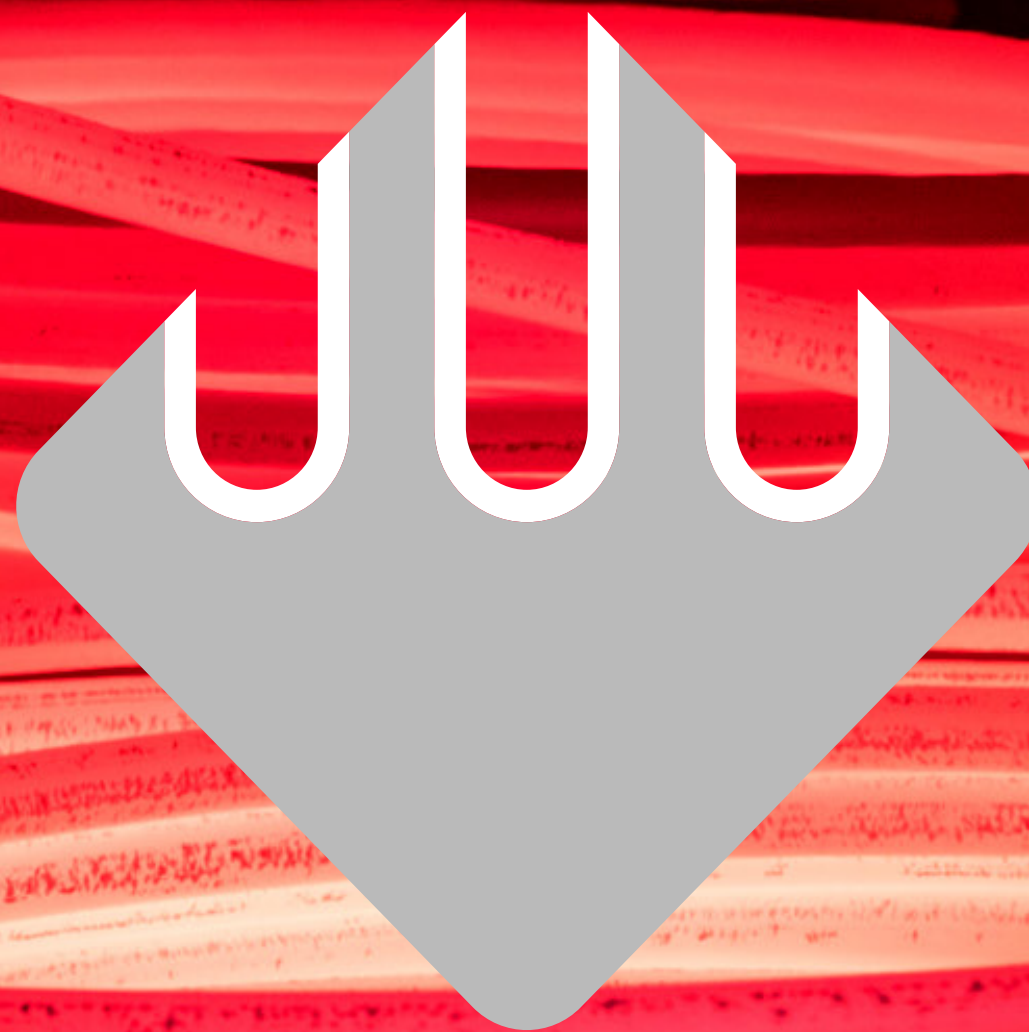


# INTEGRATED FINANCIAL STATEMENTS 2024



**ACCIAIERIE  
VENETESPA**

# INTEGRATED FINANCIAL STATEMENTS 2024

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## Letter to Stakeholders

We are living through very difficult times, characterised by winds of war that have been ongoing for more than two years and that tend to worsen and broaden with the passage of time.

Conflicts fought with weapons have recently been joined by trade wars which, acting on tariffs and monetary levers, do not shed blood but make everyone poorer.

Within this extremely difficult context, our company has managed not only to maintain a positive balance, but to continue its path of sustainability and growth with conviction and investments.

In terms of sustainability, we have moved forward with investments that are basically developed on three fundamental pillars:

- Energy efficiency
- Circular economy
- The transition to low CO<sub>2</sub> energy sources.

As part of the objectives we have set ourselves with our Decarbonisation Plan, which envisages investments of 210 million by 2030, towards the end of the year we signed the order for the new melting furnace at the Padua plant.

At the same time, activities related to the carbon footprint of our products continued, achieving two significant results:

- REMADE®, an environmental certification that allows for declaring the content of recycled material within a product, thus enhancing the circular economy and scrap reuse policies that characterise our production process
- Carbon Footprint Systematic Approach (ISO 14067), a certificate that allows us to accurately calculate and track the carbon footprint of all our products.

The path is long and complex but inescapable. For this reason, despite the external turbulence, we went ahead with our usual determination, convinced that the market will appreciate and value our work.

Among the many things we have done in 2024, and which are continuing in the current year, I would like to mention the initiatives on youth and safety, or our most valuable asset, human resources.

We have worked hard to attract and enhance young people, supporting the now traditional Acciaierie Venete activities with further initiatives such as the Young Engineers Project, the ITS Path in Padua, and the IFTS Future for Steel training project in Brescia.

As far as safety is concerned, we launched the Safety in Action project, which has the ambition of initiating a widespread cultural change that will bring Acciaierie Venete to a more advanced level of maturity and awareness. The aim is for all workers, regardless of their role, to feel responsible for their own and others' safety, actively intervening to prevent risks and improve working conditions.

