, the Group conducts stakeholder engagement activities to better understand the expectations and needs of its suppliers and thus indirectly also of the workers in its value chain.

At present, however, there is no direct and structured involvement with workers along the value chain, nor are there any framework agreements in place between the company and the workers' trade unions with which the Group cooperates on these issues.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-3

In order to identify and remedy any negative impacts on workers in the value chain, Cembre has defined a whistleblowing reporting system, which includes a specific process for handling reports.

In the event of a breach or unlawful conduct by third parties (consultants, collaborators, agents, customers, suppliers, contractors, subcontractors, etc.), the Company may avail itself of the termination clauses contained in contracts and letters of appointment for violations of the 231 Model and the Anti-Corruption Policy, where applicable. The return of any improper benefits received may also be required.

To communicate their concerns or needs, three different reporting channels are also made available to third parties: internal, external or public disclosure, to be used in a progressive and subsidiary manner. For additional information on this, please refer to the section "Processes to remediate negative impacts and channels for own workers to raise concerns" in the chapter "Own workforce".

The presence of the aforementioned channels is communicated to all parties concerned by displaying material information both in the workplace and on the company website.

Annually, the reporting manager prepares a report summarising the reports received during the year, the analysis performed and the outcome of the reports in order to monitor the issues raised and ensure the effectiveness of the reporting channels.

The Company is committed to communicating to all parties concerned the presence of its whistleblowing reporting system. However to date, no specific procedure has been implemented to monitor the awareness of the existence of such a system by workers in the value chain.

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

S2-4

As indicated in the section on "Policies related to workers in the value chain", in order to address the material impacts identified, Cembre undertakes to require all its suppliers to adhere to the principles of social protection defined in Specification 1050, through the completion of a specific checklist.

In order to concretely implement the requirements of the Code of Ethics and of Specification 1050, a Procurement and Supplier Approval Procedure was implemented, aimed at regulating not only the purchase of materials, products and services that influence the quality of Cembre S.p.A. supplies, but also at defining the criteria for evaluating and monitoring suppliers, in order to ensure compliance with contractual requirements, including those set forth in the Integrated Management System.

As part of this procedure, the Procurement Department at the annual Management Review defines whether suppliers of important products, processes or services include companies with production cycles with a high environmental or worker health and safety impact. If a supplier does not meet the security requirements, it will be classified as 'Not Qualified'.

Annually, with a view to business continuity and risk reduction, a specific audit of the health and safety risk of workers and the presence of procedures to mitigate these risks is defined for these suppliers. This verification may be conducted by means of audits, questionnaires or interviews under the responsibility of the Procurement Department, in cooperation with the relevant functions. The results are documented and brought to the attention of management and the functions involved.

At present, on-site audits can be conducted at suppliers if deemed necessary, with an exclusive focus on quality, prior to the start of a business relationship. However, a structured disclosure process to monitor possible human rights violations along the value chain has not yet been implemented, nor is systematic action planned for the mitigation of labour relations risks.

Metrics and objectives

Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

S2-5

To date, Cembre has not formalised specific objectives for the management of significant negative impacts related to workers along the value chain.

Communities concerned

ESRS S3

Strategy

Stakeholders' interests and opinions

SBM-2

Among the external stakeholders identified by Cembre, local communities and institutions constitute a key group. In defining its strategy and business model, in fact, the Group promotes an ongoing dialogue with them, in order to understand their needs and expectations, while ensuring the protection of their human rights.

The listening and involvement tools adopted, as well as customer expectations, are explained in detail in the chapter 'General Information', under the paragraph 'Stakeholders' Interests and Opinions'.

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

SBM-3

The dual materiality analysis conducted by Cembre showed positive impacts on local communities due to the implementation of job and training offers aimed at them and collaboration with schools and institutes. For further details see ESRS 2. This impact stems from the Group's strategy and business model and has significant effects since the initiatives promoted promote the creation of new job opportunities, including recruitment, internships and apprenticeships.

All local communities potentially subject to significant impacts by the company were considered for this analysis. In particular, the focus was on communities living and working in the vicinity of the Group's operational and commercial sites, with a specific focus on students and universities. By contrast, communities along the value chain and particular indigenous peoples were not considered.

On the other hand, no material negative impacts, impacts related to environmental transition plans or material risks or opportunities related to local communities were identified in the dual materiality analysis. Consequently, there was no correlation between them and the strategy and business model.

Managing impacts, risks and opportunities

Policies related to affected communities

S3-1

In order to effectively manage material impacts, risks and opportunities related to the protection of local communities, Cembre adopts a structured approach based on its Corporate Policy, the responsibility for which lies with the Company Management. The principles and guidelines of this policy are discussed in more detail in the chapter 'General Information', under the paragraph 'Stakeholders' Interests and Opinions', and in the chapter 'Environmental Information', under the paragraph 'Policies related to climate change mitigation and adaptation policies'.

In order to understand the needs and expectations of local communities and institutions that may affect these issues, specific involvement is also carried out, as indicated in the sections "Stakeholders' Interests and Opinions" and "Processes for engaging stakeholders on impacts" in this chapter.

In addition, in the case of negative impacts in terms of human rights, Cembre provides its whistleblowing system, which allows to raise concerns and remedy them in a structured and formalised manner.

Processes for engaging affected communities on impacts

S3-2

In order to better understand the expectations and needs of local communities and institutions, Cembre SpA carries out a stakeholder engagement activity that provides for the direct involvement of such communities through orientation and discussion activities, as well as awareness raising, for which there is currently no set frequency of analysis and evaluation of the effectiveness of involvement.

Schools, universities, local institutions, the public administration, local associations and people from the material cultural and social context are involved in carrying out these activities.

No significant impacts on indigenous peoples have been identified, so their involvement is not expected.

For further details on the modalities of dialogue and involvement, please refer to the chapter 'General Information' under 'Stakeholders' Interests and Opinions'.

Processes to remediate negative impacts and channels for affected communities to raise concerns

S3-3

Cembre has set up a whistleblowing reporting system, which allows to raise concerns and needs to the company and remedy them in a structured and formalised manner, through specific communication channels.

For more information on this system, please refer to the previous chapter "Workers in the value chain", under "Processes to remediate negative impacts and channels for value chain workers to raise concerns".

Taking action on material impacts on affected communities and approaches to manage material risks and achieve material opportunities for affected communities, as well as the effectiveness of these actions

S3-4

The Cembre Group has always maintained a strong relationship with the territory where it is based, making this link an added value and the beating heart of the entire company. Precisely by virtue of this territorial identity, the Group considers it fundamental to support the prosperity of the territory in which it operates by maintaining employment levels, promoting relations with local communities and creating shared value, thus contributing to the socio-economic development of the area.

In particular, Cembre S.p.A. actively invests in the training and growth of young people in the area, collaborating with Professional Institutes and Universities to offer curricular internships and school-to-work projects.

In 2024, several career guidance initiatives were promoted, including:

- company visits dedicated to students from Brescia universities and technical institutes, to offer direct experience of the world of work;
- participation in orientation fairs, such as 'SMART FUTURE BRESCIA 24' and 'DOMANI LAVORO', meeting over 700 students and more than 150 professionals in search of their personal and professional vocation.

Moreover, as every year, in 2024 Cembre S.p.A. welcomed several trainees, offering them a concrete opportunity for growth and training:

- 10 university students for curricular internships and thesis development in the company;
- 16 students from various Technical and Vocational Institutes in the province;
- 1 ITS Lombardy Mechatronics student, engaged in the alternation school-to-work periods foreseen in their course of study.

Through these initiatives, Cembre confirms its commitment to supporting the new generations and fostering an effective link between education and the world of work, including through the donation of supplies to educational laboratories for a total value of over 2,000 euro.

The Cembre Group also invests every year in the training of its end customers, with a main focus on technical skills. In 2024, more than 250 hours of training were provided.

Cembre S.p.A. is actively engaged in the promotion of social, medical, educational and territorial enhancement initiatives, with the aim of generating a positive impact and contributing to the sustainable growth of the communities in which it operates.

In 2024, the Group supported various charitable initiatives through donations totalling 56,500 euro to organisations such as Save the Children, Telefono Azzurro Rosa, Medicus Mundi, AIRC Foundation, San Vincenzo De Paoli Dormitory Association and MUSEKE Foundation.

Finally, Cembre is a member of different trade associations, to contribute to the creation of a more sustainable economic and social system, in the general interest.

Metrics and objectives

Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

S3-5

Cembre does not carry out formalised planning of activities and related objectives to be achieved in terms of community and land protection, nor does it define a specific annual budget.

Consumers and end users

ESRS S4

Strategy

Stakeholders' interests and opinions

SBM-2

Among the external stakeholders identified by Cembre, consumers and end users are a key group. In defining its strategy and business model, in fact, the Group promotes an ongoing dialogue with them, in order to understand their needs and expectations, while ensuring the protection of their human rights.

The listening and involvement tools adopted, as well as customer expectations, are explained in detail in the chapter 'General Information', under the paragraph 'Stakeholders' Interests and Opinions'.

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

SBM-3

The dual materiality analysis conducted by Cembre did not reveal any specific actual or potential material impacts on consumers and end users. In contrast, the following material risk was identified within the financial materiality analysis:

- Risk of increased complaints and reduced customer satisfaction due to potential damage to customers' health and safety from unsafe products.

The risk in question has a medium- to long-term perspective and is determined by the company's dependence on external factors related to customer satisfaction. For further details see ESRS 2.

There is an important correlation between the company's strategy and model and the risk itself, since inadequate product quality and safety control procedures, particularly in the testing phase, as well as errors in the quantity and/or quality of the goods produced, could result in defective products being delivered to the end customer. These could result in damage to their health and safety, with consequent legal and reputational costs for the Group and a reduction in customer satisfaction with products placed on the market, jeopardising its future performance and the loyalty of customers and end users.

With regard to the categories of consumers or end-users potentially negatively exposed to the aforementioned risks, there are no specific groups or particularly vulnerable categories on which the impact is of greater intensity. Finally, in the dual materiality analysis, no material opportunities due to consumers and end users were identified, and consequently no correlation with the company's strategy and model emerged.

Managing impacts, risks and opportunities

Policies related to consumers and end users

S4-1

In order to effectively manage material impacts, risks and opportunities related to consumers and end users of its products, Cembre adopts a structured approach based on its Corporate Policy, the responsibility for which lies with the Company Management. The principles and guidelines of this policy are discussed in more detail in the chapter 'Environmental Information', under the paragraph 'Policies related to climate change mitigation and adaptation'.

As part of this policy, Cembre is actively engaged in product quality control to safeguard the health and safety not only of its employees but also of the users of the products sold. To achieve this, the Group aims to involve all levels of the organisation through training, analysis and systematic risk reduction.

Furthermore, it is committed to the continuous improvement of its Corporate Management System, implemented to concretely translate the objectives of the Corporate Policy and proactively manage risks and opportunities in accordance with ISO 9001, aimed at improving customer satisfaction and the efficiency of business processes.

In order to understand the needs and expectations of consumers and end users that may affect these issues, specific involvement is also carried out, as indicated in the sections on "Stakeholders' Interests and Opinions" and "Processes for engaging consumers and end users on impacts" in this chapter.

In addition, in the case of negative impacts in terms of human rights, Cembre provides its whistleblowing system, which allows customers to express their concerns and remedy them in a structured and formalised manner.

Processes for engaging with consumers and end- users about impacts

S4-2

In order to better understand the expectations and needs of consumers and end users, the Cembre Group carries out a stakeholder engagement activity that provides for the direct involvement of consumers both in day-to-day relations and through specific surveys of customer needs for the development of new products, for which there is currently no pre-established frequency of analysis and evaluation of the effectiveness of engagement.

For further details, please refer to the chapter 'General Information', under the paragraph 'Stakeholders' Interests and Opinions'.

Taking action on material impacts on consumers and end users and approaches to managing material risks and the achievement of material opportunities related to consumers and end users, and effectiveness of those actions

S4-4

Cembre has made the protection of Safety a distinctive element of its business and corporate approach, guaranteeing products of the highest quality and turning its attention to health and safety issues, reflected in the production of safe products. For this reason, the Company Management System is subject to continuous monitoring through internal and external audits, verification of objectives by Management and continuous personnel training.

For the health and safety of the end consumer, Cembre implements strict controls, checks and validations right from the design phase. These controls ensure that the products:

- meet customer requirements in terms of fitness for purpose, user-friendliness, ergonomics and safety;
- comply with applicable legal requirements and standards, such as electromagnetic compatibility, noise and vibration.

Cembre also protects the health of consumers by checking that the materials of its products comply with current international directives (Reach, RoHS directives, etc.).

Subsequently, in order to verify customer satisfaction and manage the detection of complaints and non-conformities, a Management Review for the Company Management System is drawn up annually, describing the actions implemented, their state of completion and the objectives set and, if achieved.

Regardless of the area where the complaint occurs, it is handled with the highest priority and in a short time, following the steps indicated in the internal procedures and through the use of the dedicated platform. The process involves:

- opening of the Non-Compliance;
- analysis of the report with the involvement of the technical department;
- definition of treatment actions to contain the problem and corrective actions to permanently solve it;
- sending the file to the management and other departments involved.

In case of recurring problems on a particular component, quality meetings are organised to investigate the causes and implement improvement measures. To monitor the effectiveness of customer relationship management, KPIs and targets are defined, collecting results on customer satisfaction and loyalty.

Specific objectives are also set in the Review, which are explained in the following section: "Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities".

In 2024, Cembre did not record any cases of non-compliance with laws and/or regulations in relation to products and services provided, nor were there any cases of non-compliance in relation to information and labelling of products and services. As a result, it was not necessary to implement specific corrective actions on the subject.

Metrics and objectives

Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

S4-5

At present, the Group has no measurable public objectives related to the management of risks and opportunities for consumers and end users.

However, through its Safety Management System according to ISO 45001, Cembre monitors its performance related to consumers and end users through specific internal KPIs, including the number of complaints and reports of non-compliance.

Governance information

Business Conduct

ESRS G1

Governance

Role of the administration, management and control bodies

GOV-1

Since 2008, with the last update in November 2024, Cembre has adopted an Organisation, Management and Control Model pursuant to Legislative Decree No. 231 of 8 June 2001, suitable for preventing the administrative offences introduced by the Decree.

The Board of Directors (BoD) plays a central role in corporate governance, deliberating the adoption of the Organisational Model and communicating its importance to all personnel. In line with the Code of Ethics, the Board of Directors protects the company's assets, favouring the control activities carried out by the auditors and the auditing company. Its responsibilities also include the appointment of the Supervisory Board (SB), which is assigned a dedicated fund or autonomous spending powers.

The Supervisory Board, composed of three members with proven professional skills, has the task of monitoring the effectiveness, application and updating of the Model, in compliance with the principle of segregation of duties. In order to carry out its activities, the SB receives regular information flows from the various corporate functions and addresses material issues during meetings with the other corporate control bodies. The Body periodically reports on the state of implementation of the Model, providing ongoing updates to the Chair and the CEO and half-yearly reports to the Board of Directors and the Board of Auditors. It also prepares an annual action plan.

As stipulated in the Articles of Association and Model 231, the administrative, management and control bodies must possess specific competences. The Board of Directors elects a Chair, a Secretary and, if necessary, Deputy Chairs, CEOs and/or an Executive Committee, defining their competences, powers and operating procedures. The Board of Directors may appoint internal committees, such as the Control and Risks Committee and the Appointments and Remuneration Committee, defining their respective competences. In addition, it appoints and revokes the manager responsible for preparing the company's accounting documents, who must demonstrate the requisites of honourableness and professionalism, with significant experience in roles of administrative and accounting responsibility. Similarly, the members of the SB must be qualified professionals with specific experience in the field or in-depth expertise in the legal or accounting field.

Managing impacts, risks and opportunities

Description of processes to identify and assess material impacts, risks and opportunities

IRO-1

For the definition of IRO (impacts, risks and opportunities) related to the Group's business conduct, the structured process for the dual materiality analysis, described in detail in the chapter 'General Information', was applied. With reference to the issue at hand, the Group's internal and public documentation was consulted, including Model 231, the Code of Ethics, the Whistleblowing Procedure and the Management System for the Prevention of Corruption, as well as the results of the Risk Assessment 2024.

In terms of impact materiality, there were no current or potential significant impacts in relation to governance and business conduct.

The financial materiality analysis, on the other hand, identified the following material medium/long-term risk:

- Operational and strategic risk due to the loss of strategic and sensitive Group data. Although this risk was considered unlikely, the potential economic impact was assessed as moderate.

Cembre has adopted cybersecurity policies and measures to ensure the protection of its systems and data. The risk of intrusion into the corporate network is mitigated through the use of highly reliable firewalls and by setting user names and passwords with periodic expiration to access the network.

A data encryption system has been implemented on all portable devices, and a cyber security awareness campaign is carried out for all employees.

The Cembre IT structure is constantly being adapted to guarantee its constant correspondence to the company's needs and improve its ability to support new applications.

The availability of the systems is guaranteed even in the event of a power failure by redundant uninterruptible power supplies supported by several gensets set up to operate automatically.

The availability of adequately stored backup copies is a guarantee against the loss of information.

Access to the connectivity and server distribution rooms is only allowed to specialised personnel and is controlled by badge readers.

Specialised external companies carry out periodic security audits of systems and privileged users.

Policies related to corporate culture and business conduct

G1-1

The Cembre Group has established and promotes the values and ethical principles in which it reflects itself and which must inspire all those with whom it does business, set out in its Code of Ethics, last updated and approved by the Board of Directors in November 2024. This document is addressed to all those who work with or are connected to the Group (from shareholders, directors and auditors to employees, consultants, suppliers and business partners) and aims to:

- establish a standard of conduct aimed at preventing the commission of offences connected with the activities of the Cembre Group or in any case in the interest or to the advantage of the Group;
- identify suitable measures and internal control tools to monitor compliance with the Code;
- create value.

In particular, the Code of Ethics deals with the following macro-issues:

- rules of conduct that pursue the principles of good business conduct (principle of legality, dignity and equality, integrity, fairness and transparency), prevention of conflict of interest and corruption, management of information systems and intellectual and industrial property;
- relations with employees, suppliers, customers, collaborators and other material communities;
- management of corporate information;
- health and safety at work and environmental protection.

First and foremost, Directors and Executives must behave in line with corporate principles, encouraging the application and interpretation of the Code and communicating its validity to all addressees, who are subject to sanctions in the event of violation of its provisions. In addition to the Code of Ethics, the company is also committed to communicating and applying its Anti-Corruption Policy and its Model 231, updated whenever changes to the Decree or to the company structure are identified.

In addition, the Group has set up a special Whistleblowing system to manage the reporting of any unlawful conduct or conduct in conflict with, inter alia, Legislative Decree 231/2001, the Code of Ethics and the Anti-Corruption Policy, found within the company. Whistleblowers may be employees, managers and members of corporate bodies as well as collaborators, consultants and third parties bound by contractual or professional ties with the Company. Reports can be made, also anonymously, through three channels: internal, external and public disclosure.

In the case of internal reports, Cembre has adopted a dedicated IT platform, compliant with current legislation and ANAC guidelines, ensuring accurate and confidential management of reports.

Annually, the Reporting Manager prepares a report summarising the reports received during the year, the analyses performed and their outcome, which is sent to the Chair of the Board of Directors.

The company guarantees the confidentiality of reporting persons and of the information transmitted, in order to protect them from any form of retaliation or discrimination pursuant to Regulation (EU) 2016/679, Article 2-quaterdecies of the Personal Data Protection Code set out in Legislative Decree 30 June 2003, No. 196 and Directive (EU) 2019/1937. Thus, specific protection and liability limitation measures are provided for (e.g. prohibition of dismissal or demotion, non-conversion of a contract or personal injury).

As part of the Management System for the Prevention of Corruption adopted pursuant to ISO 37001, Cembre has set up the Compliance Function for the Prevention of Corruption, which is in charge of implementing audits, analyses and investigations in the event of violations of the System by employees, collaborators or business partners.

For the effective implementation of the 231 Model, the whistleblowing procedure and the Anti-Corruption Policy, it is the objective of Cembre to ensure the correct communication of the rules of conduct defined. The presence of Model 231 is communicated to all personnel at the time of recruitment; any updates are communicated by means of publication in the workplace, on the company network and on the website. In addition, to promote corporate culture, personnel are trained through mandatory classroom or online course sessions related to:

- regulatory context on business conduct;
- characteristics of Model 231 and the role of the Supervisory Board;
- rules of conduct;
- whistleblowing system;
- Anti-Corruption Policy.

Anti-corruption training is aimed at personnel exposed to a level of risk that is not low, and is updated when internal regulatory or procedural changes occur. Training is provided to 100% of figures considered medium-high risk for Cembre S.p.A. headquarters and to country managers and department heads for Group subsidiaries.

In 2024, 38.2% of Cembre personnel (313 out of 818 employees) are considered medium to high risk.

Training on Model 231 and whistleblowing, on the other hand, is provided every five years and is also updated in the event of regulatory or procedural changes. The contents and delivery methods are adapted to the qualification of the recipients, the risk level of the operational areas and the possible presence of representative powers, with differentiated levels of depth.

Administrative, management and supervisory bodies are included in the high risk class, and for this reason, in addition to training, they are required to observe the company's Conflict of Interest Management Procedure.

In order to identify those most exposed to the risk of corruption and to define the preventive actions to be taken, personnel were classified into three risk categories. This classification, based on the role held and the functions assigned, provides for differentiated and progressively more incisive preventive measures in relation to the level of risk identified.