To conclude this short message, I would like to quote an aphorism by the great Charles Robert Darwin who went down in history for formulating the theory of evolution of species by natural selection:

"It is not the strongest of the species that survives, nor the most intelligent; it is the one most adaptable to change"

The world and the market continually impose challenges on us that we can only face and overcome if we are able to change by always ensuring not only environmental and social sustainability, but also economic sustainability without which the business itself fails.

**Alessandro Banzato**  
*Chair of the Board of Directors*





# MANAGEMENT REPORT TO THE SEPARATED AND CONSOLIDATED FINANCIAL STATEMENTS 2024

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# 1. GROUP STRUCTURE

The Acciaierie Venete Group is one of Europe's leading producers of high quality steel products for the automotive, agricultural and earthmoving machinery, energy, mechanical engineering, oil & gas and construction sectors.

The Group consists of twelve companies operating in an integrated manner across the entire steel industry supply chain.

The Holding Company Acciaierie Venete S.p.A., is responsible for the production of raw or semi-finished steel, which it distributes directly to customers or through its own distribution companies.

Padana Rottami S.r.l. and Maltauro Rottami S.r.l. trade and process ferrous and non-ferrous scrap, the main raw material for steel production.

Centro Italiano Acciai S.r.l. carries out some processing such as cutting to size and end milling; it also markets the Group's products by offering smaller batches for quick delivery.

Esti S.r.l. produces wear-resistant steel parts, such as blades for shovel buckets, excavators and snowploughs.

Venete Siderprodukte AG specialises in selling products in Central European markets, providing sales support, marketing, credit management and quality control.

Setrans S.r.l. is active in the logistics sector, offering road and rail transport services.

A.V.E. - Acciaierie Venete Energia S.r.l., founded in 2022, deals with the design, construction and management of plants for the production of electricity from renewable sources.

Fin. Steel S.r.l. is the owner of an industrial building leased to the Holding Company and of equity investments in Valle Zignago S.r.l. – Società Agricola, which manages a vast plot of land of over 800 hectares used for fishing, hunting and farming, and in Olmo Immobiliare S.r.l., which owns buildings mainly used for representative offices, as well as a minority interest in Nord Est Multimedia S.r.l., a company that operates in the publishing sector, including online, of daily newspapers, periodicals, books and magazines.

Finally, Ascoven Sas, a company incorporated under French law in 2024, is currently inactive.



## 2. BUSINESS

2.1. Macroeconomic Situation

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2.2. Steel Market

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2.3. Business Model and Competitive Advantages

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## 2.1. Macroeconomic Situation

The World Economic Outlook drafted by the International Monetary Fund (IMF) in January 2025 shows a global macroeconomic situation characterised by divergent and uncertain growth. In 2024, the global Gross Domestic Product grew by 3.2%, in line with the previous year. The advanced economies accelerated slightly, with an estimated growth of 1.7% in 2024 compared to 1.6% in 2023. In contrast, emerging markets and developing economies slowed down, with growth of 4.2% in 2024, slightly lower than the previous year's 4.3%.

Macroeconomic developments in the euro area in 2024 saw modest economic growth (+0.8%) and a significant reduction in inflation. Exports contributed positively to Gross Domestic Product, while domestic demand remained low. Weakness in the manufacturing sector persisted, particularly in Germany and Italy. Germany faced a recession, with a 0.2% drop in GDP, further exacerbating the difficulties in the manufacturing sector. German industrial production showed a significant decline during the year, mainly caused by lower sales and exports in the automotive industry. According to ISTAT's analysis, Italian GDP grew by 0.5% in 2024, a slowdown compared to previous years. Insufficient demand was one of the main critical issues for the Italian economy, negatively affecting several sectors. Italian industrial production fell 3.5 per cent in 2024, with a 7.1 percent drop in December, marking the 23rd consecutive month of contraction. The hardest hit sector was the automotive industry, with a year-on-year drop in industrial production of 43%, due to weak domestic demand and aggravated by the transition to electric and international competition, particularly from China.

In summary, the euro area economies experienced a weak recovery in 2024, with positive signs such as falling inflation and a stable labour market but with significant structural and geopolitical risk factors such as weak consumption and investment, disruptions in the supply chain and vulnerability to fluctuations in commodity and energy prices.

## 2.2. Steel Market

Global crude steel production in 2024 was 1.9 billion tonnes, down 0.9% from the previous year. This decrease was mainly influenced by lower output in China and the other large producing countries (Japan, South Korea and Russia), while India and Brazil showed an increase in production.

The European Union produced 129.5 million tonnes in December, up 2.6 % year-on-year. The European steel sector faced several challenges in 2024. First of all, European steel mills are engaged in the ecological transition to more environmentally sustainable production systems. This process entails costs that, at this stage, make them less competitive than foreign producers who are not subject to the same regulations. This is compounded by much higher energy costs compared to international competitors and low scrap availability, which has kept the prices of this key raw material relatively high throughout 2024.

The transfer of these higher costs to the final sales price is hindered by the scarcity of demand and international competition, with negative effects on margins.

European steel producers face strong competition from low-cost producers such as China and India, which export large quantities of steel at competitive prices. The steel produced globally significantly exceeds demand and this surplus output, estimated by Eurofer at 560 million tonnes by the end of 2024, ends up flooding the European markets, putting pressure on prices that makes it difficult for local producers to maintain satisfactory profit margins.

Eurofer's "Economic and Steel Market Outlook 2024-2025" report estimated that apparent steel consumption in 2024 decreased by 2.3% compared to 2023, mainly due to the contraction of the key automotive and construction sectors. Steel consumption by the construction sector accounts for about 35% of total steel consumption in the EU, and fell by 1.3% in 2024, while the crisis in the automotive sector, which contributes 18% of steel demand, drastically reduced consumption of special steels (-6.5% compared to 2023).

In Italy, the production of crude steel in 2024 was about 20 million tonnes, marking a contraction of 5%

compared to 2023. Production of long rolled steel products, mainly for construction purposes, amounted to 11.7 million tonnes and remained substantially stable compared to 2023 (-0.2%). The production of flat rolled products, which are used in the automotive, mechanical engineering and household appliance industries, declined by a more pronounced 9.8% to 8.6 million tonnes.

For Italy, the decline in steel production and profitability of steel companies in 2024 is due to factors similar to other EU countries:

- global production overcapacity, particularly in China and India, which has contributed to market saturation and consequent price competition, penalising Italian producers;
- rising costs of the main raw materials, scrap and energy;
- the contraction of domestic demand, also influenced by the end of government incentives and the crisis in the automotive sector.

## 2.3. Business Model and Competitive Advantages

The Group operates in the special steels sector, with a strategic focus on quality long rolled steel and special steels for multiple application sectors, including automotive, oil & gas, earthmoving, agriculture, mechanical engineering and steel drawing. The Holding Company leads a fully integrated production chain, composed of operating companies that contribute, each with a specific role, to the overall strength of the Group. The verticalisation of the process from the selection of raw materials, to processing, through to logistics and distribution guarantees high quality standards, operational efficiency, certainty of supply of key resources and full traceability along the entire supply chain, while ensuring a high level of responsiveness in the management of trade interactions.

The business model is based on highly customised production, oriented towards the development of tailor-made solutions capable of guaranteeing reliability, performance and security along the entire value chain, from industry to B2C. Through a rigorous integrated control system, constant supervision of each production phase and continuous investment in research and design of new plant and material solutions, the products meet the high performance standards demanded by some of the most important global user brands.

Building on its consolidated position in the European context, over time, the Group has structured a sustainable and resilient business model, founded on the synergistic, orderly and coherent merging of multiple distinctive elements. Comprehensiveness of the offer, production flexibility, technical solidity, sustainability and vertical integration are the pillars that have fuelled an ambitious and far-sighted growth trajectory from the outset. Qualifying factors that, cultivated over the years, have progressively strengthened the Group's identity on the steel scene and in particular in the engineering steel segment.

One of the distinctive pillars of Acciaierie Venete's business model is represented by commercial diversification,

understood as the articulation of sales activities over a plurality of application sectors, geographical areas and customer types.

This approach provides the company with greater resilience to sectoral economic cycles, allowing it to offset any contraction in demand in a specific segment with more favourable trends in other segments. In other words, diversification mitigates exposure to systemic risks, ensuring greater continuity in revenue streams over the medium to long term.

Operationally, this strategy translates into the ability to optimise margins by balancing high value-added production with higher turnover production, flexibly adjusting production capacity to market dynamics. It also makes it possible to enhance the company's technical skills and plant equipment, applying them to a diversified range of products and processes. The result is greater plant saturation, a reduction in inefficiencies and a strengthening of production responsiveness to incoming demands and customer specificities.

Acciaierie Venete is distinguished by a simple and flexible organisational structure, capable of operating effectively even in a highly complex business environment and embracing not only the operations of the various production plants but also, in unison, the business logic of all Group companies.

This lean organisation with reduced verticality not only optimises company resources and reduces fixed costs, but also results in better control of production and decision-making processes, increasing efficiency and the ability to overcome daily challenges with immediacy. The approach adopted gives the company the ability to operate with maximum responsiveness compared to competitors and to respond autonomously, quickly and adaptively to the needs of customers and partners.

This configuration generally translates into high operational agility, an asset that allows Acciaierie Venete to maintain a considerable level of readiness in an ever-changing market.



### 3. STRATEGY AND INVESTMENTS

In 2024, the Group allocated €87,729 thousand to investments in tangible assets, launching several projects to ensure strong competitiveness in a constantly changing market.

The year 2024 saw the Sarezzo plant as the protagonist, where the existing rolling mill, operating in the wire rod field with the Ø12 mm Ø48 mm (Garrett), underwent modernisation that led to the following extension of the Ø5.5 mm - Ø25 mm range (Stelmor) with the aim of looking more competitively and extensively towards the steel drawing sector. For this project, €33,266 thousand were invested in 2024.

In the Padua plant, €4,273 thousand were invested for the expansion of the range of rolled round steel bars, extended from the current D.220 mm to D.280 mm. In addition, a new rolling line is to be installed in the finishing area with the aim of extending the range in the D.90-200 mm range, as part of a continuous and constant process of renewing the production lines. As at 31 December 2024, €2,144 thousand were invested on the construction of this new plant.

The robotisation process continued, which included the installation of robotic islands at the Buja plant for the packaging of the new range of angle bars put into production, and at the Borgo Valsugana plant for the labelling of continuous casting products. For this project, €1,075 thousand were invested in 2024.

In August, Centro Italiano Acciai S.r.l. purchased a building for industrial use that had previously been leased. This transaction entailed an outlay of €2,935 thousand in relation to which the company obtained a loan of €3 million maturing in 2030.

During the year, the companies A.V.E. – Acciaierie Venete Energia S.r.l. and Esti S.r.l. completed the construction of two photovoltaic plants. The former is located on the industrial building owned by the Holding Company at the Dolcè (VR) plant and cost €1,446 thousand, for the latter €267 thousand were invested during the year.

The investments made by the companies Padana Rottami S.r.l., Maltauro S.r.l., and Setrans S.r.l. mainly concerned the purchase of transport and internal handling equipment.