Brescia, 13 March 2025

for the Board of Directors

Chair and Managing Director

Mr. Giovanni ROSANI

CEMBRE

Certification in sustainability reporting

pursuant to Article 81-ter, subsection 1, of the Consob Regulation no.11971 of 14 May 1999
as amended and supplemented

1. The undersigned Giovanni Rosani and Claudio Bornati, in their position as Managing Director and Manager responsible for the preparation of financial reports of Cembre S.p.A., respectively, pursuant to Article 154-*bis*, subsection 5-*ter*, of Legislative Decree 58 of 24 February 1998, certify that the sustainability report included in the Directors' report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree no.125 of 6 September 2024;

b) with the specifications adopted pursuant to Article 8, subsection 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

2. In this regard, no significant facts of note emerged.

Brescia, March 14, 2025

Chairman and Managing Director	Manager responsible for the preparation of financial reports
signed by:	*signed by:*
Giovanni Rosani	Claudio Bornati

Consolidated Financial Statements at December 31, 2024

Consolidated Statements of Financial Position

ASSETS	Notes	December 31, 2024		Dec. 31, 2023	
(euro '000)			*of which: related parties*		*of which: related parties*
NON CURRENT ASSETS					
Property, plant and equipment	***1***	108.632		90.252	
Investment property	***2***	688		729	
Intangible assets	***3***	4.901		4.712	
Goodwill	***4***	4.608		4.608	
Right of use assets	***5***	8.204	2.990	6.422	3.725
Other investments		5		5	
Other non-current assets	***6***	178		78	
Deferred tax assets	***16***	3.616		3.446	
TOTAL NON-CURRENT ASSETS		**130.832**		**110.252**	
CURRENT ASSETS					
Inventories	***7***	73.791		68.743	
Trade receivables	***8***	46.182		42.493	
Other financial assets	***9***	-		4.000	
Tax receivables	***10***	5.771		1.583	
Other receivables	***11***	1.118		1.250	
Cash and cash equivalents		13.471		20.882	
TOTAL CURRENT ASSETS		**140.333**		**138.951**	
NON-CURRENT ASSETS AVAILABLE FOR SALE		**-**		**-**	
TOTAL ASSETS		**271.165**		**249.203**	

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	December 31, 2024		Dec. 31, 2023	
(euro '000)			*of which: related parties*		*of which: related parties*
SHAREHOLDERS' EQUITY					
Capital stock	***12***	8.840		8.840	
Reserves	***12***	168.313		156.051	
Net profit		42.590		40.828	
TOTAL SHAREHOLDERS' EQUITY		**219.743**		**205.719**	
NON-CURRENT LIABILITIES					
Non-current financial liabilities	***13***	6.213	3.145	4.693	3.305
Employee termination indemnity and other personnel benefits	***14***	1.617	13	1.751	139
Provisions for risks and charges	***15***	376	60	691	165
Deferred tax liabilities	***16***	4.015		3.570	
TOTAL NON-CURRENT LIABILITIES		**12.221**		**10.705**	
CURRENT LIABILITIES					
Current financial liabilities	***13***	5.271	828	1.968	771
Trade payables	***17***	19.877		14.829	
Tax payables	***18***	1.227		4.193	
Other payables	***19***	12.826	304	11.789	313
TOTAL CURRENT LIABILITIES		**39.201**		**32.779**	
LIABILITIES ON ASSETS HELD FOR DISPOSAL		**-**		**-**	
TOTAL LIABILITIES		**51.422**		**43.484**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**271.165**		**249.203**	

Consolidated Financial Statements at December 31, 2024

Statement of Consolidated Comprehensive Income

(euro '000)	Notes	2024	*of which: related parties*	2023	*of which: related parties*
Revenues from contracts with customers	***20***	229.713		222.551	
Other revenues	***21***	1.843		1.274	
TOTAL REVENUES		**231.556**		**223.825**	
Cost of goods and merchandise		(76.960)		(69.043)	
Change in inventories	***7***	3.669		(2.370)	
Cost of services received	***22***	(29.159)	(877)	(28.163)	(818)
Lease and rental costs	***23***	(319)		(361)	
Personnel costs	***24***	(61.602)	(543)	(56.640)	(431)
Other operating costs	***25***	(1.897)		(1.792)	
Increase in assets due to internal construction	***26***	1.103		1.480	
Revalutation of credits	***8***	(86)		(237)	
Accruals to provisions for risks and charges	***27***	(128)		(130)	
GROSS OPERATING PROFIT		**66.177**		**66.569**	
Property, plant and equipment depreciation	***1-2***	(9.979)		(9.466)	
Intangible asset amortization	***3***	(1.140)		(1.070)	
Depreciation of right of use assets	***5***	(2.254)	(812)	(2.069)	(835)
OPERATING PROFIT		**52.804**		**53.964**	
Financial income	***28***	357		313	
Financial expenses	***28***	(630)	(140)	(354)	(143)
Foreign exchange gains (losses)		195		(95)	
PROFIT BEFORE TAXES		**52.726**		**53.828**	
Income taxes	***29***	(10.136)		(13.000)	
NET PROFIT FROM ORDINARY ACTIVITIES		**42.590**		**40.828**	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL		**-**		**-**	
NET PROFIT		**42.590**		**40.828**	
Items of the other comprehensive income that will not be reclassified subsequently to profit or loss					
Gains (losses) from discounting of Employees' Termination Indemnity		54		1	
Income tax relating to items that will not be reclassified		(13)		(1)	
Items of the other comprehensive income that will be reclassified subsequently to profit or loss					
Conversion differences included in equity		1.394		40	
COMPREHENSIVE INCOME	***30***	**44.025**		**40.868**	
BASIC EARNINGS PER SHARE	***31***	**2,53**		**2,43**	
DILUTED EARNINGS PER SHARE	***31***	**2,53**		**2,43**	

Consolidated Financial Statements at December 31st, 2024

Consolidated Statement of Cash Flows

	2024	2023
€ '000		
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**20.882**	**15.028**
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	42.590	40.828
Income taxes	10.136	13.000
Financial charges/(Financial profits)	273	41
(Gains)/Losses on disposal of assets	(2)	(64)
Depreciation, amortization and write-downs	13.373	12.604
Net change in Employee Termination Indemnity	(134)	69
Net change in provisions for risks and charges	(315)	38
Stock options plan IFRS2 remeasurement	(162)	101
Operating profit (loss) before change in working capital	**65.758**	**66.616**
(Increase) Decrease in trade receivables	(3.689)	(10.837)
(Increase) Decrease in inventories	(5.048)	2.828
Increase (Decrease) of trade payables	5.048	(4.374)
Increase (Decrease) of others in working capital	1.362	1.261
(Increase) Decrease in working capital	**(2.327)**	**(11.122)**
Other changes	437	(126)
Interests received/(Interests paid)	(273)	(41)
(Paid income taxes)	(17.465)	(10.513)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	**46.130**	**44.814**
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(1.341)	(1.407)
- tangible	(28.178)	(13.162)
- financial	(102)	-
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- intangible	13	20
- tangible	149	199
- financial	1	1
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	**(29.458)**	**(14.350)**
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	4.000	11.000
Increase (Decrease) in bank payables	2.952	(10.231)
Repayment of leasing liabilities	(2.170)	(1.995)
Sale (Purchase) of own shares	175	150
Dividends distributed	(30.235)	(23.495)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	**(25.278)**	**(24.571)**
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	**(8.606)**	**5.894**
F) Foreign exchange conversion differences	1.153	(40)
G) Discounting of Employee Termination Indemnity	41	1
H) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F+G)	**13.471**	**20.882**
Of which: assets held for disposal	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**13.471**	**20.882**

CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**13.471**	**20.882**
Other financial assets	-	4.000
Current financial liabilities	(5.271)	(1.968)
Non current financial liabilities	(6.213)	(4.693)
NET CONSOLIDATED FINANCIAL POSITION	**1.987**	**18.221**

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	9	5
Bank deposits	13.462	20.877
	13.471	**20.882**

Consolidated Financial Statements at December 31st, 2024

Statement of Changes in the Consolidated Shareholders' Equity

(€ '000)	Balance at December 31, 2023	Allocation of profit to reserves	Allocation of profit to dividends	Stock options plan: IFRS2 measurement	Stock options plan: Shares assignment	Comprehensive income of the period	Balance at December 31, 2024
Capital stock	**8.840**	-	-	-		-	**8.840**
Share premium reserve	**12.245**	-	-	-	-	-	**12.245**
Legal reserve	**1.768**	-	-	-	-	-	**1.768**
Reserve for own shares	**(3.844)**	-	-	-	332	-	**(3.512)**
Suspended-tax revaluation reserve	**585**	-	-	-	-	-	**585**
Other suspended-tax reserves	**68**	-	-	-		-	**68**
Reserve for previous years' profits	**30.526**	1.152	-	-	-	-	**31.678**
Conversion differences	**(1.400)**	47	-	-	-	1.394	**41**
Extraordinary reserve	**107.358**	9.394	-	(11)	11	-	**116.752**
Reserve for FTA	**3.715**	-	-	-		-	**3.715**
Reserve for discounting of Employee Termination Indemnity	**347**	-	-	-		41	**388**
Merger surplus reserve	**4.397**	-	-	-		-	**4.397**
Stock options reserve	**286**	-	-	(151)	53	-	**189**
Retained earnings	**-**	-	-	-		-	**-**
Net profit	**40.828**	(10.593)	(30.235)	-		42.590	**42.590**
Total Shareholders' Equity	**205.719**	**-**	**(30.235)**	**(161)**	**396**	**44.025**	**219.743**

(€ '000)	Balance at December 31, 2022	Allocation of profit to reserves	Allocation of profit to dividends	Stock options plan: IFRS2 measurement	Stock options plan: Shares assignment	Comprehensive income of the period	Balance at December 31, 2023
Capital stock	**8.840**	-	-	-	-	-	**8.840**
Share premium reserve	**12.245**	-	-	-	-	-	**12.245**
Legal reserve	**1.768**	-	-	-	-	-	**1.768**
Reserve for own shares	**(4.129)**	-	-	-	285	-	**(3.844)**
Suspended-tax revaluation reserve	**585**	-	-	-	-	-	**585**
Other suspended-tax reserves	**68**	-	-	-	-	-	**68**
Reserve for previous years' profits	**27.726**	2.800	-	-	-	-	**30.526**
Conversion differences	**(1.440)**	-	-	-	-	40	**(1.400)**
Extraordinary reserve	**101.722**	5.623	-	(24)	37	-	**107.358**
Reserve for FTA	**3.715**	-	-	-	-	-	**3.715**
Reserve for discounting of Employee Termination Indemnity	**347**	-	-	-	-	-	**347**
Merger surplus reserve	**4.397**	-	-	-	-	-	**4.397**
Stock options reserve	**333**	-	-	125	(172)	-	**286**
Retained earnings	**-**	-	-	-	-	-	**-**
Net profit	**31.918**	(8.423)	(23.495)	-	-	40.828	**40.828**
Total Shareholders' Equity	**188.095**	**-**	**(23.495)**	**101**	**150**	**40.868**	**205.719**

Notes to the Consolidated Financial Statements at December 31, 2024

I. CORPORATE INFORMATION

Cembre S.p.A. is a joint-stock company with registered office in Brescia, Via Serenissima 9. The company is listed on the MTA (screen-based equities market) managed by Borsa Italiana S.p.A.

Cembre S.p.A. and its subsidiaries (hereinafter referred to jointly as "the Cembre Group" or "the Group") are active primarily in the manufacturing and sale of electrical connectors, cable accessories and tools.

The publication of the Consolidated Financial Statements of the Cembre Group for the year ended December 31, 2024 was authorized by a resolution of the Board of Directors dated March 13, 2025.

Cembre S.p.A. is controlled by Lysne S.p.A., a holding company with registered office in Brescia, that does not carry out management and coordination activities.

The following table summarizes the key information:

Company:	Cembre S.p.A.
Domicile:	Brescia (Italy), via Serenissima n. 9
Corporate Form:	Joint Stock Company
Country:	Italy
Registered Office:	Brescia (Italy), via Serenissima n. 9
Headquarters:	Brescia (Italy), via Serenissima n. 9
Activity performed:	Production and marketing of electrical connectors, cable accessories and tools
Parent company:	Lysne S.p.A.

II. FORM AND CONTENT

These Consolidated Financial Statements at December 31, 2024 were prepared according to the International Financial Reporting Standards (IFRS) adopted by the European Union and the related implementation regulations issued in application of article 9 of Italian Legislative Decree no. 38/2005.

The standards adopted in the preparation of the Financial Statements are those formally endorsed by the European Union and in force as at December 31, 2024.

The consolidated financial statements have been prepared on a Group's going concern basis and in accordance with the historical cost principle, except for those items for which international accounting standards require a different measurement.

The amounts shown in the accounting statements and notes are in thousands if Euro, unless otherwise stated.

Accounting standards and interpretations issued by the IASB and not yet endorsed by the European Commission

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements" to replace IAS 1. In particular, in order to increase information comparability and transparency, IFRS 18: (i) requires the presentation of specific partial results in the income statement and makes limited changes, essentially, to the cash flow statement and balance sheet; (ii) introduces specific disclosures, to be provided in the notes to the financial statements, on management-defined performance measures; and (iii) introduces new principles for the aggregation and disaggregation of information presented in the financial statements. The provisions of IFRS 18 are effective for financial years beginning on or after January 1, 2027.

On May 9, 2024, the IASB issued IFRS 19 "Subsidiaries without Public Accountability: Disclosures", aimed at reducing disclosure requirements for the preparation of the annual (and, if applicable, consolidated) financial statements of companies (which are neither listed nor financial institutions) controlled, directly or indirectly, by a company that prepares its own IFRS consolidated financial statements, available for public use. The provisions of IFRS 19 are effective for financial years beginning on or after January 1, 2027.

On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" aimed essentially at clarifying the timing of the derecognition of financial liabilities settled through electronic payment systems and providing clarifications on the classification of financial assets with environmental, social and governance characteristics. The amendments are effective starting from financial years beginning on or after January 1, 2026.

On July 18, 2024, the IASB issued the document "Annual Improvements to IFRS Standards - Volume 11", containing basically technical and editorial amendments to the international accounting standards. The amendments to the accounting standards are effective starting from financial years beginning on or after January 1, 2026.

Accounting standards, amendments and interpretations endorsed by the European Union

The Group did not arrange for the early adoption of any new standard, interpretation or amendment issued but not yet in force.

Amendments to IAS 1: Presentation of Financial Statements: Classification of liabilities as current or non-current and Non-current liabilities with covenants

On January 23, 2020, the IASB published an amendment to IAS 1 that aims to clarify one of the criteria of IAS 1 for classifying a liability as non-current, namely the requirement that the entity must have the right to defer settlement of the liability for at least 12 months after the reporting date. The change includes:

the indication that the right to defer settlement must exist at the reporting date;

a clarification that the classification is not influenced by management's intentions or expectations regarding the possibility of using the right of deferral;

a clarification of how the terms of the loan affect the classification; and

a clarification of the requirements for the classification of liabilities that an entity intends to settle or may settle by issuing its own equity instruments.

In addition, on October 31, 2022, the IASB published amendments concerning non-current liabilities with covenants. Only the terms of a liability deriving from a loan agreement, which an entity must meet by the reporting date, will affect the classification of that liability as current or non-current.

Amendments to IFRS 16: Lease liability in a sale and leaseback

On September 22, 2022, the IASB issued an amendment to this standard that specifies the requirements that a seller-lessee uses to measure the lease liability arising from a sale and leaseback transaction to ensure that the seller-lessee does not recognise any gain or loss relating to the right of use it retains. The amendment is intended to improve the requirements for sale and leaseback transactions in IFRS 16 but does not amend accounting for leases that are not related to sale and leaseback transactions.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Reverse Factoring Agreements

On May 25, 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, to clarify the characteristics of reverse factoring agreements and request additional disclosure regarding such agreements. The disclosure requirements included in the amendments are intended to assist users of financial statements in understanding the effects on an entity's liabilities, cash flows and exposure to liquidity risk of reverse factoring agreements.

As things currently stand, the Cembre Group is analysing the recently issued accounting standards and assessing whether their adoption, with the timing specified above, will have a significant impact on the financial statements.

Consolidation principles

The Consolidated Financial Statements of the Cembre Group include the statutory accounts at December 31 of every year of Cembre S.p.A. and of its subsidiaries. The financial statements of the subsidiaries used in the consolidation were prepared by adopting, for the close of each financial year, the same accounting standards of the Parent Company.

The financial statements of consolidated subsidiaries are consolidated under the line-by-line method, thus including all items, irrespective of the share held by the Group, of the elimination of intragroup transactions and of unrealised gains on transactions with third parties.

The book value of investments is netted against the related share in the shareholders' equity of consolidated companies, attributing to assets and liabilities the respective current value at the time control was acquired and recording contingent liabilities, where appropriate. Where positive, the residual amount is recorded among non-current assets as goodwill. Negative residual differences are recorded in the Income Statement.

There are no cases in which an investment is lower than 100% and requires the recognition of the portion of profit and equity attributable to third parties.

Therefore, the companies consolidated line-by-line are:

Company	Registered office	Share capital	Share held as at 12/31/2024	Share held as at 12/31/2023
Cembre Ltd	Sutton Coldfield (Birmingham - UK)	GBP 1,700,000	100%	100%
Cembre Sarl	Lyon (France)	EURO 1,071,000	100%	100%
Cembre España SLU	Torrejón de Ardoz (Madrid -Spain)	EURO 2,902,000	100%	100%
Cembre GmbH	Munich (Germany)	EURO 10,112,000	100%	100%
Cembre Inc.	Edison (New Jersey, US)	US$ 1,440,000	100%	100%
Cembre BV	Eindhoven (Netherlands)	EURO 300,000	100%	-
Cembre Electrical Connections Shanghai LTD	Shanghai (China)	EURO 1,000,000	100%	-

On September 4, 2024, Cembre Electrical Connections Shanghai Ltd was established and on September 13, 2024 Cembre B.V. was established, based in Eindhoven in the Netherlands. Both of these companies are wholly-owned subsidiaries of Cembre S.p.A. and began operating in 2025.

Translation of financial statements expressed in currencies other than the euro

The functional and reporting currency of the Group is the euro.

Financial statements denominated in functional currencies other than the euro are translated according to the following criteria:

- assets and liabilities are translated at the exchange rate applicable at the date of the financial statements;

- Income Statement items are translated at the average exchange rate for the year;
- foreign-exchange translation differences are recorded in a specific shareholders' equity reserve.

Upon the disposal of an investment in a foreign company, the related cumulative translation adjustments recognised in equity are recorded in the income statement.

Exchange rates applied in the translation of financial statements of subsidiaries, drawn from the foreign exchange section of the Bank of Italy's website, are shown in the table below (expressed in currency/€).

Currency	Exchange rate at Dec. 31, 2024	Average exchange rate 2024
British pound	0.82918	0.846617
US dollar	1.0389	1.08238
Chinese Renminbi	7.5833	7.78747

III. ACCOUNTING STANDARDS AND VALUATION CRITERIA

Presentation of the Financial Statements

The Financial Statements are prepared as follows:

- current and non-current assets and liabilities are reported separately in the Consolidated Statement of Financial Position;
- the analysis of costs in the Statement of Consolidated Comprehensive Income is carried out based on the nature of the same;
- the Consolidated Statement of Cash Flows is prepared by applying the indirect method.

The methods for preparing the Financial Statements have unchanged from previous year.

Finally, with reference to CONSOB Regulation no. 15519 dated July 27, 2006, the Financial Statements include a separate reporting of amounts pertaining to related parties, where significant.

Property, plant and equipment

Property, plant and equipment is recorded at the historical cost and reported net of accumulated depreciation and losses in value.

Ordinary maintenance and repair costs are not capitalised, and are charged to the income statement in the year in which they are incurred, with the exception of those that result in an increase in the useful life of the asset.

Depreciation commences when the asset is available for use and is calculated on a straight line basis over the estimated residual useful life of the asset, taking into account its residual value. Depreciation rates applied reflect the useful life generally attributed to the various classes of assets and are summarised below, with no changes compared to the prior year:

- Buildings and light installations:	from 2% to 10%
- Plant and machinery:	from 5% to 25%
- Industrial and commercial equipment:	from 6% to 25%
- Other assets:	from 6% to 33%.

Land has an undetermined useful life and is therefore not subject to depreciation.

The book value of property, plant and equipment is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the depreciation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realizable value, the assets or cash generating units are written down to reflect their expected realisable value.

The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

Tangible assets are eliminated from the balance sheet at the time of their sale or when there no longer exists the expectation of future economic benefits from their use or disposal.

Losses and gains (calculated as the difference between net revenues from the disposal and the book value of the asset) are recorded in the Income Statement in the year in which they are disposed of.

Leasing

The Group evaluates, when a contract is signed, whether it can be classified as a lease, or:

- whether it confers the right of exclusive use of an asset;
- whether a period is identified in which the right of use can be exercised;
- whether a consideration for use of said right has been set.

The assets identified in this way are recognised at cost, inclusive of all initial direct expenses, and are amortised on a straight-line basis from the date of effectiveness until the end of the useful life of the asset underlying the contract, or, if before, until the expiry of the lease.

At the same time as the recognition under assets of the right of use, the Group books the present value of payments due under lease payables, including the price of any purchase option. The value of the liabilities is reduced due to the payments made and may change depending on changes in the contractual terms.

The discount rate used to determine the value of the liabilities is the incremental borrowing rate.

Leases with a duration of less than or equal to 12 months have been excluded from application of the standard, as have low value leases. The associated fees, therefore, are booked as costs over the duration of the lease.

Investment property

Investment property is recorded at the historical cost and reported net of accumulated depreciation and losses in value.

Assets that cease to be used in the context of the company's ordinary operations but possess all the characteristics set forth in IFRS 5 to be included among non-current assets available for sale, are classified among Investment property and continue to be amortized as if they were still included among Property, plant and equipment, applying rates representative of the remaining useful life.

Please refer to the section on property, plant and equipment for a specification of the rates applied.

The book value of property, plant and equipment is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the depreciation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realizable value, the assets or cash generating units are written down to reflect their expected realisable value.

The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

Intangible assets

Intangible assets are recorded under assets, as provided by IAS 38 (Intangible assets), whenever it is probable that future economic benefits are generated through use and when the cost of the intangible asset can be determined in a reliable manner.

Intangible assets acquired separately are initially capitalised at cost, while those acquired through business combinations are recognised at their current value on the acquisition date.

With the exception of development costs, assets generated internally are not recorded as intangible assets.

After the initial recording, intangible assets are carried in the balance sheet at cost, net of accumulated amortisation calculated on a straight-line basis over their expected useful economic life, and of write-downs carried out as a result of durable losses in value. Intangible assets having an indefinite useful life are not amortised and are subjected periodically to an analysis to assess possible loss in value.

The useful life generally attributed to the various classes of assets is the following, with no changes compared to the prior year:

- concessions and licenses:	5 to 10 years
- software licenses:	3 to 5 years
- patents:	2 years
- development costs:	5 years

- trademarks: 10 to 20 years

Amortisation commences when the asset is available for use, that is, when it is in a position and in the necessary condition to operate in the manner intended by management.

The book value of intangible assets is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the amortisation schedule originally set.

Whenever there exists such an indication and the book value of the asset exceeds its realisable value, the assets are written-down to their expected realisable value.

Goodwill

Goodwill is calculated as the positive difference between the purchase price of an equity investment, the shareholders' equity of the acquired company and any assets and liabilities recorded at the time of acquisition and not previously present in the financial statements of the latter. Goodwill is an asset with an indefinite useful life and is therefore not amortised. However, it undergoes an impairment test at least once a year and whenever there are signs that indicate a loss in value, in order to compare the book value with the recoverable value, in accordance with IAS 36.

Impairment of goodwill is determined by evaluating the recoverable value of the cash-generating unit (or group of cash-generating units) to which the goodwill refers. Reductions in the value of goodwill cannot be restored in future years.

Financial assets

Financial assets are initially recorded at cost, inclusive of accessory purchase costs, representing the fair value of the price paid. After the initial recording, financial assets are valued in accordance with their final purpose as described below.

Financial assets measured at fair value, whose change is recorded in the Income Statement

These are financial assets held for trading purposes, acquired for the purpose of obtaining a profit from short-term fluctuations in price. Derivatives are classified as financial assets held for trading, unless they are designated as effective hedging instruments.

Investments held to maturity

Financial assets other than derivatives that generate fixed financial flows or flows that may be determined and have a set maturity, are classified as Investments held to maturity when the Group intends to and is capable of holding them to maturity.

Financial assets that the Group decides to hold for an indefinite period of time do not fall under this category.

After their initial recording, long-term financial investments held to maturity, such as bonds, are accounted for at the amortised cost, using the effective rate of interest method, are discounted to their present value.

The amortised cost is calculated keeping into account discounts and premiums, amortised over the term of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets providing for fixed payments or payments that may be determined, not listed on an active market. These assets are recognised at amortised cost using the actual discount rate method.

Gains and losses are recorded in the Income Statement whenever loans extended and receivables are eliminated from the accounts or they experience losses in value, together with the related amortisation.

Financial assets available for sale

Financial assets available for sale include financial assets that do not fall under the above categories. After initial recognition, these are recorded at fair value, while gains and losses are recorded under a specific Shareholders' Equity reserve until the assets are sold or a loss in value is ascertained. In such case, gains and losses accrued are charged to the Income Statement.

In the case of securities widely traded on a regulated market, the fair value is determined with reference to the listed price at the closing of trading on the date of the financial statements. In the case of financial assets for which there does not exist an active market, the fair value is determined through valuation techniques based on the price recorded in recent transactions between unrelated parties or on the basis of the current market value of a similar instrument, or on discounted cash flows or option pricing models. Investments in other companies fall in this category.

Impairment of financial assets

The Group verifies at least yearly the possible loss in value of individual financial assets. These are recorded only at the time when there exists objective evidence, at the occurrence of one or more events, that the asset has experienced a loss of value with respect to its initial recorded value.

Treasury shares

Treasury shares are recorded as a reduction of Shareholders' Equity in a specific reserve.

The purchase, sale, issue or cancellation of treasury shares held does not determine the recording of any gain or loss in the Income Statement.

Inventories

Inventories are valued at the lower of cost and their expected realizable value, represented by their normal sale price, net of completion and selling costs.

The cost of inventories includes the acquisition cost, the transformation cost and other costs incurred to take inventories to their current location and state.

The method used to determine the cost of inventories is that of the weighted average cost, including the cost of initial inventories. Provisions are calculated for finished products, materials and other supplies considered obsolete or slow-moving, keeping into account their expected useful life and retrievable value.

Receivables and payables

Receivables are recognised at fair value, with simultaneous recognition of a provision for doubtful accounts that takes into account possible losses in value (expected losses), determined based on the prior trend of insolvencies and expected future conditions. Payables are normally valued at the amortised cost, adjusted under exceptional conditions in the event of changes in the conditions.

Cash and cash equivalents

Cash and cash equivalents include cash balances, unencumbered deposits and other treasury investments with an original scheduled maturity of three months or less. A cash investment is considered to be a cash equivalent when it is readily convertible to cash with no significant risk of change in value and when it is intended to meet short-term cash commitments and is not held for investment purposes.

Financial liabilities

Loans taken out are initially recognised at cost, corresponding to the fair value of the amount received, less ancillary costs incurred in connection with the arrangement of loans.

After initial recognition, loans taken out are measured at amortised cost, using the effective interest method.

Translation of amounts denominated in currencies other than the Euro

Transactions denominated in currencies other than the Euro are initially accounted for in Euro at the exchange rate at the date of the transaction. Currency translation differences arising at the time at which foreign currency receivables are collected and payables are paid out, are recorded in the income statement.

At the date of the financial statements, monetary assets and liabilities denominated in currencies other than the Euro – consisting of cash on hand or assets and liabilities to be received or paid out, whose amount is set and may be determined – are translated into Euro at the exchange rate at the date of the financial statements, recording in the income statement the currency translation difference.

Non-monetary items denominated in currencies other than the Euro are translated into Euro at the exchange rate at the time of the transaction, representing the historical exchange rate.

Functional currencies adopted by Cembre Group companies correspond to the currencies of the respective county in which subsidiaries are based.

Provisions for risks and charges

Provisions for risks and charges are accrued against known liabilities, whose existence is certain or probable, but whose amount and expiration cannot be determined at the date of the financial statements. Accruals are made when the existence of a current obligation, legal or implicit, deriving from a past event, the fulfilment of which is expected to require the use of resources whose amount can be reliably estimated, is probable.

Provisions are valued at the fair value of liabilities. When the financial effect and the timing of the cash outflow can be estimated in a reliable manner, provisions include the interest component, recorded in the Income Statement among financial income (expense).

Provisions accrued are reviewed at each accounting date and adjusted to bring them into line with the best estimate available to date.

Employee benefits

Under the revised IAS 19, and before the reform introduced by the 2007 Budget Law, the Employee Termination Indemnity was classified among defined benefit plans and was therefore subject to actuarial adjustments.

Employee termination indemnities accrued up to December 31, 2006, continue to be accounted for as defined benefit plans, while those accrued from January 1, 2007 are accounted for in two different ways:

- where the individual employee has opted for complementary pension funds, employee termination indemnities accrued after January 1, 2007 and until the time at which the choice is made by the employee, are recorded as a defined benefit plan. Subsequently they are accounted for as a defined contribution plan;
- where the individual employee has opted for accumulation with the treasury fund of the national social security agency (INPS), indemnities accrued after January 1, 2007 are accounted for as a defined contribution plan.

Share-based payments

The Group records, starting from the grant date, the present value of the rights of exercise of the share purchase option. The allocation occurs periodically, over the entire vesting period set forth in the plan.

The fair value measurement of the options takes account of some actuarial variables according to the method set forth in IFRS 2: the risk-free return curve, the annual volatility of the yield of Cembre’s share calculated over the last 3 years, the annual dividend rate, the value of the share price at the grant date.

The allocation is accounted for under personnel costs with an undistributable reserve as contra-item called the Stock options reserve.

Elimination of financial assets and liabilities

Financial assets are eliminated when the Group ceases to hold rights to receive financial flows deriving from the same or when such rights are transferred to another entity, that is when risks and benefits of the financial instrument cease to have an effect on the financial position and operating performance of the Group.

A financial liability is eliminated only when the obligation included in it is cancelled, fulfilled or expired.

Any material change in the contractual terms relating to the liability result in its cancellation and in the recording of a new liability.

Any difference between the book value and the amount paid to extinguish the liability is recorded in the Income Statement.

Loss in value of non-financial assets

The Group verifies at least yearly the possible loss in value of individual assets. In such case, or in cases in which an annual assessment of impairment is required, the Group estimates the recoverable value. If an asset’s book value is higher than its recoverable value, the asset has undergone impairment and is consequently written down to return it to its recoverable value.

In determining the recoverable value, the Group discounts estimated future cash flows using a pre-tax discount rate, which reflects the market assessments of the present value of money and the risks specific to the asset.

Impairment losses on continuing operations are recognised in the Income Statement in cost categories consistent with the intended use of the asset that underwent impairment. Previously revalued fixed assets are an exception to this, if the revaluation was recognised among the other items of the Comprehensive Income Statement. In such cases, the impairment is in turn recognised among the other items of the Comprehensive Income Statement up to the amount of the prior revaluation.

As at the reporting date, the Group assesses the existence of any indicators of loss (or reduction) of previously recognised impairment and, should such indicators exist, estimates the recoverable value of the asset or of the CGU. Said recovery is recognised in the Income Statement, unless the fixed asset has been recorded at the revalued amount, in which case the recovery is treated as an increase in revaluation.

Revenues

Revenues are valued at the current value of the amount received or receivable.

Disposal of assets

Revenues from contracts with customers are recognised in the Income statement in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of control over goods or services to the customer. Revenues are recognised net of returns, discounts, rebates and taxes directly associated with the sale of the product or provision of the service.

Sales are recognised at the fair value of the consideration received for the sale of products and services when the following conditions are met: transfer of control associated with ownership of the asset takes place; the value of revenues is reliably determined; it is probable that the economic benefits deriving from the sale will be enjoyed by the company; the costs incurred, or to be incurred, are reliably determined.

Services rendered

Revenues are recorded based on the stage of completion of the operation at the date of the financial statements.

When the result of the performance of services cannot be reliably estimated, the revenues must be recognised only to the extent that the costs recognised will be recoverable.

The stage of completion is determined by valuing work carried out or by determining the proportion between costs incurred and total estimated costs to completion.

Interest

Interest is recognised on an accrual basis using the effective interest method.

Dividends

They are recognised when the right of the shareholders to receive payment arises.

Grants

Grants are recorded when there exists a reasonable certainty that the same will actually be received and the Company meets the conditions for the entitlement to the grant.

Grants linked to cost components (operating grants) are recorded under "other revenues" and amortised over several years so that revenues match the costs they are intended to compensate.

The amount of grants linked to assets (e.g. grants on the purchase of plant and equipment or grants for capitalised development costs), is suspended and released to the income statement under "other revenues and income" over the useful life of the asset to which it relates, thus in the period over which the depreciation expense relating to the asset is charged to the income statement.

Financial charges

Financial charges are recorded as a cost in the period in which they accrue. In accordance with IAS 23, financial charges incurred in the acquisition of significant assets (qualifying assets) are capitalised.

Cost of goods purchased and services received

They are recognised in the Income Statement according to the accrual principle.

Income taxes (current, prepaid and deferred)

Current taxes are determined based on a realistic estimate of the tax expense for the period in accordance with applicable tax regulations in the respective countries.

The Group records deferred and prepaid taxes arising from temporary differences between the book value of assets and liabilities and the related values reported for tax purposes, in addition to differences in the value of assets and liabilities generated by consolidation adjustments. Prepaid taxes are recorded only where there exists reasonable certainty of their retrieval through future profits within the term in which tax benefits are enjoyed.

Deferred tax assets are recorded also where there exist deductible losses or tax credits, whenever it is deemed probable that sufficient future profits will be generated in the medium-term (3 to 5 years).

On May 24, 2023, the IASB published the International Tax Reform - Pillar Two Model Rules, amending IAS 12 Income Taxes. The document introduces a temporary exception to the recognition of deferred taxes relating to the application of the Pillar Two provisions published by the OECD. The amendment has no impact on the consolidated financial statements as the Group is not affected by Pillar Two rules, because its revenues are less than €750 million per year.

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing net profit by the weighted average number of shares in circulation for the period, excluding treasury shares held at the end of the period.

Diluted earnings per share are determined by dividing the net profit by the weighted average number of shares in circulation in the period, excluding treasury shares, increased by the weighted number of shares that potentially could be added to those in circulation due to the stock option plan.

Use of estimates

In accordance with IAS/IFRS, the Group made use of estimates and assumptions based on prior experience and other factors deemed determinant, but not certain. Actual data could therefore differ from estimates and projections made.

Estimated data is reviewed periodically and adjustments made to the same are taken to the Income Statement for the period in which the review takes place in case the review affect only one period, or, subsequent accounting periods in case it affects also the same. Below we describe review processes and key assumptions used by management in applying accounting standards.

Provision for inventory depreciation

The provision for inventory depreciation is accrued to bring the book value of inventories that are obsolete and slow-moving into line with their expected realisable value.

Management reviews the composition of inventories with particular reference to slow moving stock to determine the amount to be accrued prudentially to reflect the obsolescence of stocks.

Provision for doubtful accounts

The provision for doubtful accounts reflects management estimates regarding losses on trade receivables.

Losses on trade receivables expected by the Group are based on past experience on similar portfolios of receivables, current past due amounts vs. historical past due amounts, losses and collections, the close monitoring of credit quality, in addition to projections on economic and market conditions.

Retrievable value of non-current assets

Non-current assets include property, plant and equipment, intangible assets, goodwill and other financial assets.

Whenever circumstances so require, the management reviews periodically the book value of non-current assets held and used by the Group, in addition to assets to be disposed of. Such activity is carried out using estimates of expected cash flows from the sale of the asset and of adequate discount rates used in calculating the present value of the same.

Whenever the book value of a non-current asset experiences a loss in value, the Group records a write-down equal to the difference between the book value of the asset and its retrievable value either through use or disposal of the same.

Post-retirement benefits

In the estimation of post-retirement benefits the Group makes use of traditional actuarial techniques based on stochastic simulations of the "Monte Carlo" type. Assumptions made relate to the discount rate and the annual inflation rate. Actuarial advisors of the Group make also use of demographic projections based on current mortality rates, employee disablement and resignation rates observed in Parent Company Cembre S.p.A..

In 2024, based on past turnover experience, the probability of a Cembre S.p.A.'s employees terminating their employment for causes other than death is the following:

Male	6.18%
Female	4.46%

The following assumptions were adopted with regard to the discounting rate and annual inflation rate:

Annual technical discounting rate	3.38%
Annual inflation rate	2.00%

Expected advances to be paid out are 5% per year and each advance corresponds to 70% of the accrued indemnity.

Recoverability of deferred tax assets

The Group evaluates the possibility to recover deferred tax assets on the basis of profits and expected future market conditions in view of current sale contracts and ability of expected future profits to offset tax credits, in addition to the expected variance of the same and based on expected income results.

Contingent liabilities

In carrying out its activity, management consults with its legal and tax advisors and experts. The Group ascertains a liability arising from litigation whenever it deems probable that a financial outlay will be made in the future and when the amount of resulting losses can be reasonably estimated. In case a financial outlay becomes possible but its amount cannot be determined, such occurrence is reported in the notes.

Effects linked to climate change

The Group considers climate-related issues, and the effects of climate change, in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for the Group arising from both physical and transition risks. The Group believes that its business model and products will still be attractive following the transition to a low-emission economy. Although climate-related risks may not have a significant impact on measurements at present, the Group is closely monitoring developments and changes, such as new climate-related regulations and standards; in addition, climate-related issues may increase the uncertainty of estimates and assumptions concerning specific elements or items in the financial statements. However, these aspects are currently difficult to predict, even though they are being monitored more and more frequently in coordination between the various company departments.

The elements that could be most directly impacted by climate-related issues are:

- the useful life of property, plant and equipment. When recalculating the estimated residual value and useful life of an asset, the Company considers climate-related issues, such as the associated regulations that may limit their use or require significant investments for their adaptation or possibly their replacement;

- determination of the recoverable amount of non-financial assets. The estimate of value in use could be impacted in different ways by transition risk, in particular, climate-related regulations or a change in demand for the Company's products, despite the fact that the Group has concluded that its business model and products will still be attractive following the transition to a low-emission economy and that, to date, there are no significant climate-related assumptions.

For additional details, also see the sustainability report and the section "Risks and effects of climate change" in the Report on Operations.

IV. SEGMENT DISCLOSURE

IFRS 8 requires segment disclosure to be supplied using the same elements on which management bases internal reporting.

For its analyses, the Cembre Group adopted a disclosure scheme by geographical area based on the location in which the operations of the Company are based or the production process takes place. As the Cembre Group operates in a single segment denominated "Electric connectors and related tools", items based on this element are not usually utilized for the purposes of internal reporting.

2024	ITALY	EUROPE	REST OF THE WORLD	Intragroup elimination	TOTAL
Revenues					
Sales to customers	123,031	92,078	14,604		229,713
Sales to other Group	52,901	3,015	10	(55,926)	-
Revenues by sector	175,932	95,093	14,614	(55,926)	229,713
Operating result by sector	44,295	7,992	516		52,803
Costs/income not assigned					-
Operating profit					52,803
Net financial losses					(77)
Income taxes					10,136
Net result for the year					42,590

2023	ITALY	EUROPE	REST OF THE WORLD	Intragroup elimination	TOTAL
Revenues					
Sales to customers	121,140	86,446	14,965		222,551
Sales to other Group companies	51,921	2,899	93	(54,913)	-
Revenues by sector	173,061	89,345	15,058	(54,913)	222,551
Operating result by sector	47,123	6,696	145		53,964
Costs/income not assigned					-
Operating profit					53,964
Net financial losses					(136)
Income taxes					(13,000)
Net result for the year					40,828

As the distribution of sales by geographical area is different from that of the related Group activities, a breakdown of sales by geographical area of customers is shown below.

	2024	2023
Italy	98,892	96,691
Europe	108,574	102,279
Rest of the world	22,247	23,581
	229,713	**222,551**

The breakdown of assets and liabilities is shown below:

12/31/2024	ITALY	EUROPE	REST OF THE WORLD	TOTAL
Assets and Liabilities				
Segment assets	188,522	77,534	10,453	276,509
Consolidation adjustments				(5,343)
Total assets				**271,165**
Segment liabilities	36,254	14,992	1,133	52,379
Consolidation adjustments				(956)
Total liabilities				**51,423**
Capital expenditure:				
- Tangible fixed assets	22,966	5,068	114	28,178
- Intangible fixed assets	1,281	60	-	1,341
Total capital expenditure				**29,519**
Depreciation and amortisation:				
- Tangible fixed assets	(8,344)	(1,398)	(237)	(9,979)
- Intangible fixed assets	(868)	(269)	(3)	(1,140)
- Leased assets	(1,103)	(846)	(305)	(2,254)
Total amortisation				**(13,373)**
Accruals to provision for employee benefits	1,700	167	-	**1,867**
Average number of employees	581	283	40	**903**

12/31/2023	ITALY	EUROPE	REST OF THE WORLD	TOTAL
Assets and Liabilities				
Segment assets	180,759	62,639	10,804	254,202
Consolidation adjustments				(4,999)
Total assets				**249,203**
Segment liabilities	31,614	10,528	1,343	43,485
Consolidation adjustments				
Total liabilities				**43,485**
Capital expenditure:				
- Tangible fixed assets	10,499	2,432	231	13,162
- Intangible fixed assets	1,390	12	5	1,407
Total capital expenditure				**14,569**
Depreciation and amortisation:				
- Tangible fixed assets	(8,041)	(1,180)	(245)	(9,466)
- Intangible fixed assets	(807)	(262)	(1)	(1,070)
- Leased assets	(1,027)	(752)	(290)	(2,069)

Total amortisation				**(12,605)**
Accruals to provision for employee benefits	1,548	61	-	**1,609**
Average number of employees	558	265	40	**863**

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and Machinery	Equipment	Other assets	Work in progress	Total
Historical cost	64,048	93,175	16,626	12,219	5,657	191,725
Reassessments pursuant to law	934	32	-	-	-	966
Accumulated amortisation	(19,792)	(62,512)	(12,133)	(8,002)	-	(102,439)
Balance as at 12/31/2023	**45,190**	**30,695**	**4,493**	**4,217**	**5,657**	**90,252**
Increases	1,781	6,854	620	1,141	17,782	28,178
Currency translation differences	141	73	1	73	-	288
Amortisation	(1,646)	(5,990)	(919)	(1,383)	-	(9,938)
Net divestments	(5)	(35)	(49)	(57)	-	(147)
Reclassifications	7,268	1,538	1,529	3	(10,338)	-
Balance as at 12/31/2024	**52,730**	**33,134**	**5,674**	**3,994**	**13,101**	**108,632**

	Land and buildings	Plant and Machinery	Equipment	Other assets	Work in progress	Total
Historical cost	60,973	88,564	15,385	11,894	3,947	180,763
Reassessments pursuant to law	934	32	-	-	-	966
Accumulated amortisation	(18,305)	(57,688)	(11,315)	(7,854)	-	(95,162)
Balance as at 12/31/2022	**43,602**	**30,908**	**4,070**	**4,040**	**3,947**	**86,567**
Increases	2,111	3,636	773	1,649	4,993	13,162
Currency translation differences	42	33	-	6	(1)	80
Amortisation	(1,466)	(5,717)	(851)	(1,391)	-	(9,425)
Net divestments	-	(37)	(8)	(87)	-	(132)
Reclassifications	901	1,872	509	-	(3,282)	- -
Balance as at 12/31/2023	**45,190**	**30,695**	**4,493**	**4,217**	**5,657**	**90,252**

In 2024, Group investments in property, plant and equipment reached a total €28,178 thousand, made primarily by the parent company.

Two industrial buildings totalling 15,000 square metres are currently under construction at the Cembre SpA headquarters; this work involved investments in buildings totalling

€7.5 million, in addition to various extraordinary maintenance work on buildings carried out at Group level for a total of €1.5 million.

The increase in the item plant and machinery is mainly due to investments in equipment made by Cembre S.p.A. for €0.8 million and investments in production machinery and equipment also made by Cembre S.p.A. for €4.6 million; furthermore, the British company Cembre Ltd. invested €2.9 million in plant and machinery, mainly following the construction of a new automated warehouse.

Work in progress, amounting to €13,101 thousand, refers mainly to €4.5 million in advances paid by Cembre S.p.A. to external suppliers for the construction of the previously mentioned two new industrial buildings and the renovation of another office building, both underway at the Brescia headquarters. In addition, €4.7 million in advances were paid on the supply of equipment, almost entirely for the above-mentioned buildings, and €1.3 million in advances for machinery.

2. INVESTMENT PROPERTY

	Land and buildings	Plant and Machinery	Other assets	Total
Historical cost	1,590	263	5	1,858
Accumulated amortisation	(861)	(263)	(5)	(1,129)
Balance as at 12/31/2023	**729**	**-**	**-**	**729**
Amortisation	(41)	-	-	(41)
Balance as at 12/31/2024	**688**	**-**	**-**	**688**

The item includes only the property in Calcinate (BG), owned by Cembre S.p.A., which is no longer used for the Group activities and is leased to third parties.

3. INTANGIBLE FIXED ASSETS

	Development costs	Patents	Software	Trade marks	Other	Work in progress	Total
Historical cost	4,494	1,104	6,941	495	2,228	54	15,316
Accumulated amortisation	(2,463)	(1,038)	(5,621)	(280)	(1,202)	-	(10,604)
Balance as at 12/31/2023	**2,031**	**66**	**1,320**	**215**	**1,026**	**54**	**4,712**
Increases	655	113	503	-	-	70	1,341
Currency translation	-	-	-	-	-	-	-
Amortisation	(333)	(78)	(446)	(49)	(233)	-	(1,140)
Net divestments	(12)	-	-	-	-	-	(12)

Reclassifications	-	-	28	-	-	(28)	-
Balance as at 12/31/2024	**2,340**	**101**	**1,406**	**166**	**793**	**97**	**4,901**

Intangible fixed assets refer almost entirely to the Parent Company Cembre S.p.A.. Software increases mainly refer to upgrades of programs already in use. Development costs mainly concern the capitalisation of the hours dedicated by the technical office staff to product development; for more details on this asset, please refer to the Report on Operations.

Net disinvestments relating to the item Development Costs represent the value of projects abandoned during the year, as they are no longer considered worthwhile.

4. GOODWILL

	12/31/2024	12/31/2023	Change in
Goodwill	4,608	4,608	-

In May 2018, the German company Cembre GmbH acquired the entire capital of the compatriot IKUMA, identifying, after allocating the amount paid for the acquisition, a residual goodwill value of €4,608 thousand. In the first half of 2020, a reorganisation of the distribution networks, logistics and administrative and commercial services of both the aforementioned companies was completed, which resulted in significant integration of the two companies. As a result of this restructuring and close integration, the merger by incorporation of IKUMA in Cembre GmbH was resolved, endorsed on July 1, 2020, effective retroactively to January 1, 2020.

With reference to the December 31, 2024, an analysis (or impairment test) was carried out concerning the goodwill recognised in the consolidated financial statements of Cembre. This goodwill congruity analysis was carried out by taking as reference, as the smallest cash generating unit (CGU) associated with the goodwill under analysis, the net invested capital of the CGU Germany (coinciding with Cembre GmbH) recognised in the consolidated financial statements of Cembre.