## 4. RESEARCH AND DEVELOPMENT

Group companies are strongly committed to introducing technologies that improve process quality and product innovation. Since 2019, the Corporate Research and Development Centre has been active at the Holding Company, which deals with research and development activities both internally and in cooperation with qualified external entities.

Reference may be made to the Sustainability Report for an in-depth description of the projects carried out in 2024.

With regard to the individual Group companies that prepare their financial statements in accordance with OIC (Italian Accounting Body) standards, the cost incurred for research and development expenses, given Article 2426, point 5 of the Italian Civil Code, National Accounting Standard No. 24 of the CNDC (National Council of Chartered Accountants and Auditors) and CNR (National Research Council) revised by the OIC, and in accordance with Art. 108 of Presidential Decree 917/86 (TUIR - Income Tax Consolidation Act) as amended, was considered as an operating cost and charged entirely to the income statement.

At the consolidated level, the costs incurred for research and development activities do not meet the requirements of IAS 38 and have therefore been recognised as an operating expense.



## 5. DEFINITION OF ALTERNATIVE PERFORMANCE INDICATORS

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5.2. Separate financial statements of the Holding Company Acciaierie Venete S.p.A.

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5.1. Acciaierie Venete Group Consolidated Financial Statements

In order to provide a clearer and more complete view of economic and financial performance, alternative performance indicators are defined, indicating the items of the consolidated financial statements used for their calculation. The Consolidated Financial Statements referred to have been prepared in accordance with International Financial Reporting Standards.

EBITDA

Measures the company's operating performance without the effects of depreciation, amortisation, provisions and asset write-downs. It is calculated by excluding the items "Amortisation and write-downs of tangible and intangible assets" and "Net impairment of financial assets" from the operating result.

Trade Net Working Capital

Represents the net financial requirement generated by the company's operating cycle and is calculated as follows:  
Inventories + Trade receivables – Trade payables

Non-Trade Net Working Capital

Includes financial assets and liabilities that are not closely related to the company's operating cycle. It is calculated as follows:

- + Current tax receivables
- + Other Current Assets
- Employee benefits obligations
- Provisions for risks and charges
- Deferred tax liabilities
- Other non-current liabilities
- Current tax liabilities
- Other current liabilities

Net Invested Capital

Represents the total resources employed in the business and is the sum of Non-current Assets, Trade Net Working Capital and Non-Trade Net Working Capital.

Net Financial Position

Measures the difference between financial assets and financial liabilities and is the sum of the following items:

- + Current financial assets
- + Cash and cash equivalents
- Non-current financial liabilities
- Non-current lease liabilities
- Current financial liabilities
- Current lease liabilities

5.2. Separate financial statements of the Holding Company Acciaierie Venete S.p.A.

In order to provide a clearer and more complete view of economic and financial performance, alternative performance indicators are defined, indicating the items of the financial statements used for their calculation. The financial statements referred to were prepared in accordance with the provisions of the Italian Civil Code. If direct reference to the financial statements is not possible, reference to the Explanatory Notes to the Financial Statements is indicated.

EBITDA

Measures the company's operating performance without the effects of depreciation, amortisation, provisions and asset write-downs. It is calculated by excluding the items "Depreciation, amortisation and write-downs" and "Provisions for risks and charges" from the difference between value and production costs.

Net Fixed Assets

Represents the carrying amount of fixed assets, net of accumulated depreciation and is the sum of the following items:  
+ Intangible fixed assets  
+ Tangible fixed assets  
+ Equity investments  
+ Non-current receivables from others  
+ Other fixed-term securities

Trade Net Working Capital

Represents the net financial requirement generated by the company's operating cycle and is calculated as follows:  
+ Inventories  
+ Receivables from customers  
+ Advances  
+ Trade Receivables from Group Companies<sup>1</sup>  
– Accounts payable to suppliers including advances<sup>2</sup>  
– Trade payables to Group Companies<sup>1</sup>

Non-Trade Net Working Capital

Includes financial assets and liabilities that are not closely related to the company's operating cycle. This is the sum of the following items:

- + Non-current receivables from subsidiaries over 12 months
- + Other Receivables from Group Companies<sup>1</sup>
- + Tax receivables and prepaid taxes
- + Receivables from others other than advances to suppliers and financial receivables<sup>3</sup>
- + Financial derivative assets
- + Accrued income and prepaid expenses
- Provisions for risks and charges
- Provision for employee severance indemnity
- Other payables to Group companies<sup>1</sup>
- Tax liabilities
- Payables to social security and welfare institutions
- Other payables
- Accrued expenses and deferred income

Net Invested Capital

Represents the total resources employed in the business and is the sum of Non-current Assets, Trade Net Working Capital and Non-Trade Net Working Capital.

Net Financial Position

Measures the difference between financial assets and financial liabilities and is the sum of the following items:

- + Non-current receivables from subsidiaries within 12 months
- + Financial receivables from Group Companies<sup>1</sup>
- + Financial receivables from others<sup>4</sup>
- + Securities in current assets
- + Financial assets for centralised treasury management
- + Cash and cash equivalents
- Payables to banks
- Financial payables to Group Companies<sup>1</sup>

1. Reference to the Explanatory Notes to the Financial Statements can be made for a breakdown of receivables from and payables to Group companies between trade, financial and other.

2. The value of advances to suppliers is shown in the table "Receivables from others" in the Explanatory Notes to the Financial Statements.

3. This is equal to the sum of the following items in the table "Receivables from others" in the Explanatory Notes to the Financial Statements: Amounts due from employees, Receivables from social security institutions, Receivables from insurance companies for reimbursements on claims, Receivables from third parties for dividends and Other receivables.