The estimate of recoverable value was made by using the discounted cash flow method in its unlevered version, applied to the 2025-2028 economic and financial plan of the CGU Germany.

The analysis produced the following results:

	Recoverable value	Book value	Difference
CGU Germany	19,659	16,944	2,715

Therefore, there was no need to adjust the value of goodwill, recorded in the financial statements for €4,608 thousand.

The WACC, namely the weighted average cost of capital, used to measure the cash flows was determined as equal to 11.1% (10.50% in 2023), while the long-term growth rate G was assumed to be equal to 2.00% (2.01% in 2023).

As shown in the table above, the book value was fully consistent with the recoverable value.

Sensitivity Analysis

Upon changing said parameters, the results of the impairment test would vary as follows:

Value of goodwill

Recoverable value

		Long-term growth rate G				
		1.50%	**1.75%**	**2.00%**	**2.25%**	**2.50%**
WACC	**12.1%**	17,160	17,454	17,763	18,087	18,429
	11.6%	17,988	18,317	18,662	19,027	19,411
	11.1%	18,900	19,270	19,659	20,070	20,506
	10.6%	19,912	20,329	20,770	21,237	21,734
	10.1%	21,039	21,513	22,016	22,551	23,121

Difference of recoverable value - book value

		Long-term growth rate G				
		1.50%	**1.75%**	**2.00%**	**2.25%**	**2.50%**
WACC	**12.1%**	217	511	819	1,144	1,485
	11.6%	1,044	1,373	1,719	2,083	2,467
	11.1%	1,957	2,326	2,715	3,127	3,562
	10.6%	2,968	3,385	3,826	4,294	4,790
	10.1%	4,095	4,569	5,072	5,608	6,178

5. RIGHT OF USE - LEASED ASSETS

	Buildings	Motor vehicles	Total
Historical cost	8,990	2,640	11,630
Accumulated amortisation	(4,003)	(1,205)	(5,208)
Balance as at 12/31/2023	**4,987**	**1,435**	**6,422**
Increases	2,174	1,701	3,875

Currency translation differences	158	3	161
Amortisation	(1,262)	(992)	(2,254)
Divestments	-	-	-
Balance as at 12/31/2024	**6,057**	**2,147**	**8,204**

The increase in the item buildings was primarily due to the rental of the buildings of Cembre Sarl, as a result of the transfer of the headquarters from Paris to Lyon, while the increase in the item Motor vehicles was due to new contracts entered into to replace expired ones.

6. OTHER NON-CURRENT ASSETS

	12/31/2024	12/31/2023	Change in
Guarantee deposits	178	78	100

The item includes only security deposits paid by Cembre SpA, Cembre Sarl and Cembre GmbH.

7. INVENTORIES

	12/31/2024	12/31/2023	Change in
Raw materials	18,054	15,893	2,161
Work in progress and semi-finished goods	15,671	14,792	879
Finished goods	38,571	37,283	1,288
Advances to goods suppliers	1,495	775	720
Total	**73,791**	**68,743**	**5,048**

Payments on account to goods suppliers are the result of large orders placed to ensure adequate availability of raw materials and products.

The value of inventories is adjusted to its presumed realisable value through a provision for slow-moving inventory amounting to €5,131 thousand. Changes in the provision in 2024 are shown in the table that follows:

	2024	2023
Balance at January 1	**5,183**	**4,989**
Accruals	768	868
Uses	(695)	(83)
Releases	(226)	(563)
Currency translation differences	101	(28)
Balance at December 31	**5,131**	**5,183**

The impairment logic and procedures used to determine the provision for finished goods did not change from the previous year.

8. TRADE RECEIVABLES

	12/31/2024	12/31/2023	Change in
Nominal receivables due from	47,003	43,276	3,727
Provision for doubtful accounts	(821)	(783)	(38)
Total	**46,182**	**42,493**	**3,689**

Nominal trade receivables by geographical area are shown in the following table.

	12/31/2024	12/31/2023	Change in
Italy	23,494	22,754	740
Europe	20,777	17,314	3,463
North America	1,684	2,210	(526)
Oceania	497	311	186
Middle East	342	311	31
Asia	91	104	(13)
Africa	118	272	(154)
Total	**47,003**	**43,276**	**3,689**

Average collection time increased from 64 days in 2023 to 67 days in 2024.

Changes in the provision for doubtful accounts are shown in the table that follows:

	2024	2023
Balance at January 1	**783**	**590**
Accruals	86	236
Write-back of receivables	(33)	(43)
Releases	(15)	-
Currency translation differences	-	-
Balance at December 31	**821**	**783**

The breakdown of receivables by maturity at December 31 was as follows:

Year	Not past due	0-90 days	91-180 days	181-365 days	Over one year	Under litigation	Total
2024	40,454	5,101	448	452	382	166	**47,003**
2023	38,958	3,638	380	168	84	48	**43,276**

9. OTHER FINANCIAL ASSETS

This item comprises the amounts deposited in term current accounts closed between February and April 2024.

10. TAX RECEIVABLES

	12/31/2024	12/31/2023	Change in
Tax receivables	75	480	(405)
Patent Box receivable	5,048	1,103	3,945
Receivable for tax advance	648	-	648
Total	**5,771**	**1,583**	**4,188**

The item tax credits mainly includes those of Cembre S.p.A., of which €75 thousand related to investments related to Industry 4.0 and recoverable within a maximum of 5 years. For a description of the Patent Box receivable, please refer to Note 29 "Income Taxes".

11. OTHER ASSETS

	12/31/2024	12/31/2023	Change
Receivables from employees	101	65	36
Advances to suppliers	244	307	(63)
Other	773	878	(105)
Total	**1,118**	**1,250**	**(132)**

The residual item "Other" mainly includes prepaid expenses.

12. SHAREHOLDERS' EQUITY

The share capital of the Parent Company amounts to €8,840 thousand, and is made up of 17 million ordinary shares with a par value of €0.52 each, fully subscribed and paid-up.

At December 31, 2024, Cembre S.p.A. held 185,041 treasury shares, corresponding to 1.09% of its capital stock. Against these shares the Company recorded €3,512 thousand in a specific shareholders' equity reserve under liabilities.

On the fiftieth anniversary of the foundation of the company, the Shareholders' Meeting approved an incentive plan targeted at Company executives and middle managers, which provides for the annual assignment of rights to purchase ordinary Cembre S.p.A. shares and will last until 2025. Following the adoption of this plan, in compliance with the provisions of IFRS 2, a Stock Options Reserve was recognised, representative of the debt to beneficiaries of the plan itself. This reserve amounted to €189 thousand at December 31, 2024. Please refer to Note 36 for further details.

A reconciliation between the Shareholders' Equity and net profit of the Parent Company and the Consolidated Shareholders' Equity and net profit is provided in the Report on Operations.

Changes in individual components of the Consolidated Shareholders' Equity are shown in the "Statement of Changes in the Consolidated Shareholders' Equity" included in the Consolidated Financial Statements.

13. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

	Effective interest rate %	Term ending	12/31/2024	12/31/2023
Leasing liabilities - Non-current portion				
Cembre S.p.A.			1,287	1,470
Cembre Ltd.			2,467	2,424
Cembre Sarl			1,849	123
Cembre España SLU			239	1
Cembre GmbH			76	107
Cembre Inc.			286	568
Cembre El.Conn. Shanghai Limited			9	-
Total non-current portion			**6,213**	**4,693**
NON-CURRENT FINANCIAL LIABILITIES			**6,213**	**4,693**

	Effective interest rate %	Term ending	12/31/2024	12/31/2023
Bank loans				
Cembre S.p.A.				
Current portion				
BNL contract 6176728	6.08	Dec-25	67	99
BPER Hot money	3.10	May-25	3,000	-
Total current portion			**3,067**	**99**
Bank overdrafts				
Cembre S.p.A.				
Banco BPM	2.06	On request		
Cembre INC			-	27
Total			**-**	**27**
Bank charges and interest payable			**13**	**2**
Leasing liabilities - Current portion				
Cembre S.p.A.			1,002	950
Cembre Ltd.			388	292
Cembre Sarl			270	113
Cembre España SLU			89	13
Cembre GmbH			130	195

Cembre Inc.			310	277
Cembre El.Conn. Shanghai Limited			2	-
Total current portion			**2,191**	**1,840**
CURRENT FINANCIAL LIABILITIES			**5,271**	**1,968**

With regard to the “BPER Hot Money” loan, on March 6, 2025, an early repayment of €1 million was made.

14. EMPLOYEE SEVERANCE INDEMNITY AND OTHER RETIREMENT BENEFITS

The item includes the Employee Termination Indemnity accrued for employees of the Italian company. Special retirement benefits, due in accordance with French regulations to persons employed in France at the time of retirement, are also included in the provision.

Employee termination indemnity accrued at December 31, 2024 was discounted on the basis of an evaluation made by a registered actuary. For more information, see the paragraph "Use of estimates" in Chapter "III. Accounting standards and valuation criteria"

	2024	2023
Opening balance	**1,751**	**1,682**
Accruals	1,206	1,522
Uses	(739)	(1,539)
Social security (INPS) treasury	(576)	27
Actuarial effect	(7)	59
Closing balance	**1,617**	**1,751**

The Treasury provision with the National Social Security Institute (Istituto Nazionale di Previdenza Sociale - INPS) at December 31, 2024 amounted to €10,043 thousand.

A change in the discount rate used could result in the following impacts on amount of debt accrued:

Change in rate	12/31/2024	12/31/2023
0.5%	1,332	1,429
-0.5%	1,500	1,530

15. PROVISIONS FOR RISKS AND CHARGES

Changes in the year are shown in the table below:

	Supplementary customer allowances	Directors variable compensation	Personnel incentives	Other provisions	Total
As at December 31,	**273**	**165**	**193**	**60**	**691**
Accruals	33	60	63	95	251

Use	(148)	(165)	(194)	(60)	(567)
As at December 31, 2024	**158**	**60**	**63**	**95**	**376**

In line with the remuneration policy of Cembre S.p.A., a variable compensation based on the achievement of medium-long term targets was introduced in favour of the Chairman and Managing Director. This compensation will possibly be disbursed in 2027 following the achievement of the targets set by the Board of Directors for the 2024-2026 period. The amount of the accrual against the variable compensation of Directors is recorded among the cost of services.

The provision for personnel benefits includes amounts accrued for sales personnel that will be paid out upon the achievement of performance targets set in the sales development plan defined by the management.

The item Other provisions includes the amounts set aside and relating to possible obligations deriving from a dispute with a former employee in the amount of €43 thousand and potential disputes with customers of €52 thousand.

Given the insignificant effects, these provisions were not discounted.

16. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities at December 31, 2024 are summarised as follows:

	12/31/2024	12/31/2023
Deferred tax assets		
Reversal of unrealised intra-group profits in stock	2,068	1,934
Write-down of inventories	585	593
Consulting capitalised by Cembre GmbH	183	129
Provision for doubtful accounts of the Parent Company	130	130
Differences on amortisation and depreciation of the Parent Company	335	271
Other	314	390
Gross deferred tax assets	**3,616**	**3,447**
Deferred tax liabilities		
Average cost assessment of inventories by the Parent Company	(688)	(816)
Depreciation Cembre LTD	(1,196)	(550)
Reassessment of land	(1,652)	(1,652)
Allocation of IKUMA investment purchase price	(436)	(495)
Other	(43)	(57)
Gross deferred tax liabilities	**(4,015)**	**(3,570)**

Net deferred tax assets (liabilities)	**(399)**	**(123)**

The item "Depreciation Cembre LTD" increased compared to last year due to the recognition of deferred taxation on investments made in 2024 by the subsidiary Cembre LTD.

17. TRADE PAYABLES

	12/31/2024	12/31/2023	Change in
Trade payables	19,479	14,414	5,065
Advances	398	415	(17)
Total	**19,877**	**14,829**	**5,048**

Trade payables by geographical area, in thousands of Euro, are disclosed in the table below.

	12/31/2024	12/31/2023	Change in
Italy	16,043	12,469	3,574
Europe	2,673	1,866	807
Far East	373	13	360
North America	127	36	91
Other	263	30	233
Total	**19,479**	**14,414**	**5,065**

Average payment time increased from 45 days in 2023 to 54 days in 2024.

18. TAX PAYABLES

This item exclusively includes tax payables, net of advances already paid.

19. OTHER PAYABLES

The item "Other payables" may be broken down as follows:

	12/31/2024	12/31/2023	Change in
Payables to employees	4,183	4,258	(75)
Employee withholding taxes payable	1,915	1,368	547
VAT and similar foreign taxes payable	1,849	1,936	(87)
Commissions payable	453	523	(70)
Payables to Statutory Auditors and similar foreign boards	55	44	11
Payables to directors	249	269	(20)
Social security payables	3,828	3,079	749
Payables for sundry taxes	41	287	(246)
Sundry items	253	25	228

Total	**12,826**	**11,789**	**1,037**

20. REVENUE FROM CONTRACTS WITH CUSTOMERS

In 2024, revenues increased by 3.2% compared to the previous year. A total of 43.1% of Group sales were represented by Italy (2.3% more than in 2023), while sales in the rest of Europe represented 47.3% of total sales (up 6.2% on the previous year). Sales to the rest of the World declined by 5.7%, representing 9.7% of total sales. Further detail is provided in the Report on Operations.

21. OTHER REVENUES AND INCOME

The breakdown of the item "Other revenues" and income is as follows:

	2024	2023	Change in
Capital gains	60	97	(37)
Release of provisions	200	77	123
Insurance damages	544	71	473
Reimbursements	480	324	156
Other	8	90	(82)
Operating grants	83	131	(48)
Capital grants	468	484	(16)
Total	**1,843**	**1,274**	**569**

Reimbursements relate primarily to transport costs charged to customers. With regard to operating grants, pursuant to Art. 1, paragraph 125, of Law 124/2017 (Compliance with transparency and disclosure obligations), in 2024, grants amounting to €79 thousand were obtained from the “Fondo Formazienda” fund for training courses provided to Parent Company personnel.

With regard to capital grants, it should be noted that these consist of a tax credit of €468 thousand for facilitations for investments made.

22. COST OF SERVICES

The item "costs for services" is broken down as follows:

	2024	2023	Change in
Subcontracted work	4,604	4,089	515
Electricity, heating and water	2,219	2,358	(139)
Transport of goods sold	3,472	3,494	(22)

Fuel	762	764	(2)
Travelling expenses	2,094	2,075	19
Maintenance and repair	3,699	3,728	(29)
Consulting	2,666	2,440	226
Advertising, promotions and trade fairs	1,268	1,073	195
Insurance	953	891	62
Compensation of corporate boards	1,073	1,035	38
Postage and telephone	438	436	2
Commissions	1,540	1,572	(32)
Security and cleaning	1,025	851	174
Bank services	174	163	11
Software licence fees	1,543	1,213	330
Refresher courses	409	412	(3)
Personnel search	483	446	37
Sundry items	737	1,123	(386)
Total	**29,159**	**28,163**	**996**

The item consulting increased mainly due to the higher value of technical consultancy and of sundry services.

The item advertising, promotions and trade fairs increased due to participation in international trade fairs.

The residual item "Sundry items" includes mainly entertainment and hospitality costs.

23. LEASES AND RENTALS

The item is broken down as follows:

	2024	2023	Change in
Rent and related costs	144	126	18
Vehicle and other leasing	175	235	(60)
Total	**319**	**361**	**(42)**

The amounts represent the residual portion linked to temporary extensions and short-term contracts, to contracts relative to assets worth less than €5,000 and ancillary costs not falling within the application of IFRS16.

24. PERSONNEL COSTS

Personnel costs are broken down as follows:

	2024	2023	Change in
Wages and Salaries	47,234	43,663	3,571
Social security charges	10,819	9,793	1,026
Employee Severance Indemnity	1,874	1,609	265
Retirement benefits	322	266	56
Other costs	1,353	1,309	44
Total	**61,602**	**56,640**	**4,962**

Wages and salaries include €4,506 thousand relating to the cost of personnel on short-term contracts, mainly incurred by the Parent Company (€4,080 thousand).

The increase in the item "Other costs" includes the provision in the Reserve for stock options, referred to in Note 12, equal to €53 thousand (€101 thousand in 2023).

Average number of employees by category:

	2024	2023	Change in
Executives	15	21	(6)
White collars	461	421	40
Blue collars	340	330	10
Temporary workers	86	91	(5)
Total	**903**	**863**	**40**

Average numbers of employees by company are as follows:

	Executives	White collars	Blue collars	Short-term personnel	Total 2024	Total 2023	Change in
Cembre S.p.A.	8	253	243	77	581	558	23
Cembre Ltd.	1	67	55	4	127	120	8
Cembre Sarl	1	31	6	2	39	33	6
Cembre España SLU	1	34	11	4	50	47	3
Cembre Inc.	1	34	4	-	39	40	(1)
Cembre GmbH	3	42	21	-	66	65	1
Cembre BV	-	-	-	-	-	-	-
Cembre El.Conn.Sh.	-	1	-	-	1	-	1
Total	**15**	**461**	**340**	**86**	**903**	**863**	**41**

25. OTHER OPERATING COSTS

The item is broken down as follows:

	2024	2023	Change in
Sundry taxes	953	977	(24)

Losses on receivables	11	44	(33)
Capital losses	156	87	69
Donations	60	53	7
Membership fees	73	80	(7)
Ancillary expenses for production	56	133	(77)
Accessory administrative expenses	68	161	(93)
Ancillary trade expenses	124	176	(52)
Other	397	81	316
Total	**1,897**	**1,792**	**105**

The residual item "Other" consists primarily of sundry expenses not otherwise classifiable.

26. INCREASES IN FIXED ASSETS FOR INTERNAL WORK

	2024	2023	Change in
External supplies of components	579	873	(294)
External processing and treatment	21	24	(3)
Internal design and processing	451	548	(97)
Other	52	36	16
Total	**1,103**	**1,480**	**(377)**

This item represents the amount of costs capitalised by the Parent Company for the construction of equipment and dies built internally, as well as costs relating to development activities.

27. ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES

The item is broken down as follows:

	2024	2023	Change
Customer allowances	33	36	(3)
Other provisions	95	94	1
Total	**128**	**130**	**(2)**

28. FINANCIAL INCOME AND CHARGES

	2024	2023	Change
Interest earned on bank account balances	247	225	22
Other financial income	110	88	22
Total financial income	**357**	**313**	**44**
Loans and bank overdrafts	(308)	(98)	(210)
Financial charges from discounting of	(47)	(60)	13
Lease financial charges	(274)	(196)	(78)
Other financial charges	(1)	(0)	(1)
Total financial charges	**(630)**	**(354)**	**(276)**
Total financial income and charges	**(273)**	**(41)**	**(232)**

29. INCOME TAXES

Income taxes are composed as follows:

	2024	2023	Change
Current taxes	(14,461)	(14,376)	(85)
Deferred taxes	368	240	128
Taxes referred to previous years		-	-
Extraordinary income	17	-	17
Patent Box Benefit	3,940	1,136	2,804
Total	**(10,136)**	**(13,000)**	**2,864**

On December 18, 2023 Cembre S.p.A. renewed the agreement with Agenzia delle Entrate (the Italian Revenue Service) that defines the methods and criteria for calculation of the economic contribution to the production of business income by intangible fixed assets for the purposes of the so-called "Patent Box", with regard to tax years 2020-2024.

The agreement allowed Cembre S.p.A. to obtain a tax benefit for 2020 of approximately €1,103 thousand, accounted for in 2023, determined according to the methods and criteria defined in the agreement.

Similarly, this agreement allowed for a tax benefit relating to the year 2021 of €1.88 million and a tax benefit relating to the year 2022 of €2.06 million to be recognised in 2024. The tax benefits for the years 2023 and 2024 are still being determined and will be accounted for when they can be calculated with the appropriate accuracy.

The table that follows shows a reconciliation between the theoretical tax expense, calculated at the normal tax rate of the Parent Company (Corporate (IRES) + Regional Tax on Productive Activities (IRAP) = 27.9%), and the actual tax expense recorded in the consolidated accounts.

	2024		2023	
	Amount	%	Amount	%
Profit prior to taxes	52,725		53,828	
Theoretical tax expense	**14,710**	27.9%	**15,018**	27.90%
Effect of non-deductible charges	1,833	3.48%	2,058	3.82%
Effect of untaxed income and deductions	(2,588)	-4.91%	(2,910)	-5.41%
IRAP and other taxes	469	0.89%	363	0.67%
Extraordinary income	(3,958)	-7.51%	(1,135)	-2.11%
Effect of other foreign tax rates	(330)	-0.62%	(394)	-0.73%
Total income taxes in the financial statements	**10,136**	19.23%	**13,000**	24.15%

At December 31, 2024, there are no temporary differences and accrued past tax losses regarding which no prepaid and/or deferred taxes have been recognised.

Deferred tax assets and liabilities are made up as follows:

	2024	**2023**
Reversal of unrealised intra-group profits in stock	134	184
Average cost assessment of inventories by the Parent Company	128	9
Accelerated depreciation	(646)	(107)
Write-down of inventories	(8)	(98)
Differences on amortisation and depreciation of the Parent Company	65	(41)
Allocation of IKUMA investment purchase price	59	97
Other	(170)	196
Prepaid/deferred taxes for the financial year	**(368)**	**240**

30. COMPREHENSIVE INCOME

The Cembre Group uses a single table to report its comprehensive income. In particular, the economic effects recorded directly under Shareholders' Equity are reported separately and result in an increase or decrease of net profit for the period. At December 31, 2024, the changes relate only to foreign exchange translation differences arising upon consolidation on the translation into Euro of the financial statements of subsidiaries operating outside the Euro zone and the effect of the discounting of Employee Termination Indemnities.

31. EARNINGS PER SHARE (BASIC AND DILUTED)

Basic earnings per share are calculated by dividing net profit by the weighted average number of shares in circulation for the period, excluding treasury shares held at the end of the year, amounting to 185,041.

Diluted earnings per share are determined by dividing the net profit by the weighted average number of shares in circulation in the period, excluding treasury shares, increased by the weighted number of shares that potentially could be added to those in circulation due to the stock option plan.

	2024	**2023**
Consolidated net profit	42,590	40,828
No. of ordinary shares ('000)	16,806	16,790

Basic earnings per share	**2.53**	**2.43**
Weighted number of shares potentially eligible for allocation (Euro '000)	18	18
Diluted earnings per share	**2.53**	**2.43**

32. DIVIDENDS

On May 15, 2024 (ex-dividend date May 14), dividends were paid in the amount of €30,235 thousand, relating to the allocation of profit for the year 2023, corresponding to €1.80 per share entitled to dividends.

Dividends related to the allocation of the 2024 profit and submitted for approval to the Shareholders' Meeting amounted to €1.88 per share, for a total of €31,612 thousand. This amount was not recorded as a liability.

33. COMMITMENTS AND RISKS

	12/31/2024	12/31/2023	Change
Sureties and guarantees given	1,625	2,399	(774)

Commitments at December 31, 2024 included sureties granted by the Parent Company to the Municipality of Brescia amounting to €280 thousand, to guarantee urban development works following the authorisation to build in an area owned by the company and adjacent to the company headquarters. The residual portion refers to guarantees granted to Italian and foreign electrical and railway entities, to guarantee supply for €854 thousand, and guarantees granted to Brescia Customs Authority for €491 thousand.