4. These are bank certificates of deposit, see the relevant section in the Explanatory Notes.



## 6. PERFORMANCE AND FINANCIAL RESULTS

6.1. Acciaierie Venete Group

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6.2. Holding Company - Acciaierie Venete S.p.A.

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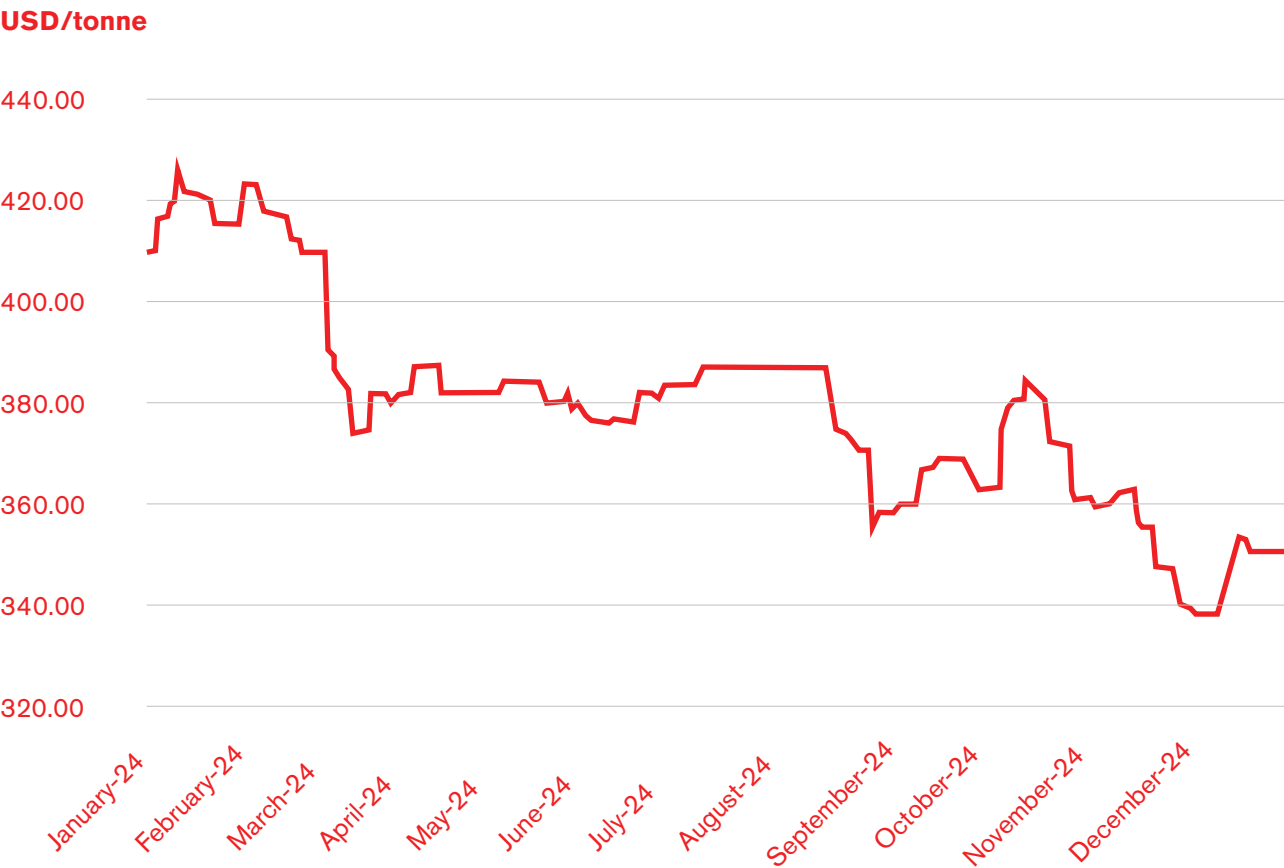


In 2024, operating margins decreased significantly compared to 2023, due to lower average selling prices of finished products, while the main industrial costs (energy and scrap) remained stable or increased compared to 2023.

The development of scrap costs for the Holding Company in 2024 was influenced by three interrelated factors: use of production capacity, weak demand and high energy costs. While production in the first quarter of 2024 was in line with the average of recent years, since April there

has been a gradual slowdown due to reduced demand, which worsened further in the final part of the year due to rising energy costs. At the same time, the purchase price of scrap gradually decreased during the year, regardless of the market trend, which saw a temporary increase in prices in September, October and December. The graph below shows the price development of scrap imported into Turkey in 2024, including the costs of production, packaging and transport to the port of destination. This figure represents the scrap price benchmark for European countries.

Price of scrap imported into Turkey in 2024 delivered to dock



Despite the instability of the market, the verticalisation of the procurement process achieved through the companies Padana Rottami S.r.l. and Maltauro Rottami S.r.l. allows the Group's steel mills to effectively and efficiently manage the resources available.

Electricity and methane costs incurred by the Holding Company are also the most impactful at a consolidated level, as these are fundamental components for the operation of the melting furnaces and for heating the rolling mills. Despite a decrease from 2023, energy and gas prices in the wholesale markets remained significantly higher in 2024 than before the energy crisis, with considerable volatility.

After an initial drop in the first quarter, the cost of electricity for the Holding Company gradually increased in the following months of the year, rising from 0.090 €/Kwh in March to 0.145 €/Kwh in December. On an annual basis, the average cost of electricity in 2024 is 0.106 €/KWh, while in 2023 it was 0.097 €/KWh including the subsidy for energy-intensive companies. The same trend was followed by the cost of methane. An initial drop in the first quarter of the year (0.221 €/mc in March) was followed by a rapid increase in the following months until reaching 0.607 €/mc in December. The average cost of methane on an annual basis was 0.453 €/mc in 2024, compared to 0.467 €/mc in 2023, including the subsidy paid to gas-intensive companies.