In July 2023, Cembre SpA signed a framework agreement with Intesa Sanpaolo SpA for the transfer of tax credits in favour of Cembre SpA. The agreement is valid until December 31, 2026 and includes an indemnity clause in favour of Cembre SpA.

Cembre SpA benefits from a purchase price that is lower than the nominal value of the tax credit being transferred, obtaining financial income when it uses the purchased tax credit to pay the taxes due.

This agreement resulted in the purchase of tax credits in the amount of €10 million in 2024 and includes a commitment to purchase tax credits in the amount of €10 million for each of the years 2025 and 2026.

34. NET FINANCIAL POSITION

The net financial position of the Group amounted to a positive €1,987 thousand at the end of the period, down on December 31, 2023 due to the greater dividends paid and increased investment volume with respect to the previous year.

At the financial statement date, the Group had no outstanding debt involving covenants or negative pledges.

In respect of the "Guidelines on disclosure obligations pursuant to the prospectus regulation" set forth by ESMA, details of the Group Net Financial Position are provided below:

		12/31/2024	12/31/2023
A	Cash	9	5
B	Bank deposits	13,462	20,877
C	Other financial assets	-	4,000
D	**Cash and cash equivalents (A+B+C)**	**13,471**	**24,882**
E	Current bank payables	(3,080)	(128)
F	Current financial leasing liabilities	(2,191)	(1,840)
G	**Current financial indebtedness (E+F)**	**(5,271)**	**(1,968)**
H	**Net current financial position (G+D)**	**8,200**	**22,914**
I	Non-current financial leasing liabilities	(6,213)	(4,693)
J	**Non-current financial debt (I)**	**(6,213)**	**(4,693)**
K	**Net financial position (H+J)**	**1,987**	**18,221**

35. DISCLOSURE ON RELATED PARTIES

Among the assets leased to Cembre S.p.A. by third parties are an industrial building adjacent to the Company registered office measuring a total of 5,960 square meters on three floors, in addition to the Monza, Padua and Bologna sales offices. These properties are owned by "Tha Immobiliare S.p.A.", a company with registered office in Brescia, whose capital is held by Anna Maria Onofri, Giovanni Rosani, and Sara Rosani, members of the Board of Directors of Cembre S.p.A.; the interest for the company can be seen in the prospect of continuity and in the reduction of the risks of termination of the lease contract. At the year end, all amounts due to Tha Immobiliare had been settled.

Cembre Ltd. leases an industrial building, composed of several units, from Borno Ltd., a company controlled by Lysne S.p.A. (parent company of Cembre S.p.A.).

A summary of the amounts reported in the financial statements relating to the above-mentioned contracts is provided below:

	Assets	Non-current liabilities	Current liabilities	Amortisation	Interest expense
Leased assets from THA - Cembre S.p.A.	627	933	559	523	39
Leased assets from Borno - Cembre Ltd	2,363	2,212	269	289	101

Cembre S.p.A. does not have direct relationships with the parent company Lysne S.p.A. of any other nature than that of the exercise of shareholders rights on the part of the parent company. Lysne S.p.A. does not carry out any management or coordination activity with respect to Cembre S.p.A.

Boards' compensation

In 2024, compensation for the members of the Board of Directors and the Board of Statutory Auditors, net of social security contributions, amounted to:

	Board of Statutory Auditors	Directors
Emoluments as directors and auditors of Cembre S.p.A.	91	867
Remuneration as employees	-	411
Other compensation	-	11
Non-monetary benefits	-	21

The item "Remuneration as employees" does not include contributions borne by the Company, amounting to €133 thousand.

Other fees relate to the function performed within the Supervisory Body.

Non-monetary benefits relate to the use of a company car and insurance policies underwritten on their behalf.

36. SHARE-BASED PAYMENTS

The Parent Company Cembre S.p.A. established the incentive plan known as "Premio Carlo Rosani per i 50 anni della Fondazione della Società" (Carlo Rosani Prize for the 50th anniversary of the foundation of the Company), intended for executives and middle managers who have an employment contract with the company.

The plan, approved by the Shareholders' Meeting on April 18, 2019, provides for the attribution, by the company, of rights to acquire ordinary Cembre shares, and will last until 2025.

The rights granted under the plan can only be assigned to the beneficiaries identified, to this end, by the Board of Directors, based on the prior opinion of the Appointments and Remuneration Committee and in compliance with the Incentive Plan Regulation.

The rights will be assigned annually, free of charge, in the plan duration period, following the Board's approval of the company's consolidated financial statements. The beneficiaries will be attributed, for each annual assignment, the following rights: 2,000 for those in the position of executive and 500 for middle managers. The exercise price of the aforementioned rights is €10 per share. Based on the beneficiaries identified by the Board of Directors, provision is made for the assignment of a total maximum number of 120,500 shares for the entire duration of the plan.

The assignment of the rights to the beneficiaries is subject to the verification of the following performance conditions:

- growth must be recorded in the gross operating profit of the Cembre Group in the reference year (i.e. the year prior to the assignment year) compared to the previous year;
- the gross operating profit of the Cembre Group in the reference year must be higher than the minimum values reported in the incentive plan Regulation.

The assignment of the rights to the beneficiaries is also subject to the following additional conditions, to be verified in relation to the individual beneficiary:

- existence of an employment contract with the position of executive or middle manager;
- solely for recipients in the position of middle manager, provision of work activities to the company for an average of 40 hours per week;
- in compliance with the prohibition on the transfer of the payment, from the second assignment date, maintenance of ownership of the shares acquired under the plan,

and nonetheless, a number of Cembre shares at least equal to the total number of rights exercised under the plan.

In October 2024, the fourth instalment of assignment rights was exercised that resulted in a reduction of the reserve for treasury shares equal to €332 thousand, against the assignment of 17,500 shares.

37. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group makes very limited use of derivative instruments to hedge against interest risk and currency exposure.

The short-term maturity of a large part of the financial instruments held is such that their carrying value is in line with their fair value of the same.

Risks connected with the market

The Group faces this risk with ongoing innovation, the widening of the product range, high automation and the upgrade of its production process, implementing focused marketing policies also with the help of its foreign subsidiaries.

Interest rate risk

At December 31, 2024, as detailed in Note 13, two fixed rate loans were taken out in the name of the Parent Company Cembre S.p.A., expiring in May 2025 and December 2026. Owing to the nature and duration of the contracts, the interest rate risk can be considered zero.

Currency risk

Despite a strong international presence, the Group does not have a significant exposure to currency risk (on an operating or equity basis), as it operates mainly in the Euro area, the currency in which its trade transactions are mainly denominated.

Exposure to currency risk is determined mainly by sales in US dollars and British pounds. The entity and volumes are not such as to have a significant impact on the Group results.

In addition to currency risk, the Group is also exposed to currency translation risk. As described in the consolidation principles section, in fact, financial statements of consolidated companies prepared in currencies other than the Euro are translated into Euro at the exchange rate published on the website of the Ufficio Italiano Cambi.

In the table that follows we report the economic effect of possible fluctuations in exchange rates for the main financial items of consolidated companies operating outside the euro area.

	Currency	Change in exchange	Change in Shareholders'	Change in Turnover	Change in Profit
Cembre Ltd.	GBP	5% / -5%	(1,043)/1,043	(1,738)/1,738	(188)/188
Cembre Inc.	USD	5% / -5%	(430)/430	(761)/761	(27)/27
Cembre Electrical Connections Shanghai	CNY	5% / -5%	(24)/24	-	(1)/1

At December 31, 2024, the effect of foreign-exchange transactions is positive by €180 thousand.

Liquidity risk

The exposure of the Group to liquidity risk is not material as its financial position is balanced. The collection and payment cycle is also balanced, as shown by the ratio of current assets to current liabilities.

Credit risk

The Group exposure to credit risk relates exclusively to trade receivables.

As shown in Note 8, none of the areas in which the Group operates poses relevant credit risks.

Operating procedures limit the sale of products or services to customers who do not possess an adequate credit rating or provide secured guarantees. The receivables matured over 12 months and those under litigation are widely covered by the provision for doubtful accounts accrued. Moreover, Cembre S.p.A. has stipulated an insurance policy against commercial credit risk, allowing it to reduce further exposure to this kind of risk.

Risks linked to climate change

Climate change entails a broad spectrum of possible impacts for the Group arising from both physical and transition risks. When making new investments, the Group takes into account the possible future impacts that climate change may have on their usability and useful life. It also closely monitors regulatory developments and changes, such as new climate-related regulations and standards.

The Group believes that its business model and products will still be attractive following the transition to a low-emission economy.

Climate-related issues may increase the uncertainty of the estimates and assumptions regarding certain elements or items of the financial statements. For further discussion of this aspect, please refer to the section "Effects of Climate Change" in the sub-chapter "Use of estimates" of the chapter "ACCOUNTING STANDARDS AND VALUATION CRITERIA". Please also refer to the "Effects of climate change" section in the Report on Operations.

38. SUBSEQUENT EVENTS

No event having significant effects on the Group's financial position or operating performance occurred after the close of the year.

Brescia, March 13, 2025

FOR THE BOARD OF DIRECTORS
OF THE PARENT COMPANY CEMBRE S.P.A.
The Chairman and Managing Director

Giovanni Rosani

Attestation in respect of the Consolidated financial statements

pursuant to art 154-bis Paragraph 5, of Legislative Decree 58 dated Feb. 24, 1998 “Consolidated Law on financial intermediation regulations” and subsequent integrations and updatings

The undersigned Giovanni Rosani and Claudio Bornati, in their position as Managing Director and Manager responsible for the preparation of financial reports of Cembre S.p.A., respectively, pursuant to Article 154-bis, paragraphs 3 and 4 of Legislative Decree No.58/1998, certify that internal controls over financial reporting in place for the preparation of 2024 consolidated financial statements and during the period covered by the report, were:

- adequate to the Company structure, and
- effectively applied during the process.

The undersigned officers certify that this 2024 consolidated financial statements:

a) was prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002, and

b) corresponds to the Company’s evidence and accounting books and entries;

c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

The undersigned officers attest, also, that the report on operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Brescia, March 14, 2025

Chairman and
Managing Director

signed by:
Giovanni Rosani

Manager responsible for the
preparation of financial reports

signed by:
Claudio Bornati

Financial Statements at December 31, 2024

Cembre S.p.A. - Statements of financial position

ASSETS	Notes	December. 31, 2024		December. 31, 2023	
			of which: related parties		*of which: related parties*
NON CURRENT ASSETS					
Tangible assets	*1*	92.211.363		77.613.106	
Investment property	*2*	688.360		729.074	
Intangible assets	*3*	4.011.656		3.611.413	
Right of use assets	*4*	2.224.254	626.569	2.375.923	1.149.377
Investments in subsidiaries	*5*	22.209.981		20.909.981	
Other investments	*6*	5.168		5.168	
Other non-current assets	*7*	95.018		63.413	
Deferred tax assets	*18*	1.185.091		1.197.143	
TOTAL NON-CURRENT ASSETS		**122.630.891**		**106.505.221**	
CURRENT ASSETS					
Inventories	*8*	52.386.688		49.299.877	
Trade receivables	*9*	25.671.180		25.308.178	
Trade receivables from subsidiaries	*10*	9.051.336	9.051.336	6.213.513	6.213.513
Other financial assets	*11*	-		4.000.000	
Tax receivables	*12*	5.512.409		1.405.965	
Other assets	*13*	363.050		473.480	
Cash and cash equivalents		4.167.283		14.676.371	
TOTAL CURRENT ASSETS		**97.151.946**		**101.377.384**	
NON-CURRENT ASSETS AVAILABLE FOR SALE		**-**		**-**	
TOTAL ASSETS		**219.782.837**		**207.882.605**	

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	December. 31, 2024		December. 31, 2023	
			of which: related parties		*of which: related parties*
EQUITY					
Capital stock	*14*	8.840.000		8.840.000	
Reserves	*14*	136.778.584		127.109.522	
Net profit		37.199.732		39.629.052	
TOTAL SHAREHOLDERS' EQUITY		**182.818.316**		**175.578.574**	
NON-CURRENT LIABILITIES					
Non-current financial liabilities	*15*	1.285.940	932.735	1.469.682	929.418
Employee Severance Indemnity and other personnel benefits	*16*	1.411.539	12.723	1.478.407	138.934
Provisions for risks and charges	*17*	375.717	60.000	690.950	165.000
Deferred tax liabilities	*18*	2.383.179		2.509.326	
TOTAL NON-CURRENT LIABILITIES		**5.456.375**		**6.148.365**	
CURRENT LIABILITIES					
Current financial liabilities	*15*	4.082.159	558.494	1.051.141	522.749
Trade payables	*19*	17.483.111		13.488.842	
Trade payables to subsidiaries	*20*	710.474	710.474	691.644	691.644
Tax payables	*21*	858.572		3.471.848	
Other Payables	*22*	8.373.830	304.167	7.452.191	312.763
TOTAL CURRENT LIABILITIES		**31.508.146**		**26.155.666**	
LIABILITIES ON ASSETS HELD FOR DISPOSAL		**-**		**-**	
TOTAL LIABILITIES		**36.964.521**		**32.304.031**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**219.782.837**		**207.882.605**	

Financial Statements at December 31, 2024

Cembre S.p.A. - Statement of comprehensive income

	Notes	December. 31, 2024		December. 31, 2023	
			of which: related parties		*of which: related parties*
Revenues from contracts with customers	***23***	175.932.191	52.879.096	173.060.884	51.920.913
Other revenues	***24***	3.311.128	2.030.394	2.615.715	1.707.921
TOTAL REVENUES		**179.243.319**		**175.676.599**	
Cost of goods and merchandise	***25***	(67.256.235)	(2.649.866)	(57.897.664)	(2.218.416)
Change in inventories	***8***	2.774.632		(4.509.329)	
Cost of services received	***26***	(20.796.181)	(1.353.423)	(19.498.313)	(817.688)
Lease and rental costs	***27***	(253.355)		(209.669)	
Personnel costs	***28***	(38.577.522)	(543.205)	(36.084.666)	(430.703)
Other operating costs	***29***	(1.030.538)		(1.038.265)	
Increase in assets due to internal construction	***30***	1.103.190		1.480.449	
Revalutation of credits	***9***	9.318		(207.061)	
Accruals to provisions for risks and charges	***31***	(127.800)		(55.240)	
GROSS OPERATING PROFIT		**55.088.828**		**57.656.841**	
Tangible asset depreciation	***1-2***	(8.346.821)		(8.046.752)	
Intangible asset amortization	***3***	(868.318)		(806.589)	
Depreciation of right of use assets	***4***	(1.102.905)	(522.808)	(1.026.879)	(531.821)
OPERATING PROFIT		**44.770.784**		**47.776.621**	
Financial income	***32***	818.003	483.700	3.712.128	3.413.082
Financial expenses	***32***	(415.456)	(39.062)	(222.507)	(36.696)
Foreign exchange gains (losses)	***33***	108.693		(162.823)	
PROFIT BEFORE TAXES		**45.282.024**		**51.103.419**	
Income taxes	***34***	(8.082.292)		(11.474.367)	
NET PROFIT FROM ORDINARY ACTIVITIES		**37.199.732**		**39.629.052**	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL		**-**		**-**	
NET PROFIT		**37.199.732**		**39.629.052**	
Items that will not be reclassified to profit and loss					
Gains (losses) from discounting of Employees' Termination Indemnity		54.093		1.243	
Income tax relating to items that will not be reclassified		(12.982)		(298)	
COMPREHENSIVE INCOME	***35***	**37.240.843**		**39.629.997**	

Financial Statements at December 31, 2024

Cembre S.p.A. - Statement of Cash Flows

	2024	2023
€ '000		
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**14.676.371**	**5.900.290**
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	37.199.732	39.629.052
Income taxes	8.082.292	11.474.367
Financial losses/(Financial gains)	(402.548)	(3.489.622)
(Gains)/Losses on disposal of assets	86.673	16.112
Depreciation, amortization and write-downs	10.318.044	9.880.220
Net change in Employee Termination Indemnity	(66.868)	39.448
Net change in provisions for risks and charges	(315.232)	113.318
Stock options plan IFRS2 remeasurement	(150.660)	101.129
Operating profit (loss) before change in working capital	**54.751.433**	**57.764.024**
(Increase) Decrease in trade receivables	(3.200.825)	(8.907.040)
(Increase) Decrease in inventories	(3.086.811)	4.659.538
Increase (Decrease) of trade payables	4.013.099	(3.414.984)
Increase (Decrease) of others in working capital	1.675.628	(286.377)
(Increase) Decrease in working capital	**(598.909)**	**(7.948.863)**
Other changes	95.891	183.373
Interests received/(Interests paid)	(81.152)	76.540
Dividends received	483.700	3.413.082
(Paid income taxes)	(15.945.571)	(9.236.211)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	**38.705.392**	**44.251.945**
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(1.281.339)	(1.389.866)
- tangible	(22.995.890)	(10.498.561)
- financial	(833.055)	-
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- intangible	12.778	19.563
- tangible	4.854	21.777
- financial	1.450	56
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	**(25.091.203)**	**(11.847.031)**
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	4.000.000	11.000.000
Increase (Decrease) in bank payables	2.978.413	(10.257.391)
Repayment of leasing liabilities	(1.082.375)	(1.026.944)
Sale (Purchase) of own shares	175.000	150.000
Dividends distributed	(30.235.426)	(23.495.443)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	**(24.164.388)**	**(23.629.778)**
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	**(10.550.199)**	**8.775.136**
F) Discounting of Employee Termination Indemnity	41.111	945
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (A+E+F)	**4.167.283**	**14.676.371**
Of which: assets held for disposal	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**4.167.283**	**14.676.371**

CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**4.167.283**	**14.676.371**
Other financial assets	-	4.000.000
Current financial liabilities	(4.082.159)	(1.051.141)
Non current financial liabilities	(1.285.940)	(1.469.682)
NET FINANCIAL POSITION	**(1.200.816)**	**16.155.548**

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash	7.418	3.316
Banks	4.159.865	14.673.055
	4.167.283	**14.676.371**

Financial Statements at December 31, 2024

Statement of Changes in the Shareholders' Equity

	Balance at December 31, 2023	Allocation of profit to reserves	Allocation of profit to dividends	Stock options plan: IFRS2 measurement	Stock options plan: Shares assignment	Comprehensive income of the period	Balance at September 30, 2024
Capital stock	**8.840.000**	-	-	-	-	-	**8.840.000**
Share premium reserve	**12.244.869**	-	-	-	-	-	**12.244.869**
Legal reserve	**1.768.000**	-	-	-	-	-	**1.768.000**
Reserve for own shares	**(3.844.067)**	-	-	-	332.136	-	**(3.511.931)**
Suspended-tax revaluation reserve	**585.159**	-	-	-	-	-	**585.159**
Other suspended-tax reserves	**68.412**	-	-	-	-	-	**68.412**
Extraordinary reserve	**107.205.207**	9.393.626	-	10.789	(10.661)	-	**116.598.961**
Reserve for FTA	**4.051.204**	-	-	-	-	-	**4.051.204**
Reserve for discounting of Employee Termination Indemnity	**347.147**	-	-	-	-	41.111	**388.257**
Merger surplus reserve	**4.397.138**	-	-	-	-	-	**4.397.138**
Stock options reserve	**286.453**	-	-	(150.660)	52.722	-	**188.515**
Retained earnings	**-**	-	-	-	-	-	**-**
Net profit	**39.629.052**	(9.393.626)	(30.235.426)	-	-	37.199.732	**37.199.732**
Total Shareholders' Equity	**175.578.574**	**-**	**(30.235.426)**	**(139.871)**	**374.197**	**37.240.842**	**182.818.316**

	Balance at December 31, 2022	Allocation of profit to reserves	Allocation of profit to dividends	Stock options plan: IFRS2 measurement	Stock options plan: Shares assignment	Comprehensive income of the period	Balance at December 31, 2023
Capital stock	**8.840.000**	-	-	-	-	-	**8.840.000**
Share premium reserve	**12.244.869**	-	-	-	-	-	**12.244.869**
Legal reserve	**1.768.000**	-	-	-	-	-	**1.768.000**
Reserve for own shares	**(4.128.755)**	-	-	-	284.688	-	**(3.844.067)**
Suspended-tax revaluation reserve	**585.159**	-	-	-	-	-	**585.159**
Other suspended-tax reserves	**68.412**	-	-	-	-	-	**68.412**
Extraordinary reserve	**101.571.068**	5.621.190	-	(24.353)	37.302	-	**107.205.207**
Reserve for FTA	**4.051.204**	-	-	-	-	-	**4.051.204**
Reserve for discounting of Employee Termination Indemnity	**346.202**	-	-	-	-	945	**347.147**
Merger surplus reserve	**4.397.138**	-	-	-	-	-	**4.397.138**
Stock options reserve	**332.961**	-	-	125.482	(171.990)	-	**286.453**
Retained earnings	**-**	-	-	-	-	-	**-**
Net profit	**29.116.633**	(5.621.190)	(23.495.443)	-	-	39.629.052	**39.629.052**
Total Shareholders' Equity	**159.192.891**	**-**	**(23.495.443)**	**101.129**	**150.000**	**39.629.997**	**175.578.574**

Notes to the Financial Statements of Cembre S.p.A. at December 31, 2024

I. CORPORATE INFORMATION

Cembre S.p.A. is a joint-stock company with registered office in Brescia, Via Serenissima 9. The company is listed on the MTA (screen-based equities market) managed by Borsa Italiana S.p.A.

Cembre S.p.A. (hereinafter "the Company") are active primarily in the manufacturing and sale of electrical connectors and related tools.

Publication of the Financial Statements of Cembre S.p.A. for the year ended December 31, 2024 was authorized by a resolution of the Board of Directors dated March 13, 2025.

Cembre S.p.A. is controlled by Lysne S.p.A., a holding company based in Brescia, that does not exercise coordination and management.

II. FORM AND CONTENT

The Financial Statements at December 31, 2024 were prepared under the International Financial Reporting Standards (IFRS) adopted by the European Union and the related implementation regulations issued in application of article 9 of Legislative Decree no. 38/2005.

The standards adopted in the preparation of the Financial Statements are those formally endorsed by the European Union and in force as at December 31, 2024.

With the exception of those items for which international accounting principles provide for a different valuation, the Financial Statements were prepared in accordance with the historical cost principle.

Unless otherwise indicated, figures reported in the Financial Statements and the related notes are expressed in Euro.

The Financial Statements at December 31, 2024 were prepared on the basis of the going concern assumption.

Accounting standards and interpretations issued by the IASB and not yet endorsed by the European Commission

On April 9, 2024, the IASB issued IFRS 18 “Presentation and Disclosure in Financial Statements” to replace IAS 1. In particular, in order to increase information comparability and transparency, IFRS 18: (i) requires the presentation of specific partial results in the income statement and makes limited changes, essentially, to the cash flow statement and balance sheet; (ii) introduces specific disclosures, to be provided in the notes to the financial statements, on management-defined performance measures; and (iii) introduces new principles for the aggregation and disaggregation of information presented in the financial statements. The provisions of IFRS 18 are effective for financial years beginning on or after January 1, 2027.

On May 9, 2024, the IASB issued IFRS 19 “Subsidiaries without Public Accountability: Disclosures”, aimed at reducing disclosure requirements for the preparation of the annual (and, if applicable, consolidated) financial statements of companies (which are neither listed nor financial institutions) controlled, directly or indirectly, by a company that prepares its own IFRS consolidated financial statements, available for public use. The provisions of IFRS 19 are effective for financial years beginning on or after January 1, 2027.

On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments” aimed essentially at clarifying the timing of the derecognition of financial liabilities settled through electronic payment systems and providing clarifications on the classification of financial assets with environmental, social and governance characteristics. The amendments are effective starting from financial years beginning on or after January 1, 2026.

On July 18, 2024, the IASB issued the document “Annual Improvements to IFRS Standards - Volume 11”, containing basically technical and editorial amendments to the international accounting standards. The amendments to the accounting standards are effective starting from financial years beginning on or after January 1, 2026.

Accounting standards, amendments and interpretations endorsed by the European Union

The company did not arrange for the early adoption of any new standard, interpretation or amendment issued but not yet in force.

Amendments to IAS 1: Presentation of Financial Statements: Classification of liabilities as current or non-current and Non-current liabilities with covenants

On January 23, 2020, the IASB published an amendment to IAS 1 that aims to clarify one of the criteria of IAS 1 for classifying a liability as non-current, namely the requirement that the entity must have the right to defer settlement of the liability for at least 12 months after the reporting date. The change includes:

the indication that the right to defer settlement must exist at the reporting date;

a clarification that the classification is not influenced by management's intentions or expectations regarding the possibility of using the right of deferral;

a clarification of how the terms of the loan affect the classification; and

a clarification of the requirements for the classification of liabilities that an entity intends to settle or may settle by issuing its own equity instruments.

In addition, on October 31, 2022, the IASB published amendments concerning non-current liabilities with covenants. Only the terms of a liability deriving from a loan agreement, which an entity must meet by the reporting date, will affect the classification of that liability as current or non-current.

Amendments to IFRS 16: Lease liability in a sale and leaseback

On September 22, 2022, the IASB issued an amendment to this standard that specifies the requirements that a seller-lessee uses to measure the lease liability arising from a sale and leaseback transaction to ensure that the seller-lessee does not recognise any gain or loss relating to the right of use it retains. The amendment is intended to improve the requirements for sale and leaseback transactions in IFRS 16 but does not amend accounting for leases that are not related to sale and leaseback transactions.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Reverse Factoring Agreements

On May 25, 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, to clarify the characteristics of reverse factoring agreements and request additional disclosure regarding such agreements. The disclosure requirements included in the amendments are intended to assist users of financial statements in understanding the effects on an entity's liabilities, cash flows and exposure to liquidity risk of reverse factoring agreements.

As things currently stand, the Cembre Group is analysing the recently issued accounting standards and assessing whether their adoption, with the timing specified above, will have a significant impact on the financial statements.

III. ACCOUNTING STANDARDS AND VALUATION CRITERIA

Presentation of the Financial Statements

The Financial Statements are prepared as follows:

- current and non-current assets and liabilities are reported separately in the Statement of Financial Position;
- the analysis of costs in the Statement of Comprehensive Income is carried out based on the nature of the same;
- the Statement of Cash Flows is prepared by applying the indirect method.

The methods for preparing the Financial Statements have unchanged from previous year.

Furthermore, with reference to CONSOB Regulation no. 15519 dated July 27, 2006, the Financial Statements include a separate reporting of amounts pertaining to related parties, where significant.

Property, plant and equipment

Property, plant and equipment is recorded at the historical cost and reported net of accumulated depreciation and losses in value.

Ordinary maintenance and repair costs are not capitalised, and are charged to the income statement in the year in which they are incurred, with the exception of those that result in an increase in the useful life of the asset.

Depreciation commences when the asset is available for use and is calculated on a straight line basis over the estimated residual useful life of the asset, taking into account its residual value. Depreciation rates applied reflect the useful life generally attributed to the various classes of assets and are summarised below, with no changes compared to the prior year:

- Buildings and light installations:	from 3% to 10%
- Plant and machinery:	from 10% to 15%
- Industrial and commercial equipment:	from 15% to 25%
- Other assets:	from 12% to 25%.

Land has an undetermined useful life and is therefore not subject to depreciation.

The book value of property, plant and equipment is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the depreciation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realizable value, the assets or cash generating units are written down to reflect their expected realisable value.

The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

Tangible assets are eliminated from the balance sheet at the time of their sale or when there no longer exists the expectation of future economic benefits from their use or disposal.

Losses and gains (calculated as the difference between net revenues from the disposal and the book value of the asset) are recorded in the Income Statement in the year in which they are disposed of.

Leasing

The company evaluates, when a contract is signed, whether it can be classified as a lease, or:

- whether it confers the right of exclusive use of an asset;
- whether a period is identified in which the right of use can be exercised;
- whether a consideration for use of said right has been set.

The assets identified in this way are recognised at cost, inclusive of all initial direct expenses, and are amortised on a straight-line basis from the date of effectiveness until the end of the useful life of the asset underlying the contract, or, if before, until the expiry of the lease.

At the same time as the recognition under assets of the right of use, the company books the present value of payments due under lease payables, including the price of any purchase option. The value of the liabilities is reduced due to the payments made and may change depending on changes in the contractual terms.

The discount rate used to determine the value of the liabilities is the incremental borrowing rate.

Leases with a duration of less than or equal to 12 months have been excluded from application of the standard, as have low value leases. The associated fees, therefore, are booked as costs over the duration of the lease.

Investment property

Investment property is recorded at the historical cost and reported net of accumulated depreciation and losses in value.

Assets that cease to be used in the context of the company's ordinary operations but possess all the characteristics set forth in IFRS 5 to be included among non-current assets available for sale, are classified among Investment property and continue to be amortized as if they were still included among Property, plant and equipment, applying rates representative of the remaining useful life.

Please refer to the section on property, plant and equipment for a specification of the rates applied.

The book value of property, plant and equipment is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the depreciation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realizable value, the assets or cash generating units are written down to reflect their expected realisable value.

The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

Intangible assets

Intangible assets are recorded under assets, as provided by IAS 38 (Intangible assets), whenever it is probable that future economic benefits are generated through use and when the cost of the intangible asset can be determined in a reliable manner.

Intangible assets acquired separately are initially capitalised at cost, while those acquired through business combinations are recognised at their current value on the acquisition date.

With the exception of development costs, assets generated internally are not recorded as intangible assets.

After the initial recording, intangible assets are carried in the balance sheet at cost, net of accumulated amortisation calculated on a straight-line basis over their expected useful economic life, and of write-downs carried out as a result of durable losses in value. Intangible assets having an indefinite useful life are not amortised and are subjected periodically to an analysis to assess possible loss in value.

The useful life generally attributed to the various classes of assets is the following, with no changes compared to the prior year:

- concessions and licenses:	5 to 10 years
- software licenses:	3 to 5 years
- patents:	2 years
- development costs:	5 years

- trademarks: 10 to 20 years.

Amortisation commences when the asset is available for use, that is, when it is in a position and in the necessary condition to operate in the manner intended by management.

The book value of intangible assets is subjected to an impairment test whenever events or changes occurred indicate that the book value of the same can no longer be retrieved in line with the amortisation schedule originally set. Whenever there exists such an indication and the book value of the asset exceeds its realisable value, the assets are written-down to their expected realisable value.

Investments in subsidiaries

Recognised at cost, adjusted for any impairment.

The positive difference, emerging at the time of purchase, between the acquisition cost and the portion of shareholders' equity at current values of the investee company pertaining to the Company is, therefore, included in the book value of the investment.

Investments in subsidiaries are subject to assessment with regard to any impairment each time impairment indicators are identified. If there is evidence that such investments have undergone impairment, such impairment is recognised in the income statement as a write-down.

If the impairment of the investee company exceed the book value of the investment, the value of the investment is brought down to zero and the additional loss amount is recognised as accrual under liabilities. Should said impairment subsequently decrease, it is recognised in the Income Statement as a recovery within the limits of the cost.

Financial assets

Financial assets are initially recorded at cost, inclusive of accessory purchase costs, representing the fair value of the price paid. After the initial recording, financial assets are valued in accordance with their final purpose as described below.

Financial assets valued at fair value, with changes recorded in the Income Statement.

These are financial assets held for trading purposes, acquired for the purpose of obtaining a profit from short-term fluctuations in price. Derivatives are classified as financial assets held for trading, unless they are designated as effective hedging instruments.

Investments held to maturity

Financial assets other than derivatives that generate fixed financial flows or flows that may be determined and have a set maturity, are classified as “financial assets held to maturity” when the Company intends to and is capable of holding them to maturity.

Financial assets that the Company decides to hold for an indefinite period of time do not fall under this category.

After their initial recording, long-term financial investments held to maturity, such as bonds, are accounted for at the amortised cost, using the effective rate of interest method, are discounted to their present value.

The amortised cost is calculated keeping into account discounts and premiums, amortised over the term of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets providing for fixed payments or payments that may be determined, not listed on an active market. Such assets are recorded at the amortised cost using the actual discount rate method. Gains and losses are recorded in the Income Statement whenever loans and receivables are eliminated from the accounts or they experience losses in value, together with the related amortisation.

Financial assets available for sale

Financial assets available for sale include financial assets that do not fall under the above categories. After the initial recording, these are accounted for at fair value, while gains and losses are recorded under a specific Shareholders’ Equity reserve until the assets are sold or a loss in value is ascertained. In such case, gains and losses accrued are charged to the income statement.

In the case of securities widely traded on a regulated market, the fair value is determined with reference to the listed price at the closing of trading on the date of the financial statements. In the case of financial assets for which there does not exist an active market, the fair value is determined through valuation techniques based on the price recorded in recent transactions between unrelated parties or on the basis of the current market value of a similar instrument, or on discounted cash flows or option pricing models. Investments in other companies fall in this category.

Impairment of financial assets

The Company verifies at least yearly the possible loss in value of individual financial assets. These are recorded only at the time when there exists objective evidence, at the occurrence of one or more events, that the asset has experienced a loss of value with respect to its initial recorded value.

Treasury shares

Treasury shares are recorded as a reduction of Shareholders' Equity in a specific reserve.

The purchase, sale, issue or cancellation of treasury shares held does not determine the recording of any gain or loss in the Income Statement.

Inventories

Inventories are valued at the lower of cost and their expected realizable value, represented by their normal sale price, net of completion and selling costs.

The cost of inventories includes the acquisition cost, the transformation cost and other costs incurred to take inventories to their current location and state.

The method used to determine the cost of inventories is that of the weighted average cost, including the cost of initial inventories. Provisions are calculated for finished products, materials and other supplies considered obsolete or slow-moving, keeping into account their expected useful life and retrievable value.

Receivables and payables

Receivables are recognised at fair value, with simultaneous recognition of a provision for doubtful accounts that takes into account possible losses in value (expected losses), determined based on the prior trend of insolvencies and expected future conditions. Payables are normally valued at the amortised cost, adjusted under exceptional conditions in the event of changes in the conditions.

Cash and cash equivalents

Cash and cash equivalents include cash balances, unencumbered deposits and other treasury investments with an original scheduled maturity of three months or less. A cash investment is considered to be a cash equivalent when it is readily convertible to cash with no significant risk of change in value and when it is intended to meet short-term cash commitments and is not held for investment purposes.

Financial liabilities

Loans taken out are initially recognised at cost, corresponding to the fair value of the amount received, less ancillary costs incurred in connection with the arrangement of loans.

After initial recognition, loans taken out are measured at amortised cost, using the effective interest method.

Translation of amounts denominated in currencies other than the Euro

Transactions denominated in currencies other than the Euro are initially accounted for in Euro at the exchange rate at the date of the transaction. Currency translation differences arising at the time at which foreign currency receivables are collected and payables are paid out, are recorded in the income statement.

At the date of the financial statements, monetary assets and liabilities denominated in currencies other than the Euro – consisting of cash on hand or assets and liabilities to be received or paid out, whose amount is set and may be determined – are translated into Euro at the exchange rate at the date of the financial statements, recording in the income statement the currency translation difference.

Non-monetary items denominated in currencies other than the Euro are translated into Euro at the exchange rate at the time of the transaction, representing the historical exchange rate.

Provisions for risks and charges

Provisions for risks and charges are accrued against known liabilities, whose existence is certain or probable, but whose amount and expiration cannot be determined at the date of the financial statements. Accruals are made when the existence of a current obligation, legal or implicit, deriving from a past event, the fulfilment of which is expected to require the use of resources whose amount can be reliably estimated, is probable.

Provisions are valued at the fair value of liabilities. When the financial effect and the timing of the cash outflow can be estimated in a reliable manner, provisions include the interest component, recorded in the Income Statement among financial income (expense). Provisions accrued are reviewed at each accounting date and adjusted to bring them into line with the best estimate available to date.

Employee benefits

Under the revised IAS 19, and before the reform introduced by the 2007 Budget Law, the Employee Termination Indemnity was classified among defined benefit plans and was therefore subject to actuarial adjustments.

Employee termination indemnities accrued up to December 31, 2006, continue to be accounted for as defined benefit plans, while those accrued from January 1, 2007 are accounted for in two different ways:

- where the individual employee has opted for complementary pension funds, employee termination indemnities accrued after January 1, 2007 and until the time at which the choice is made by the employee, are recorded as a defined benefit plan. Subsequently they are accounted for as a defined contribution plan;
- where the individual employee has opted for accumulation with the treasury fund of the national social security agency (INPS), indemnities accrued after January 1, 2007 are accounted for as a defined contribution plan.

Share-based payments

The company records, starting from the grant date, the present value of the rights of exercise of the share purchase option. The allocation occurs periodically, over the entire vesting period set forth in the plan.

The fair value measurement of the options takes account of some actuarial variables according to the method set forth in IFRS 2: the risk-free return curve, the annual volatility of the yield of Cembre's share calculated over the last 3 years, the annual dividend rate, the value of the share price at the grant date.

The allocation is accounted for under personnel costs with an undistributable reserve as contra-item called the Stock options reserve.

Elimination of financial assets and liabilities

Financial assets are eliminated when the Company ceases to hold rights to receive financial flows deriving from the same or when such rights are transferred to another entity, that is when risks and benefits of the financial instrument cease to have an effect on the financial position and operating performance of the Company.

A financial liability is eliminated only when the obligation included in it is cancelled, fulfilled or expired.

Any material change in the contractual terms relating to the liability result in its cancellation and in the recording of a new liability.

Any difference between the book value and the amount paid to extinguish the liability is recorded in the Income Statement.

Revenues

Revenues are valued at the current value of the amount received or receivable.

Disposal of assets

Revenues from contracts with customers are recognised in the Income statement in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of control over goods or services to the customer. Revenues are recognised net of returns, discounts, rebates and taxes directly associated with the sale of the product or provision of the service.

Sales are recognised at the fair value of the consideration received for the sale of products and services when the following conditions are met: transfer of control associated with ownership of the asset takes place; the value of revenues is reliably determined; it is probable that the economic benefits deriving from the sale will be enjoyed by the company; the costs incurred, or to be incurred, are reliably determined.

Services rendered

Revenues are recorded based on the stage of completion of the operation at the date of the financial statements.

When the result of the performance of services cannot be reliably estimated, the revenues must be recognised only to the extent that the costs recognised will be recoverable.

The stage of completion is determined by valuing work carried out or by determining the proportion between costs incurred and total estimated costs to completion.

Interest

Interest is recognised on an accrual basis using the effective interest method.

Dividends

They are recognised when the right of the shareholders to receive payment arises.

Grants

Grants are recorded when there exists a reasonable certainty that the same will actually be received and the Company meets the conditions for the entitlement to the grant.

Grants linked to cost components (operating grants) are recorded under “other revenues and income” and amortised over several years so that revenues match the costs they are intended to compensate.

The amount of grants linked to assets (e.g. grants on the purchase of plant and equipment or grants for capitalised development costs), is suspended and released to the income statement under "other revenues and income" over the useful life of the asset to which it relates, thus in the period over which the depreciation expense relating to the asset is charged to the income statement.

Financial charges

Financial charges are recorded as a cost in the period in which they accrue. In accordance with IAS 23, any financial charges incurred in the acquisition of significant assets (qualifying assets) are capitalised.

Cost of goods purchased and services received

They are recognised in the Income Statement according to the accrual principle.

Income taxes (current, prepaid and deferred)

Current taxes are determined based on a realistic estimate of the tax expense for the period in accordance with applicable tax regulations. The Company records deferred and prepaid taxes arising from temporary differences between the book value of assets and liabilities and the related values reported for tax purposes.

Prepaid taxes are recorded only where there exists reasonable certainty of their retrieval through future profits within the term in which tax benefits are enjoyed. Deferred tax assets are recorded also where there exist deductible losses or tax credits, whenever it is deemed probable that sufficient future profits will be generated in the medium-term (3 to 5 years).

On May 24, 2023, the IASB published the International Tax Reform - Pillar Two Model Rules, amending IAS 12 Income Taxes. The document introduces a temporary exception to the recognition of deferred taxes relating to the application of the Pillar Two provisions published by the OECD. The amendment has no impact on the consolidated financial statements as the Group is not affected by Pillar Two rules, because its revenues are less than €750 million per year.

Use of estimates

In accordance with IAS/IFRS, the Company made use of estimates and assumptions based on prior experience and other factors deemed determinant, but not certain. Actual data could therefore differ from estimates and projections made.

Estimated data is reviewed periodically and adjustments made to the same are taken to the Income Statement for the period in which the review takes place in case the review affect only one period, or, subsequent accounting periods in case it affects also the same. Below we describe review processes and key assumptions used by management in applying accounting standards.

Provision for inventory depreciation

The provision for inventory depreciation is accrued to bring the book value of inventories that are obsolete and slow-moving into line with their expected realisable value.

Management reviews the composition of inventories with particular reference to slow moving stock to determine the amount to be accrued prudentially to reflect the obsolescence of stocks.

Provision for doubtful accounts

The provision for doubtful accounts reflects management estimates regarding losses on trade receivables.

The estimated provision for doubtful accounts is based on expected losses by the Company, according to past experience on similar portfolios of receivables, current past due amounts vs. historical past due amounts, losses and collections, the close monitoring of credit quality, in addition to projections on economic and market conditions.

Retrievable value of non-current assets

Non-current assets include property, plant and equipment, intangible assets, investments and other financial assets. Whenever circumstances so require, the management reviews periodically the book value of non-current assets held and used by the Group, in addition to assets to be disposed of. Such activity is carried out using estimates of expected cash flows from the sale of the asset and of adequate discount rates used in calculating the present value of the same. Whenever the book value of a non-current asset experiences a loss in value, the Company records a write-down equal to the difference between the book value of the asset and its retrievable value either through use or disposal of the same.

Post-retirement benefits

In the estimation of post-retirement benefits the Company makes use of traditional actuarial techniques based on stochastic simulations of the ”Montecarlo” type. Assumptions made relate to the discount rate and the annual inflation rate. Actuarial advisors of the Company also make use of demographic projections based on current mortality rates, employee disablement and resignation rates.

In 2024, based on past turnover experience, the probability of a company employee terminating his or her employment for causes other than death is the following:

Male	6.18%
Female	4.46%

The following assumptions were adopted with regard to the discounting rate, inflation rate and annual rate of increase in the post-retirement benefits:

Annual technical discounting rate	3.38%
Annual inflation rate	2.00%

Expected advances to be paid out are 5% per year and each advance corresponds to 70% of the accrued indemnity.

Recoverability of deferred tax assets

Cembre S.p.A. evaluates the possibility to recover deferred tax assets on the basis of profits and expected future market conditions in view of current sale contracts and ability of expected future profits to offset tax credits, in addition to the expected variance of the same and based on expected income results.

Contingent liabilities

In carrying out its activity, management consults with its legal and tax advisors and experts. The Company ascertains a liability arising from litigation whenever it deems probable that a financial outlay will be made in the future and when the amount of resulting losses can be reasonably estimated. In case a financial outlay becomes possible but its amount cannot be determined, such occurrence is reported in the notes.

Effects linked to climate change

The Company considers climate-related issues, and the effects of climate change, in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for the Company arising from both physical and transition risks. The Company believes that its business model and products will still be attractive following the transition to a low-emission economy. Although climate-related risks may not have a significant impact on measurements at present, the Company is closely monitoring developments and changes, such as new climate-related regulations and standards; in addition, climate-related issues may increase the uncertainty of estimates and assumptions concerning specific elements or items in the financial statements. However, these aspects are currently difficult to predict, even though they are being monitored more and more frequently in coordination between the various company departments.

The elements that could be most directly impacted by climate-related issues are:

- the useful life of property, plant and equipment. When recalculating the estimated residual value and useful life of an asset, the Company considers climate-related issues, such as the associated regulations that may limit their use or require significant investments for their adaptation or possibly their replacement;

- determination of the recoverable amount of non-financial assets. The estimate of value in use could be impacted in different ways by transition risk, in particular, climate-related regulations or a change in demand for the Company's products, despite the fact that the Company has concluded that its business model and products will still be attractive following the transition to a low-emission economy and that, to date, there are no significant climate-related assumptions.

For additional details, also see the sustainability report and the section "Risks and effects of climate change" in the Report on Operations.

IV. NOTES TO THE FINANCIAL STATEMENTS OF CEMBRE S.P.A.

1. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and Machinery	Equipment	Other assets	Work in progress	Total
Historical cost	54,153,584	87,729,989	15,760,979	6,239,737	5,657,774	169,542,065
Accumulated amortisation	(16,875,278)	(58,688,392)	(11,750,491)	(4,614,798)	-	(91,928,959)
Balance as at 12/31/2023	**37,278,306**	**29,041,598**	**4,010,488**	**1,624,939**	**5,657,774**	**77,613,106**
Increases	531,004	3,905,389	554,536	460,991	17,543,970	22,995,890
Amortisation	(1,359,376)	(5,537,455)	(854,808)	(554,467)	-	(8,306,107)
Net divestments	(5,251)	(35,265)	(49,398)	(1,613)	-	(91,526)
Reclassifications	7,268,329	1,537,689	1,528,981	2,870	(10,337,869)	-
Balance as at 12/31/2024	**43,713,012**	**28,911,956**	**5,189,799**	**1,532,722**	**12,863,875**	**92,211,363**

	Land and buildings	Plant and Machinery	Equipment	Other assets	Work in progress	Total
Historical cost	52,015,744	83,184,729	14,948,608	5,790,472	3,946,742	159,886,29
Accumulated amortisation	(15,614,515)	(53,890,783)	(10,952,377)	(4,270,462)	-	(84,728,138)
Balance as at 12/31/2022	**36,401,229**	**29,293,946**	**3,996,231**	**1,520,010**	**3,946,742**	**75,158,158**
Increases	1,237,191	3,267,667	335,417	665,511	4,992,775	10,498,561
Amortisation	(1,260,763)	(5,355,621)	(828,785)	(560,555)	-	(8,005,724)
Net divestments	-	(36,589)	(1,273)	(26)	-	(37,888)
Reclassifications	900,649	1,872,195	508,899	-	(3,281,743)	-
Balance as at 12/31/2023	**37,278,306**	**29,041,598**	**4,010,488**	**1,624,939**	**5,657,774**	**77,613,106**

The volume of capital expenditure by Cembre S.p.A. in 2024 amounted to €22,996 thousand.