With regard to other raw materials, non-ferrous ferro-alloy prices increased moderately, while bulk ferroalloy prices declined from the second half of the year onwards, reaching their lowest point in December. The cost of electrodes remained more or less constant. There was a significant increase in the prices of spare parts, consumables and other miscellaneous materials, as well as labour, particularly skilled labour. The financial management result was positive, due to the increase in interest rates, which generated a significant increase in income from the use of cash.

The drop in profitability and the substantial investment programme led to a decrease in the Net Financial Position compared to the previous year, however, it remained largely in surplus.

6.1. Acciaierie Venete Group

Revenues by geographical area						
Amounts in thousands of euros	2024	Ratio %	2023	Ratio %	Change	Change %
Italy	810,166	69.6%	981,088	71.0%	(170,922)	-17.4%
Germany	137,909	11.8%	174,488	12.6%	(36,579)	-21.0%
Spain	29,965	2.6%	25,951	1.9%	4,014	15.5%
France	29,629	2.5%	36,263	2.6%	(6,634)	-18.3%
Austria	24,051	2.1%	30,394	2.2%	(6,343)	-20.9%
Slovenia	18,700	1.6%	13,543	1.0%	5,156	38.1%
Hungary	17,868	1.5%	20,343	1.5%	(2,475)	-12.2%
Poland	16,909	1.5%	12,739	0.9%	4,170	32.7%
United Kingdom	15,820	1.4%	18,344	1.3%	(2,524)	-13.8%
Croatia	12,914	1.1%	11,082	0.8%	1,832	16.5%
Turkey	10,879	0.9%	13,832	1.0%	(2,953)	-21.3%
Other EU countries	27,585	2.4%	31,383	2.3%	(3,798)	-12.1%
Other non-EU countries	11,429	1.0%	11,630	0.8%	(201)	-1.7%
Total revenue	1,163,824	100.0%	1,381,081	100.0%	(217,257)	-15.7%

Condensed reclassified Income Statement		
Amounts in thousands of euros	Year ended 31 December	
	2024	2023
Revenues	1,163,824	1,381,081
EBITDA	53,220	168,256
Depreciation, amortisation and write-downs	(46,582)	(46,396)
Operating Profit	6,638	121,860
Net financial income/(expenses)	8,684	6,758
Income/(expenses) from fair value changes and disposal of financial assets	7,039	4,658
Earnings before taxes - EBT	22,361	133,276
Income Taxes	(3,166)	(22,742)
Net profit for the year	19,195	110,534
Of which:		
- Group share of net profit for the year	18,500	109,801
- Net profit for the year attributable to non-controlling interests	695	733

The decrease in turnover is attributable to lower prices and sales volumes. In percentage terms, the ratio of EBITDA to revenue is 4.6%, down from 12.2% in 2023.



Reclassified Balance Sheet		
Amounts in thousands of euros	Year ended 31 December	
	2024	2023
Net Fixed Assets	362,803	324,243
<i>Inventories</i>	<i>329,138</i>	<i>331,862</i>
<i>Trade receivables</i>	<i>288,662</i>	<i>327,922</i>
<i>Trade payables</i>	<i>(185,914)</i>	<i>(169,794)</i>
Trade Net Working Capital	431,886	489,990
Non-Trade Net Working Capital	(13,852)	(31,818)
<b>Net Invested Capital</b>	<b>780,837</b>	<b>782,415</b>
Net Financial Position	286,144	297,789
Shareholders' equity	(1,066,981)	(1,080,204)
<b>Total Sources</b>	<b>(780,837)</b>	<b>(782,415)</b>

Net Financial Position		
Amounts in thousands of euros	Year ended 31 December	
	2024	2023
Cash and cash equivalents	183,679	183,136
Current financial assets	204,545	189,482
<b>Liquid assets</b>	<b>388,224</b>	<b>372,618</b>
Current financial liabilities	(48,851)	(22,891)
Current lease liabilities	(4,197)	(3,874)
<b>Current financial debt</b>	<b>(53,048)</b>	<b>(26,765)</b>
<b>Net current financial debt</b>	<b>335,176</b>	<b>345,853</b>
Non-current financial liabilities	(45,701)	(42,494)
Non-current lease liabilities	(3,331)	(5,570)
<b>Non-current financial debt</b>	<b>(49,032)</b>	<b>(48,064)</b>
<b>Net Financial Position</b>	<b>286,144</b>	<b>297,789</b>

For more details on the change in the Net Financial Position during the year, reference can be made to the Consolidated Cash Flow Statement.



6.2. Holding Company - Acciaierie Venete S.p.A.

Revenues by geographical area						
Amounts in thousands of euros	2024	Ratio %	2023	Ratio %	Change	Change %
Italy	813,972	74.39%	979,964	75.01%	(165,992)	-16.94%
Germany	118,850	10.86%	151,468	11.59%	(32,618)	-21.53%
Spain	27,539	2.52%	23,568	1.80%	3,970	16.85%
France	25,398	2.32%	30,772	2.36%	(5,375)	-17.47%
Austria	21,734	1.99%	27,286	2.09%	(5,552)	-20.35%
Hungary	16,444	1.50%	18,799	1.44%	(2,355)	-12.53%
Croatia	12,799	1.17%	10,857	0.83%	1,943	17.89%
Poland	11,328	1.04%	7,367	0.56%	3,961	53.76%
United Kingdom	10,943	1.00%	12,948	0.99%	(2,005)	-15.49%
Turkey	10,334	0.94%	13,339	1.02%	(3,005)	-22.53%
Other EU countries	17,964	1.64%	22,052	1.69%	(4,088)	-18.54%
Other non-EU countries	6,835	0.62%	7,989	0.61%	(1,154)	-14.45%
Total revenue	1,094,140	100.00%	1,306,410	100.00%	(212,270)	-16.25%

The Holding Company's steel mills produced 1.393 million tonnes in 2024, while production in 2023 was 1.476 million tonnes.

Condensed reclassified Income Statement		
Amounts in thousands of euros	Year ended 31 December	
	2024	2023
Revenues	1,094,140	1,306,410
EBITDA	30,393	143,019
Depreciation, amortisation and write-downs	(53,043)	(49,371)
Provisions for risks and charges	(215)	0
Operating Profit	(22,864)	93,648
Net financial income/(expenses)	21,561	11,033
Value adjustments on financial assets	1,838	2,235
Earnings before taxes - EBT	536	106,916
Income Taxes	(5,662)	14,509
Net profit for the year	6,198	92,407

The decrease in turnover is attributable to lower prices and sales volumes. In percentage terms, the ratio of EBITDA to revenue is 2.8%, down from 10.9% in 2023.



Reclassified Balance Sheet		
Amounts in thousands of euros	Year ended 31 December	
	2024	2023
Net Fixed Assets	368,554	330,312
<i>Inventories</i>	<i>279,056</i>	<i>285,826</i>
<i>Trade receivables</i>	<i>278,084</i>	<i>324,084</i>
<i>Trade payables</i>	<i>(227,341)</i>	<i>(212,219)</i>
Trade Net Working Capital	329,800	397,691
Non-Trade Net Working Capital	4,081	(15,120)
<b>Net Invested Capital</b>	<b>702,434</b>	<b>712,883</b>
Net Financial Position	298,933	314,636
Shareholders' equity	(1,001,368)	(1,027,519)
<b>Total Sources</b>	<b>(702,434)</b>	<b>(712,883)</b>

Net Financial Position		
Amounts in thousands of euros	Year ended 31 December	
	2024	2023
Non-current receivables from subsidiaries within 12 months	5,125	5,000
Financial receivables from Group Companies	8,114	132
Financial receivables from others	39,000	52,350
Securities in current assets	147,335	131,649
Financial assets for centralised treasury management	16,620	24,483
Cash and cash equivalents	173,326	170,771
Payables to banks	(76,394)	(54,368)
Financial payables to Group Companies	(14,193)	(15,381)
<b>Net Financial Position</b>	<b>298,933</b>	<b>314,636</b>

For more details on the change in the Net Financial Position during the year, reference can be made to the Cash Flow Statement.





## 7. SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE FINANCIAL YEAR

During 2024, the Group initiated two major acquisitions with the aim of integrating the supply chain and expanding its product portfolio:

- a preliminary agreement was signed for the acquisition of a business unit of Euro Sider Scalo S.p.A., a company trading in special steel bars based in Civate Camuno (BS);
- negotiations started for the acquisition of the company Trafileries San Paolo S.r.l., based in Molteni (CO) and specialised in the production of metal wire.

The two transactions were then finalised in 2025, as stated in the explanatory notes to the financial statements in the section “Information on significant events occurring after the end of the financial year.”



## 8. RISK MANAGEMENT OF THE GROUP AND HOLDING COMPANY

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## 8.1. Strategic Risks

### 8.1.1. Fluctuation of the price of raw materials

#### Volatility of energy costs

In 2024, energy and gas costs in wholesale markets were well above pre-energy crisis levels, albeit down from 2023 and still with industry demand at its lowest. The high volatility is mainly attributable to geopolitical instability, a precarious new European energy supply balance and increased speculation by investment funds. The higher cost of natural gas supply, both due to European supply issues (higher cost of liquefied gas compared to gas supply), and related to seasonal demand and storage-filling policies, has contributed to keeping the cost of electricity high, which has only partially declined due to increasing renewable penetration in the national mix. In fact, for much of the year, gas-fired generation was the marginal technology in the formation of zonal prices in electricity markets. Finally, part of the emergency policies to support businesses and households, which had mitigated, to a large extent, the increase in energy costs in 2023, came to an end in 2024.

The Energy Management function constantly monitors trends in the energy and gas markets, managing their volatility through hedging contracts, exploiting alternative energies thanks to recent investments in photovoltaics, as well as by scheduling production at times when prices are lower.

#### Scrap cost

Globally, the price of HMS scrap in 2024 had a complex trend, with declines in many markets but also increases in some areas due to local factors. In Europe, the scarcity of available scrap and weak domestic demand kept uncertainty in the market high.

The European scrap market is strongly linked to developments in the Turkish steel market. Turkey is a major buyer of ferrous scrap globally and its demand dynamics may influence international prices. In particular, in the last two years it has concentrated its procurement from EU countries, reducing domestic scrap availability and increasing local prices.

The EU ferrous scrap market is also influenced by the Green Deal. In compliance with European decarbonisation and circular economy targets, some steel mills are switching from blast furnace production to electric furnace production, leading to an increase in demand for scrap and thus supporting prices. At the same time, however, the reduced demand for steel in 2024 negatively affected the European market, as steel mills purchased less scrap to feed their plants.

The Group partially mitigates the risk related to scrap procurement by maintaining a significant presence in the market through its subsidiaries Padana Rottami S.r.l. and Maltauro Rottami S.r.l., and by expanding its network of suppliers both in Italy and internationally.