Two industrial buildings totalling 15,000 square metres are currently under construction at the Cembre SpA headquarters; this work involved investments in buildings totalling €7,544 thousand, in addition to various extraordinary maintenance work and the completion of works carried out in previous years for €255 thousand.

The increase in the item "Plant and machinery" primarily consists of investments in equipment for €822 thousand and investments in machinery and production equipment totalling €4,136 thousand.

Work in progress, amounting to €12,864 thousand, refers mainly to €4.5 million in advances paid to external suppliers for the construction of the previously mentioned two new industrial buildings and the renovation of another office building, both underway at the Brescia headquarters. In addition, €4.7 million in advances were paid on the supply of equipment, almost entirely for the above-mentioned buildings, and €1.3 million in advances for machinery.

The item "Land and buildings" includes the €5,921 thousand revaluation made upon the first-time application of international accounting standards.

The monetary revaluations of property, plant and equipment recognised in the Financial Statements of Cembre S.p.A. at December 31, 2024 are listed below:

Description	Law 576/75	Law 72/83	Law 413/91	Total
Land and buildings	-	246,245	687,441	933,686
Plant and Machinery	227	20,230	-	20,457
Total	**227**	**266,475**	**687,441**	**954,144**

2. INVESTMENT PROPERTY

	Land and buildings	Plant and Machinery	Other assets	Total
Historical cost	1,590,520	263,005	5,322	1,858,847
Accumulated amortisation	(861,446)	(263,005)	(5,322)	(1,129,773)
Balance as at 12/31/2023	**729,074**	**-**	**-**	**729,074**
Amortisation	(40,714)	-	-	(40,714)
Balance as at 12/31/2024	**688,360**	**-**	**-**	**688,360**

At December 31, 2024, this item includes only the building in Calcinate (BG), which is leased to third parties.

3. INTANGIBLE FIXED ASSETS

Description	Development costs	Patents	Software	Other int. assets	Work in progress	Total
Historical cost	4,492,349	1,104,961	6,773,883	262,945	53,500	12,973,591
Accumulated amortisation	(2,461,027)	(1,038,913)	(5,487,785)	(88,500)	-	(9,362,178)
Balance as at 12/31/2023	**2,031,321**	**66,048**	**1,286,098**	**174,445**	**53,500**	**3,611,413**
Increases	654,498	112,974	443,517	-	70,350	1,281,339
Amortisation	(332,726)	(77,930)	(421,123)	(36,538)	-	(868,318)
Net divestments	(12,778)	-	-	-	-	(12,778)
Reclassifications	-	-	27,700	-	(27,700)	-

Balance as at 12/31/2024	**2,340,315**	**101,091**	**1,336,192**	**137,907**	**96,150**	**4,011,656**

Development costs mainly concern the capitalisation of the hours dedicated by the technical office staff to product development; for more details on this asset, please refer to the Report on Operations.

Net disinvestments relating to the item Development Costs represent the value of projects abandoned during the year, as they are no longer considered worthwhile.

Investments in software mainly concerned upgrades or purchases of new licenses for existing applications.

4. RIGHT OF USE - LEASED ASSETS

Description	Buildings	Vehicles	Total
Historical cost	3,828,436	1,596,163	5,424,599
Accumulated amortisation	(2,327,278)	(721,398)	(3,048,676)
Balance as at 12/31/2023	**1,501,158**	**874,765**	**2,375,923**
Increases	209,240	741,996	951,236
Amortisation	(547,359)	(555,546)	(1,102,905)
Net divestments	-	-	-
Balance as at 12/31/2024	**1,163,039**	**1,061,215**	**2,224,254**

The most consistent increases relate to the item "Vehicles" and are part of the normal process of replacing and expanding the vehicle fleet.

5. INVESTMENTS IN SUBSIDIARIES

	12/31/2023	Change	Write-downs	12/31/2024
Cembre Ltd.	3,437,433	-	-	3,437,433
Cembre Sarl	1,201,608	-	-	1,201,608
Cembre España SLU	3,115,554	-	-	3,115,554
Cembre GmbH	10,287,192	-	-	10,287,192
Cembre Inc.	2,868,194	-	-	2,868,194
Cembre BV	-	300,000	-	300,000
Cembre Electrical Connections Shanghai LTD	-	1,000,000	-	1,000,000
Total	**20,909,981**	**1,300,000**	**-**	**22,209,981**

The following information is provided with regard to investments in direct subsidiaries as at December 31, 2024, expressed in Euro:

Company and registered office	Share capital capital	Shareholders' profit	Net profit	%
Cembre Ltd. (Sutton Coldfield - Birmingham)	2,050,218	20,835,037	2,754,316	100
Cembre Sarl (Lyon, France)	1,071,000	2,953,310	(262,101)	100
Cembre España SLU (Torrejon - Madrid)	2,902,200	12,189,763	2,350,956	100
Cembre GmbH (Monaco - Germany)	10,112,000	16,248,646	642,326	100
Cembre Inc. (Edison - New Jersey - Usa)	1,386,082	8,596,153	391,330	100
Cembre BV (Eindhoven - Netherlands)	300,000	299,864	(136)	100
Cembre Electrical Connections Shanghai Limited (Shanghai - China)	1,000,000	985,430	(16,403)	100

It should be noted that the capital stock of Cembre Electrical Connections Shanghai Limited was subscribed for €1 million but only €500 thousand was paid up. The losses for the year recognised in relation to Cembre BV and Cembre Electrical Connections Shanghai Limited, companies incorporated in the second half of 2024, are not to be considered representative of an impairment of the investment.

Values expressed in currencies other than the Euro were converted at the exchange rate in effect on the last day of the year, for share capital and reserves, and at the average exchange rate for the year with regard to net profit.

6. OTHER INVESTMENTS

	12/31/2024	12/31/2023	Change in
Conai	59	59	0
A.Q.M. S.r.l.	5,109	5,109	0
Total	**5,168**	**5,168**	**0**

They represent the cost of participation in the National Packaging Consortium and participation in A.Q.M. S.r.l., consortium company for the supply of technical services to companies.

7. OTHER NON-CURRENT ASSETS

These solely include guarantee deposits.

8. INVENTORIES

Description	12/31/2024	12/31/2023	Change in
Raw materials	16,455,816	14,316,063	2,139,753
Work in progress and semi-finished goods	15,671,490	14,791,827	879,663

Finished goods	19,172,250	19,417,033	244,783
Advances to goods suppliers	1,087,133	774,954	312,178
Total	**52,386,688**	**49,299,877**	**3,086,811**

Payments on account to goods suppliers are the result of large orders placed to ensure adequate availability of raw materials and products.

The value of finished goods was decreased to its expected realisable value through the provision for finished goods, amounting to €1,867 thousand. Changes in the provision in 2024 were as follows:

	2024	2023
Provision at January 1	**1,872,565**	**2,136,779**
Accruals	457,362	266,790
Uses	(350,438)	(83,266)
Releases	(112,027)	(447,738)
Balance at December 31	**1,867,463**	**1,872,565**

The impairment logic and procedures used to determine the provision for finished goods did not change from the previous year.

9. TRADE RECEIVABLES

	12/31/2024	12/31/2023	Change in
Gross trade receivables	26,260,445	25,911,064	349,381
Provision for doubtful accounts	(589,265)	(602,886)	13,621
Total	**25,671,180**	**25,308,178**	**363,002**

Trade receivables by geographical area are outlined below, in thousands of Euro:

	12/31/2024	12/31/2023	Change in
Italy	23,495	22,755	740
Europe	1,719	1,964	(245)
North America	-	195	(195)
Oceania	497	311	186
Middle East	342	311	31
Asia	89	104	(15)
Africa	118	271	(153)
Total	**26,260**	**25,911**	**349**

Management periodically reviews the adequacy of the provision for doubtful accounts, also based on estimates regarding the recoverability of positions at greatest risk. Should insolvency proceedings be initiated against a debtor, the relative receivable is written down on the basis of the estimate of the possible recoverable amount.

Average collection time shortened from 66 days in 2023 to 65 days in 2024.

The provision for doubtful accounts changed as follows:

	2024	2023
Provision at January 1	**602,886**	**413,157**
Accruals	-	207,061
Write-back of receivables	(9,318)	-
Uses	(4,303)	(17,332)
Balance at December 31	**589,265**	**602,886**

The breakdown of receivables by maturity at December 31 was as follows (in thousands of Euro):

	Not past due	1-90 days	91-180 days	181-365 days	Over one year	Under litigation	Total
2024	25,140	869	28	139	35	49	**26,260**
2023	25,332	249	169	53	60	48	**25,911**

10. TRADE RECEIVABLES FROM SUBSIDIARIES

Trade receivables from the following companies:

	12/31/2024	12/31/2023	Change
Cembre Ltd. (UK)	2,569,735	1,804,970	764,765
Cembre S.a.r.l. (France)	4,321,151	1,844,690	2,476,461
Cembre España SLU (Spain)	1,070,908	645,192	425,716
Cembre GmbH (Germany)	341,124	192,252	148,872
Cembre Inc. (US)	748,418	1,726,409	(977,991)
Total	**9,051,336**	**6,213,513**	**2,837,823**

The increase in the receivable from Cembre Sarl, Cembre SLU and Cembre LTD is related to the company’s higher volume of sales in 2024. The reduction in receivables from Cembre INC is due to its acceleration of payment timing.

11. OTHER FINANCIAL ASSETS

This item, of €4 million at December 31, 2023, comprised the amounts deposited in term current accounts closed between February and April 2024.

12. TAX RECEIVABLES

	12/31/2024	12/31/2023	Change in
Receivables for IRES refunds on IRAP	3,394	3,394	-
Tax credits for R&D activities	75,034	141,818	(66,784)
Tax credit for investments	-	157,118	(157,118)
Reimbursements	-	304	(304)
Patent Box receivable	5,047,678	1,103,331	3,944,347
Receivable for tax advance payment	386,304	-	386,304
Total	**5,512,409**	**1,405,965**	**4,106,444**

During 2024, the "Patent box receivable" increased by €3.94 million following the recognition of the tax benefit for the years 2021 and 2022; for further information on the "Patent box receivable", please refer to Note 34 "Income Taxes for the Year".

13. OTHER ASSETS

	12/31/2024	12/31/2023	Change
Advances to suppliers	143,723	45,765	97,958
Receivables from employees	75,423	41,459	33,965
Other	143,904	386,256	(242,352)
Total	**363,050**	**473,480**	**(110,430)**

14. SHAREHOLDERS' EQUITY

The share capital amounts to €8,840 thousand, and is made up of 17 million ordinary shares with a par value of €0.52 each, fully subscribed and paid-up.

The legal reserve amounts to 20% of the capital stock.

At December 31, 2024, Cembre S.p.A. held 185,041 treasury shares, corresponding to 1.09% of its capital stock. Against these shares the Company recorded €3,512 thousand in a specific shareholders' equity reserve under liabilities.

On the fiftieth anniversary of the foundation of the company, the Shareholders' Meeting approved an incentive plan targeted at Company executives and middle managers, which provides for the annual assignment of rights to purchase ordinary Cembre S.p.A. shares and will last until 2025. Following the adoption of this plan, in compliance with the provisions of IFRS 2, a Stock Options Reserve was recognised, representative of the debt to beneficiaries of the plan itself. This reserve amounted to €189 thousand at December 31, 2024. For further details, reference is made to Note 40.

The table below highlights the origin, possibility of use and distribution of the shareholders' equity items:

Nature/description	Amount	Possibility of use	Portion available
Share capital	8,840,000		
Share capital reserves:			
Share premium reserve	12,244,869	A B C	12,244,869
Suspended-tax reserves	585,159	A B	---
Other suspended-tax reserves	68,412	B	---
Restricted reserves:			
Reserve for Treasury Shares	(3,511,931)		---
Stock options reserve	188,515		---
Profit reserves:			
Legal reserve	1,768,000	B	---
First time application of IAS/IFRS reserve	4,051,204	B	---
Discounting of employee termination indemnities	388,258	B	---
Merger differences	4,397,137	A B C	4,397,137
Extraordinary reserve	116,598,961	A B C	116,598,961
Total	**145,618,584**		**133,240,967**
		Non-distributable portion	2,340,315
		Residual distributable portion	130,900,652

Legend: A= capital increase; B= coverage of losses; C= distribution to shareholders.

The non-distributable portion of reserves regards development costs not yet amortised.

15. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

	Effective interest rate %	Term ending	12/31/2024	12/31/2023
Leasing liabilities - Non-current portion			**1,285,940**	**1,469,682**
NON-CURRENT FINANCIAL LIABILITIES			**1,285,940**	**1,469,682**
Bank loans				
BNL contract 6176728	6.08	Dec-25	66,598	99,897
BPER Hot Money	3.10	May-25	3,000,000	
Total current portion of loans			**3,066,598**	**99,897**
Bank charges and interest payable			**13,278**	**1,566**
Leasing liabilities - Current portion			**1,002,283**	**949,678**
CURRENT FINANCIAL LIABILITIES			**4,082,159**	**1,051,141**

With regard to the “BPER Hot Money” loan, on March 6, 2025, an early repayment of €1 million was made.

16. EMPLOYEE TERMINATION INDEMNITY AND OTHER PERSONNEL BENEFITS

Employee Termination Indemnity showed the following changes:

	2024	2023
Provision at January 1	**1,478,407**	**1,438,959**
Accruals	1,150,992	1,492,207
Uses	(634,471)	(1,539,074)
Actuarial effect	(7,227)	59,082
Payments to the social security (INPS) treasury provision	(576,162)	27,233
Balance at December 31	**1,411,539**	**1,478,407**

The INPS’ treasury account at December 31, 2024 amounted to €10,043 thousand.

The employee termination indemnity set aside at December 31, 2024 was discounted on the basis of a specific actuarial valuation.

A change in the discount rate used could result in the following impacts on amount of debt accrued:

Change in rate	12/31/2024	12/31/2023
0.5%	1,331,851	1,429,355
-0.5%	1,500,230	1,530,288

17. PROVISIONS FOR RISKS AND CHARGES

	Supplementary customer allowances	Directors’ compensation	Personnel incentives	Other provisions	Total
As at December 31, 2023	**272,411**	**165,000**	**193,540**	**60,000**	**690,950**
Accruals	32,864	60,000	63,480	94,936	**251,281**
Uses	(147,974)	(165,000)	(193,540)	(60,000)	**(566,514)**
As at December 31, 2024	**157,301**	**60,000**	**63,480**	**94,936**	**375,717**

In line with the remuneration policy of Cembre S.p.A., a variable compensation based on the achievement of medium-long term targets was introduced in favour of the Chairman and Managing Director. This compensation will be disbursed in 2027 following any achievement of the targets set by the Board of Directors for the 2024-2026 period. The amount of the accrual against the variable compensation of Directors is recorded among the cost of services.

The provision for employee incentives includes amounts allocated for the benefit of sales personnel that will be paid out in subsequent years, upon the achievement of specific objectives set out in the sales development plan.

Other provisions include the amounts set aside relating to possible obligations deriving from a dispute with a former employee in the amount of €43 thousand and potential disputes with customers of €52 thousand.

Given the modest value, all amounts set aside, in the various funds, have not been discounted.

18. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are predominantly recorded with regard to the provision for slow-moving stock and the provisions for the write-down of raw materials and semi-finished goods, as described above, and the provision for doubtful accounts, for the portion not deductible for tax purposes. Deferred tax liabilities, on the other hand, predominantly arise from revaluation of land upon first-time adoption of the international accounting standards, measurement of inventories at average cost (fiscally the LIFO criterion was maintained) and discounting of the employee termination indemnity. For additional information, see the disclosure in the paragraph on taxes.

There are no receivables with maturity of over five years.

	12/31/2024	12/31/2023	Change in
Deferred tax assets			
Write-down of inventories	461,079	462,304	(1,225)
Provision for doubtful accounts	130,368	130,368	-
Differences on depreciation	335,294	270,743	(64,551)
Write-down of Calcinate property	34,283	34,283	-
Other	224,067	299,445	75.3789
Gross deferred tax assets	**1,185,091**	**1,197,143**	**(12,052)**
Deferred tax liabilities			
Average cost valuation of inventories	(688,387)	(816,269)	127,881
Reversal of land depreciation	(24,017)	(24,017)	-
Reassessment of land	(1,651,933)	(1,651,933)	-
Discounting of employee termination indemnity	(18,841)	(17,107)	(1,735)

Currency translation differences	-	-	-
Gross deferred tax liabilities	**(2,383,179)**	**(2,509,326)**	**126,147**
Net deferred tax liabilities	**(1,198,088)**	**(1,312,183)**	**114,094**

There are no temporary differences or accruals that could generate unrecognised deferred tax assets and/or liabilities.

19. TRADE PAYABLES

	12/31/2024	12/31/2023	Change in
Trade payables	17,434,566	13,417,856	4,016,710
Advances	48,545	70,987	(22,442)
Total	**17,483,111**	**13,488,842**	**3,994,269**

"Trade payables" are recognised net of trade discounts; any cash discounts are recognised at the time of payment. The nominal value of such payables is adjusted for any returns or allowances (invoicing adjustments), to the extent corresponding to the amount defined with the counterparty.

The distribution of trade payables by geographical area in shown below, in thousands of Euros:

	12/31/2024	12/31/2023	Change in
Italy	16,212	12,115	4,096
Europe	634	998	(364)
Far East	373	51	322
Other	215	254	(39)
Total	**17,434**	**13,418**	**4,016**

Average payment time increased from 52 days in 2023 to 59 days in 2024.

20. TRADE PAYABLES TO SUBSIDIARIES

The balance of trade payables is to the following subsidiaries:

	12/31/2024	12/31/2023	Change in
Cembre Ltd (UK)	503,248	489,022	14,226
Cembre S.a.r.l. (France)	2,909	157,131	(154,222)
Cembre GmbH (Germany)	207,725	45,320	162,405
Cembre España S.L.U. (Spain)	2,291	171	2,120
Cembre Inc. (US)	(5,699)	-	(5,699)
Total	**710,474**	**691,644**	**18,831**

21. TAX PAYABLES

This item includes tax payables, net of advances already paid.

22. OTHER PAYABLES

The item is broken down as follows:

	12/31/2024	12/31/2023	Change in
Payables to employees	2,363,114	2,372,749	(9,635)
Employee withholding taxes payable	1,551,498	1,368,415	183,083
Social security payables	3,268,261	2,867,379	400,882
Commissions payable	453,023	523,490	(70,467)
Payables to directors	249,007	268,735	(19,728)
Payable to Statutory Auditors	55,160	43,680	11,480
Payable on sundry taxes and withholdings	41,306	25,457	15,849
VAT Payables	-	117,704	(117,704)
Sundry items	60,228	87,100	(26,872)
Payables for capital subscribed but not paid-up	500,000	-	500,000
Deferrals	(167,767)	(222,520)	54,756
Total	**8,373,830**	**7,452,191**	**921,642**

The payable for capital subscribed but not paid-up refers to the investment in Cembre Electrical Connections Shanghai Limited, whose capital stock was subscribed by Cembre S.p.A. for €1 million but paid-up for only €500 thousand.

23. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers by geographical area is broken down as follows:

	2024	2023	Change
Italy	98,892,297	96,691,207	2,201,090
Rest of Europe	62,155,322	60,497,202	1,658,120
Rest of the World	14,884,572	15,872,475	(987,903)
Total	**175,932,191**	**173,060,884**	**2,871,307**

Further details are provided in the Report on Operations.

24. OTHER REVENUES AND INCOME

	2024	2023	Change in
Capital gains	18,382	41,104	(22,722)
Insurance reimbursements	463,181	27,534	435,647
Reimbursements	138,131	143,081	(4,950)
Reimbursement intragroup transport	169,557	245,447	(75,889)

Charge-back of intragroup costs	1,860,837	1,462,475	398,361
Other	114,062	81,322	32,740
Operating grants	79,097	130,982	(51,885)
Capital grants	467,880	483,769	(15,889)
Total	**3,311,128**	**2,615,715**	**695,413**

The charge-back of intragroup costs predominantly regard "Information Technology" costs and sales costs incurred by Cembre S.p.A. in favour of subsidiaries. Royalties for use of the Cembre trademark are also included.

With regard to operating grants, pursuant to Art. 1, paragraph 125, of Law 124/2017 (Compliance with transparency and disclosure obligations), in 2024, grants amounting to €79 thousand were obtained from the "Fondo Formazienda" fund for training courses provided to Parent Company personnel.

With regard to capital grants, it should be noted that these are against a tax credit of €468 thousand for facilitations for investments made.

25. COST OF GOODS AND MERCHANDISE

	2024	2023	Change in
Raw materials and merchandise	61,590,235	52,536,436	9,053,798
Consumables and supplies	4,349,337	4,506,179	(156,842)
Transport and customs fees	1,316,663	855,049	461,614
Total	**67,256,235**	**57,897,664**	**9,358,571**

The increase in the item cost of goods and merchandise is related to both the increase in the business volume and the increase in the average prices of factors of production, which should also be analysed in conjunction with the change in inventories.

26. COST OF SERVICES

	2024	2023	Change in
Subcontracted work	4,360,453	3,913,498	446,955
Transport	1,702,146	1,806,159	(104,013)
Maintenance and repair	3,090,137	2,771,025	319,111
Electricity, heating and water	1,733,800	1,916,045	(182,245)
Consulting	2,196,816	1,948,051	247,852
Directors' compensation	928,761	912,090	16,671
Payments to statutory auditors	94,547	87,360	7,187
Remuneration of Supervisory Body, Anti-Corruption Function and Whist.	48,999	35,352	13,647
Commissions	993,633	1,160,958	(167,325)

Postage and telephone	279,011	267,380	11,631
Fuel	304,793	325,089	(20,296)
Travelling expenses	816,220	736,383	79,837
Insurance	425,549	461,617	(36,068)
Bank charges	86,928	79,252	7,676
Personnel training	235,443	291,638	56,196
Advertising, promotions and trade fairs	595,008	274,084	320,924
Security and cleaning	749,715	679,497	70,218
Software licence fees	1,505,561	1,178,999	326,562
Personnel search	243,479	117,680	125,799
Sundry items	408,925	536,154	(127,228)
Total	**20,796,181**	**19,498,313**	**1,297,868**

The item consulting increased mainly due to the higher value of technical consultancy and of sundry services.

The item advertising, promotions and trade fairs increased due to participation in international trade fairs.

The residual item "Sundry items" includes mainly entertainment and hospitality costs.

27. LEASES AND RENTALS

	2024	2023	Change in
Rent and related costs	39,298	23,348	15,950
Vehicle and other leasing	214,056	186,320	27,736
Total	**253,355**	**209,669**	**43,686**

The amounts represent the residual portion linked to temporary extensions and short-term contracts, to contracts relative to assets worth less than €5,000 and ancillary costs not falling within the application of IFRS16.

28. PERSONNEL COSTS

This item includes the entire cost for personnel, including unused holidays and provisions required by law and by the collective agreements. The employee termination indemnity at December 31, 2024 includes the cost for indemnity accrued during the year for employees who resigned and the employee portion of contribution to the COMETA supplementary pension fund.

	2024	2023	Change in
Wages and salaries	28,172,567	26,057,580	2,114,987

Social security charges	7,469,553	6,818,808	650,745
Employee termination indemnity	1,699,587	1,547,733	151,854
Retirement benefits	93,034	81,057	11,976
Other costs	1,142,782	1,579,489	(436,707)
Total	**38,577,522**	**36,084,666**	**2,492,856**

The increase in the item “Other costs” includes the provision in the Reserve for stock options, referred to in Note 14 and equal to €53 thousand (€101 thousand in 2023).

Average personnel employed in the Company is broken down as follows:

	2024	2023	Change in
Executives	8	8	-
White collars	253	237	16
Blue collars	243	233	11
Outsourced personnel	76	80	(4)
Total	**580**	**558**	**22**

During the course of the year, Cembre S.p.A. used an average of 76 short-term staff, for a total cost of €4,080 thousand. This amount is classified under wages and salaries.

29. OTHER OPERATING COSTS

The item is broken down as follows:

	2024	2023	Change in
Sundry taxes	494,994	552,508	(57,514)
Membership fees	72,921	68,955	3,965
Donations	56,500	46,750	9,750
Losses on receivables	-	26,386	(26,386)
Capital losses	105,055	57,215	47,839
Ancillary expenses for production	55,758	77,298	(21,540)
Accessory administrative expenses	67,672	61,088	6,583
Ancillary trade expenses	123,525	106,212	17,313
Other	30,381	41,850	12,261
Total	**1,030,538**	**1,038,265**	**(7,727)**

The residual item "Other" consists primarily of sundry expenses not otherwise classifiable.

30. INCREASES IN FIXED ASSETS FOR INTERNAL WORK

	2024	2023	Change in
External supplies of components	578,897	872,689	(293,792)
External processing and treatment	21,005	24,100	(3,095)
Internal design and processing	451,444	547,654	(96,210)

Other	51,844	36,006	15,838
Total	**1,103,190**	**1,480,449**	**(377,259)**

This item represents the amount of capitalised costs relating to the construction of equipment and dies built in-house; they are essentially composed of the cost of personnel employed in the design and construction of the asset, externally purchased components and any external consulting services.

31. ACCRUALS TO PROVISIONS FOR RISKS AND CHARGES

The item is broken down as follows:

	2024	2023	Change
Customer allowances	32,864	36,249	(3,385)
Other provisions made	94,936	18,991	75,945
Total	**127,800**	**55,240**	**72,560**

The customer indemnities provision was allocated in relation to possible charges in the case of termination of agency mandates. Other provisions include the amounts set aside relating to possible obligations deriving from a dispute with a former employee in the amount of €43 thousand and potential disputes with customers of €52 thousand.

32. FINANCIAL INCOME AND CHARGES

	2024	2023	Change
Dividends from subsidiaries	483,700	3,413,082	(2,929,382)
Interest earned on bank account balances	224,303	211,046	13,257
Other financial income	110,000	88,000	22,000
Total financial income	**818,003**	**3,712,128**	**(2,894,125)**
Loans and bank overdrafts	(287,388)	(97,474)	(189,913)
Financial charges on discounting of Employee Termination Indemnity	(46,866)	(60,325)	13,459
Lease financial charges	(81,196)	(64,565)	(16,631)
Other financial charges	(6)	(143)	137
Total financial charges	**(415,456)**	**(222,507)**	**(192,949)**
Total financial income and charges	**402,548**	**3,489,622**	**(3,087,074)**

In 2024, the parent company Cembre S.p.A. received €484 thousand in dividends from Cembre España SLU.

33. FOREIGN EXCHANGE GAINS (LOSSES)

The item is broken down as follows:

	2024	2023	Change in
Realised foreign exchange gains	189,781	401,835	(212,054)
Realised foreign exchange losses	(193,680)	(489,140)	295,460
Unrealised foreign exchange gains	112,592	-	112,592
Unrealised foreign exchange losses	-	(75,518)	75,518
Total	**108,693**	**(162,823)**	**271,516**

34. INCOME TAXES FOR THE YEAR

	2024	2023	Change
Current taxes for IRES	(10,211,873)	(10,510,541)	298,668
Current taxes for IRAP	(1,955,470)	(2,066,212)	110,742
Deferred taxes	127,637	(33,074)	159.7111
Net extraordinary gains	17,148	(354)	17,502
Patent Box Benefit	3,940,268	1,135,814	2,804,454
Total	**(8,082,292)**	**(11,474,367)**	**3,392,075**

On December 18, 2023 Cembre S.p.A. renewed the agreement with Agenzia delle Entrate (the Italian Revenue Service) that defines the methods and criteria for calculation of the economic contribution to the production of business income by intangible fixed assets for the purposes of the so-called "Patent Box", with regard to tax years 2020-2024.

The agreement allowed Cembre S.p.A. to obtain a tax benefit for 2020 of approximately €1,103 thousand, accounted for in 2023, determined according to the methods and criteria defined in the agreement.

Similarly, this agreement allowed for a tax benefit relating to the year 2021 of €1.88 million and a tax benefit relating to the year 2022 of €2.06 million to be recognised in 2024. The tax benefits for the years 2023 and 2024 are still being determined and will be accounted for when they can be calculated with the appropriate accuracy.

The allocation of current taxes is calculated on the taxable income amount, which takes into account increases and decreases to be made in the income tax return to the statutory profit for the year.

Reconciliation of theoretical taxes, arising from application of the nominal rate, and actual taxes to the Income Statement is as follows:

	IRES
Profit prior to taxes	45,282,024
Theoretical tax expense (24.0%)	**10,867,686**
Effect of permanent differences	(741,996)
Effect of temporary differences	103,375
Various deductions	(17,191)
Total income taxes in the financial statements	**10,211,873**

	IRAP
Gross taxable IRAP	83,741,741
Theoretical tax expense (3.9%)	**3,265,928**
Effect of permanent differences	(6,892)
Effect of temporary differences	17,872
Deductions for personnel	(1,321,442)
Total income taxes in the financial statements	**1,955,470**

The item “deferred tax assets and liabilities” is broken down as follows:

	2024	2023	Change in
Average cost valuation of inventories	127,881	9,135	118,746
Discounting of employee termination indemnity	(1,734)	14,180	(15,914)
Write-down of inventories	(1,225)	(63,411)	62,187
Differences on depreciation	64,551	(41,086)	105,637
Other	(61,836)	48,108	17,780
Deferred tax assets and liabilities for the year	**127,637**	**(33,075)**	**160,712**

35. COMPREHENSIVE INCOME

Following the adoption of the changes to the revised IAS 19, the actuarial changes to the employee termination indemnity were recognised directly in a specific reserve of shareholders’ equity. These amounts constitute changes in the comprehensive income for the year and are highlighted with separate indication of the relative tax effect. The net effect for 2024 is positive and amounts to €41 thousand.

36. DIVIDENDS

On May 15, 2024 (ex-dividend date May 14), dividends were paid in the amount of €30,235 thousand, relating to the allocation of profit for the year 2023, corresponding to €1.80 per share entitled to dividends.

Dividends related to the allocation of the 2024 profit and submitted for approval to the Shareholders' Meeting amounted to €1.88 per share, for a total of €31,612 thousand. This amount was not recorded as a liability.

37. COMMITMENTS AND RISKS

At December 31, 2024, guarantees granted by Cembre S.p.A. amounted to €1,624,939, compared to €2,398,528 at December 31, 2023.

Among the guarantees provided to third parties, mention goes to the commitments made with respect to the Municipality of Brescia, for a total of €280 thousand, to guarantee completion of the development works following the authorisation to build in an area owned by the company and adjacent to the company headquarters.

The residual portion refers to guarantees granted to Italian and foreign electrical and railway entities, to guarantee supply for €854 thousand, and guarantees granted to Brescia Customs Authority for €491 thousand.

In July 2023, Cembre SpA signed a framework agreement with Intesa Sanpaolo SpA for the transfer of tax credits in favour of Cembre SpA. The agreement is valid until December 31, 2026 and includes an indemnity clause in favour of Cembre SpA.

Cembre SpA benefits from a purchase price that is lower than the nominal value of the tax credit being transferred, obtaining financial income when it uses the purchased tax credit to pay the taxes due.

This agreement resulted in the purchase of tax credits in the amount of €10 million in 2024 and includes a commitment to purchase tax credits in the amount of €10 million for each of the years 2025 and 2026.

38. NET FINANCIAL POSITION

The net financial position of Cembre S.p.A. amounted at the end of the year to a negative value of €1,201 thousand, down compared to December 31, 2023, mainly as a result of the significant investments for the construction of two new industrial buildings at the Brescia headquarters, already commented on in the note relating to fixed assets.

At date of the financial statements, the Company had no outstanding debt involving covenants or negative pledges.

In respect of the "Guidelines on disclosure obligations pursuant to the prospectus regulation" set forth by ESMA, details of Cembre S.p.A.'s Net Financial Position are provided below:

		12/31/2024	12/31/2023
A	Cash	7,418	3,316
B	Bank deposits	4,159,865	14,673,055
C	Other financial assets	-	4,000,000
D	**Cash and cash equivalents (A+B+C)**	**4,167,283**	**18,676,371**
E	Current bank payables	(3,079,876)	(101,463)
F	Current financial leasing liabilities	(1,002,283)	(949,678)
G	**Current financial indebtedness (E+F)**	**(4,082,159)**	**(1,051,141)**
H	**Net current financial position (G+D)**	**85,124**	**17,625,230**
J	Non-current financial leasing liabilities	(1,285,940)	(1,469,682)
K	**Non-current financial indebtedness (I+J)**	**(1,285,940)**	**(1,469,682)**
L	**Net financial position (H+K)**	**(1,200,816)**	**16,155,548**

39. DISCLOSURE ON RELATED PARTIES

The table below summarises transactions between Parent company Cembre S.p.A. and the subsidiaries in 2024, with regard to purchases and sales. For receivables/payables, see the specific paragraphs of this document.

Company	Revenues from sales	Other Revenues	Purchases	Cost of Services
Cembre Ltd.	13,515,746	555,848	2,525,131	3,008
Cembre S.a.r.l.	10,442,429	324,987	22,535	33,056
Cembre España S.L.U.	13,716,052	362,734	28,090	7,584
Cembre GmbH	9,350,156	421,733	72,916	410,074
Cembre Inc.	5,854,713	365,092	1,194	59,870
TOTAL	**52,879,096**	**2,030,394**	**2,649,866**	**513,592**

With reference to assets and liabilities relating to subsidiaries and other related parties at year-end, we confirm that transactions with the same fall within the scope of normal operating activities.

Costs for services to related parties, shown in the financial statements, include the amounts reported in the table above for subsidiaries as well as fees to directors and statutory auditors of Cembre S.p.A.

The percentage stakes with regard to investments in subsidiaries at December 31, 2024 are outlined below:

Company	Registered office	Share capital	Percentage held				Percentage with voting rights
			direct	indirect	through	total	
Cembre Ltd.	Sutton Coldfield (Birmingham-GB)	GBP 1,700,000	100%	-	-	100%	100%
Cembre Sarl	Lyon (France)	EURO 1,071,000	100%	-	-	100%	100%
Cembre España SLU	Torrejón de Ardoz (Madrid -Spain)	EURO 2,902,200	100%	-	-	100%	100%
Cembre GmbH	Munich (Germany)	EURO 10,112,000	100%	-	-	100%	100%
Cembre Inc.	Edison (NJ- Usa)	US$ 1,440,000	100%	-	-	100%	100%
Cembre BV	Eindhoven (Netherlands)	EURO 300,000	100%	-	-	100%	100%
Cembre Electrical Connections Shanghai Limited	Shanghai (China)	EURO 1,000,000	100%	-	-	100%	100%

All of the investments mentioned above are owned; with regard to Cembre Electrical Connections Shanghai Limited, its capital stock was subscribed by Cembre S.p.A. for €1 million but paid-up for only €500 thousand.

Among assets leased to Cembre S.p.A. by third parties are an industrial building adjacent to the Company's registered office measuring a total of 5,960 square meters on three floors, in addition to the Monza, Padua and Bologna sales offices. These properties are owned by "Tha Immobiliare S.p.A.", a company with registered office in Brescia, whose capital is held by Anna Maria Onofri, Giovanni Rosani, and Sara Rosani, members of the Board of Directors of Cembre S.p.A.; the interest for the company can be seen in the prospect of continuity and in the reduction of the risks of termination of the lease contract. At the year end, all amounts due to Tha Immobiliare had been settled. Said contracts envisage an automatic renewal clause upon expiry.

A summary of the amounts reported in the financial statements relating to the above-mentioned contracts is provided below:

	Assets	Non-current liabilities	Current liabilities	Amortisation	Interest expense
Leased assets from THA	626,569	932,735	558,494	522,808	39,062

Cembre S.p.A. does not have direct relationships with its parent company Lysne S.p.A. of any other nature than that of the exercise of shareholders' rights on the part of the parent. Lysne S.p.A. does not carry out any management or coordination activity with respect to Cembre S.p.A.

40. SHARE-BASED PAYMENTS

Cembre S.p.A. established the incentive plan known as "Premio Carlo Rosani per i 50 anni della Fondazione della Società" (Carlo Rosani Prize for the 50th anniversary of the foundation of the Company), intended for executives and middle managers who have an employment contract with the company.

The plan, approved by the Shareholders' Meeting on April 18, 2019, provides for the attribution, by the company, of rights to acquire ordinary Cembre shares, and will last until 2025.

The rights granted under the plan can only be assigned to the beneficiaries identified, to this end, by the Board of Directors, based on the prior opinion of the Appointments and Remuneration Committee and in compliance with the Incentive Plan Regulation.

The rights will be assigned annually, free of charge, in the plan duration period, following the Board's approval of the company's consolidated financial statements. The beneficiaries will be attributed, for each annual assignment, the following rights: 2,000 for those in the position of executive and 500 for middle managers. The exercise price of the aforementioned rights is €10 per share. Based on the beneficiaries identified by the Board of Directors, provision is made for the assignment of a total maximum number of 120,500 shares for the entire duration of the plan.

The assignment of the rights to the beneficiaries is subject to the following performance conditions:

- growth in the gross operating profit of the Cembre Group in the reference year (i.e. the year prior to the assignment year) compared to the previous year;
- growth in the gross operating profit of the Cembre Group in the reference year higher than the minimum values reported in the Incentive Plan Regulation.

The assignment of the rights to the beneficiaries is also subject to the following additional conditions, to be verified in relation to the individual beneficiary:

- existence of an employment contract with the position of executive or middle manager;
- solely for recipients in the position of middle manager, provision of work activities to the company for an average of 40 hours per week;

in compliance with the prohibition on the transfer of the payment, from the second assignment date, maintenance of ownership of the shares acquired under the plan, and nonetheless, a number of Cembre shares at least equal to the total number of rights exercised under the plan.

In October 2024, the fifth instalment of assignment rights was exercised that resulted in a reduction of the negative reserve for treasury shares equal to €332 thousand, against the assignment of 17,500 shares.

41. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Given the limited exposure, Cembre S.p.A. makes extremely limited use of derivative instruments to hedge against interest risk and currency exposure.

Risks connected with the market

Cembre S.p.A. faces these risks with ongoing innovation, widening of the product range, high automation and with the upgrade of its production process, implementing focused marketing policies also with the help of its foreign subsidiaries.

Interest rate risk

At December 31, 2024, as detailed in Note 15, two fixed rate loans were taken out, expiring in May 2025 and December 2026. Owing to the nature and duration of the contracts, the interest rate risk can be considered zero.

Currency risk

Despite a strong international presence, Cembre S.p.A. does not have a significant exposure to currency risk (on an operating or equity basis), as it operates mainly in the Euro area, the currency in which its trade transactions are mainly denominated.

At December 31, 2024, the following currency positions were outstanding:

	2024		2023	
	Original currency	**Equivalent €**	**Original currency**	**Equivalent €**
Receivables	US$ 723,303	€696,221	US$ 2,556,057	€2,313,175
Payables	US$ 86,298	€83,067	US$ 15,958	€14,442
Payables	GBP 3,028	€3,653	GBP 3,146	€3,621
Payables	CHF 92	€98	CHF 228,380	€1,461
Payables	RMB 228,960	€29,154	-	-
Current account balance in foreign currency	US$ 759,093	€730,670	US$ 733,563	€663,858

The items were converted into Euro at the exchange rate in effect on December 31, 2024 and generated, with respect to the original amount recorded, an exchange rate loss of €62 thousand, recorded in the income statement.

The table below summarizes the economic effect, in thousands of Euro, of possible changes in exchange rate for the items indicated above:

	Change in exchange rate	**Receivables**	**Payables**	**Current account**
2024	5%	(33)	(5)	(35)
	-5%	37	12	39
2023	5%	(110)	(1)	(32)
	-5%	122	2	35

As illustrated, the entity and volume are not such as to have a significant impact on the Company's results.

Liquidity risk

The exposure of the Company to liquidity risk is not material as its financial position is balanced. The collection and payment cycle is also balanced, as shown by the ratio of current assets to current liabilities. Reference should be made to Note 9 for details of the due dates for receivables from clients and to Note 19 for details of the due dates for payables to suppliers.

Credit risk

Exposure to credit risk by Cembre S.p.A. relates exclusively to trade receivables.

As shown in Note 9, none of the areas in which Cembre S.p.A. operates poses relevant credit risks.

Operating procedures limit the sale of products or services to customers who do not possess an adequate credit profile or provide secured guarantees.

The receivables matured over 12 months and those under litigation are widely covered by the provision for doubtful accounts accrued. Moreover, Cembre S.p.A. has stipulated an insurance policy against commercial credit risk, allowing it to reduce further exposure to this kind of risk.

Risks linked to climate change

Climate change entails a broad spectrum of possible impacts for the Company arising from both physical and transition risks. When making new investments, the Company takes into account the possible future impacts that climate change may have on their usability and useful life. It also closely monitors regulatory developments and changes, such as new climate-related regulations and standards.

The Company believes that its business model and products will still be attractive following the transition to a low-emission economy.

Climate-related issues may increase the uncertainty of the estimates and assumptions regarding certain elements or items of the financial statements. For further discussion of this aspect, please refer to the section "Effects of Climate Change" in the sub-chapter "Use of estimates" of the chapter "ACCOUNTING STANDARDS AND VALUATION CRITERIA". Please also refer to the "Risks and effects of climate change" section in the Report on Operations.

42. SUBSEQUENT EVENTS

No event having significant effects on the Group’s financial position or operating performance occurred after the close of the year.

Attachments

This document includes the following attachments:

Attachment 1: Comparative Income Statement;

Attachment 2: Compensation for auditing services and other services.

Brescia, March 13, 2025

FOR THE BOARD OF DIRECTORS
The Chairman and Managing Director

Giovanni Rosani

Attachment 1 – Notes to the Financial Statements of Cembre S.p.A.

Comparative Income Statement

	2024	%	2023	%	change
Revenues from contracts with customers	175.932.191	100,0%	173.060.884	100,0%	1,7%
Other revenues	3.311.128		2.615.715		26,6%
Total Revenues	**179.243.319**		**175.676.599**		2,0%
Cost of goods and marchandise	(67.256.235)	-38,2%	(57.897.664)	-33,5%	16,2%
Change in inventories	2.774.632	1,6%	(4.509.329)	-2,6%	
Cost of goods sold	(64.481.603)	-36,7%	(62.406.993)	-36,1%	3,3%
Cost of services received	(20.796.181)	-11,8%	(19.498.313)	-11,3%	6,7%
Lease and rental costs	(253.355)	-0,1%	(209.669)	-0,1%	20,8%
Personnel costs	(38.577.522)	-21,9%	(36.084.666)	-20,9%	6,9%
Other operating costs	(1.030.538)	-0,6%	(1.038.265)	-0,6%	-0,7%
Increase in assets due to internal construction	1.103.190	0,6%	1.480.449	0,9%	-25,5%
Revaluation of credits	9.318	0,0%	(207.061)	-0,1%	
Accruals to provisions for risks and charges	(127.800)	-0,1%	(55.240)	0,0%	131,4%
Gross Operating Profit	**55.088.828**	31,3%	**57.656.841**	33,3%	-4,5%
Tangible assets depreciation	(8.346.821)	-4,7%	(8.046.752)	-4,6%	3,7%
Intangible assets amortization	(868.318)	-0,5%	(806.589)	-0,5%	7,7%
Right of use amortization	(1.102.905)	-0,6%	(1.026.879)	-0,6%	7,4%
Operating Profit	**44.770.784**	25,4%	**47.776.621**	27,6%	-6,3%
Financial income	818.003	0,5%	3.712.128	2,1%	-78,0%
Financial expenses	(415.456)	-0,2%	(222.507)	-0,1%	86,7%
Foreign exchange gains (losses)	108.693	0,1%	(162.823)	-0,1%	-166,8%
Profit Before Taxes	**45.282.024**	25,7%	**51.103.419**	29,5%	-11,4%
Income taxes	(8.082.292)	-4,6%	(11.474.367)	-6,6%	-29,6%
Net Profit	**37.199.732**	21,1%	**39.629.052**	22,9%	-6,1%

Attachment 2 to the Note to the Financial Statements of Cembre S.p.A.

COMPENSATION FOR AUDITING SERVICES AND OTHER SERVICES

(pursuant to article 149-duodecies of the CONSOB Issuers' Regulation)

Type of services	Independent Auditors	Recipient	Compensation (Euro '000)
Audit	EY	Cembre S.p.A.	68.5
GAP Analysis CSRD	EY	Cembre S.p.A.	24
Limited audit of Sustainability Report	EY	Cembre S.p.A.	25
Audit	EY	Subsidiaries	55
Audit	HD Bayern Audit AG	Cembre GmbH	16
Audit	Hazelwoods LLP	Cembre Ltd	34
Audit	Axen & GU	Cembre Sarl	14

Attestation in respect of the statutory financial statements

pursuant to art 154-bis Paragraph 5, of Legislative Decree 58 dated Feb. 24, 1998 “Consolidated Law on financial intermediation regulations” and subsequent integrations and updatings

The undersigned Giovanni Rosani and Claudio Bornati, in their position as Managing Director and Manager responsible for the preparation of financial reports of Cembre S.p.A., respectively, pursuant to Article 154-bis, paragraphs 3 and 4 of Legislative Decree No.58/1998, certify that internal controls over financial reporting in place for the preparation of 2024 statutory financial statements and during the period covered by the report, were:

- adequate to the company structure, and

- effectively applied during the process.

The undersigned officers certify that this 2024 statutory financial statements:

a) was prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002, and

b) corresponds to the company’s evidence and accounting books and entries;

c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company.

The undersigned officers attest, also, that the report on operations includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

Brescia, March 14, 2025

Chairman and Managing Director	Manager responsible for the preparation of financial reports
signed by:	*signed by:*
Giovanni Rosani	Claudio Bornati

CEMBRE SpA

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