### 8.1.2. Concentration of customers and business relations

The structure of our customer base is based on long-term, structured business relationships, with a high incidence of index-based contracts, in which prices are pegged to the development of objective variables such as scrap, ferro-alloy and energy prices.

This contractual scheme represents an important instrument for protecting margins, as it reduces the volatility of economic results linked to commodity prices. This approach further reinforces the robustness of the business model, relying on well-established relationships

with low contractual risk, with loyal counterparties selected for financial strength and business continuity. The result is clearer visibility in industrial and budget planning, optimised resource allocation and reduced exposure to speculative or cyclical phenomena.

From a strategic perspective, business diversification supports the development of stable and lasting industrial relationships with a heterogeneous ecosystem of customers, reducing dependence on individual players or markets and strengthening the company's competitive position.

In summary, business diversification is a structural advantage, resulting in more balanced growth, more robust risk management and a superior ability to generate value in a stable and sustainable manner.

## 8.2. Operational risks

### 8.2.1. Industrial risks

As part of the Group's risk analysis policy, all foreseeable risks pertaining to industrial activities and related processes have been identified, quantified and periodically reviewed. Appropriate insurance policies have been taken out to cover them.

Each identified risk is correlated with monitoring activities and a series of possible improvement actions. Strengths, exceptional know-how and critical issues are collected by the centralised office dedicated to this purpose, in order to transfer the established good practices to all the Group's companies, thus mitigating the residual risk.

These analyses, with the active assistance of our Broker, are also constantly updated by means of specific technical visits carried out jointly with the technicians of the Insurance Companies.

Periodically, a third party company is entrusted with the task of carrying out an appraisal in order to adjust the insured values to the actual new values of the company's assets.

### 8.2.2. Business interruption

The main risk factors related to the unavailability of production sites and their business continuity are constantly investigated and analysed.

To mitigate these risks, business continuity procedures are in place, aimed at eliminating predisposing risk factors in terms of probability of occurrence and implementing protections to limit their impact.

Operating multiple sites with three steel mills and seven rolling mills, the Holding Company is better able than other competitors to cope with the production unavailability of one of its plants. From 2024, the subsidiaries are also included in the scope of the business continuity assessments, involving the relevant senior management figures, with the aim of achieving the implementation of a business continuity management system complying with the requirements of ISO 22301. Several actions were taken to mitigate the risk of business interruption, simulating how to cope with the

case of a forced interruption of one of our plants by diverting production to the others, or alternatively by purchasing material from third-party suppliers.

The Holding Company and the companies Centro Italiano Acciai S.r.l. and Esti S.r.l. are also covered against indirect risks from business interruption with a specific insurance policy.

### 8.2.3. Litigation risks and other insurance coverage

Group companies operate in sectors that entail the risk of involvement in environmental disputes, with employees, with suppliers, with the public administration and with other entities.

In line with the Group's insurance management policies, each company systematically carries out an in-depth investigation of the types of risks relevant and the insurance coverage opportunities offered by the market. In addition to the aforementioned coverage for industrial risks (All risks) and Third Party Liability/Employer's Liability/Civil Liability products, it is worth mentioning the insurance coverage for Pollution risks and the civil liability of Directors, Statutory Auditors and Managers, as well as the coverage reserved for personnel with managerial qualifications required by law.

Each Group company monitors the development of disputes and, if insurance coverage is not possible or is insufficient, makes appropriate allocations to the Risk Provisions in its individual financial statements.

## 8.3. Financial risks

### 8.3.1. Credit risk

The credit risk arising from the Group's business transactions with counterparties is managed and controlled through procedures for lending and monitoring customer credit. It is the Group's policy to select solid and reliable customers, establishing lasting relationships with the latter. The risk of a customer failing to fulfil a financial obligation on time is systematically analysed, assigning the counterparty a credit line that is constantly monitored; for certain counterparties and under particular risk conditions, secured forms of payment are required. The quality of the Group's customer portfolio and credit management procedures is demonstrated by the extremely limited credit losses recorded in recent years.

In addition, a credit risk coverage policy has been in place for some time with a leading international company, which covers most of the credit lines granted to the Holding Company's customers. Similar policies were taken out for Esti S.r.l., Centro Italiano Acciai S.r.l. and Padana Rottami S.r.l. For some customers of Maltauro Rottami S.r.l., the credit is guaranteed by assigning it without recourse to primary factoring companies.

### 8.3.2. Liquidity risk

Liquidity management, funding needs and cash flows are monitored on a daily basis, with the Group's Centralised Treasury managing resources efficiently. Thanks to the Group's operational flows and solid capitalisation, it is able to obtain the financial resources needed for operations in a timely manner and on favourable terms.

### 8.3.3. Foreign exchange rate risk

Foreign exchange rate risk has a limited impact compared to the size of the company, as most transactions with foreign counterparties are carried out in euros. The risk arising from foreign currency transactions outstanding at 31 December 2024 was partially reduced by entering into certain hedging contracts.

As regards the Holding Company, the derivative

contracts on the Euro/Dollar exchange rate were extinguished during 2024. The company Esti S.r.l. historically operates with forward contracts to mitigate the effects of changes in the Euro/Dollar exchange rate. As at 31 December 2024, these derivatives had a positive fair value.

### 8.3.4. Interest rate risk

The Group is exposed to the risk of changes in interest rates with regard to both the receipt of financial sources and the use of liquidity. Short-term debt is regulated at the 1-month or 3-month Euribor rate, while long-term debt is regulated at the 3-month or 6-month Euribor rate.

On the investment side, floating-rate bonds, if sold, could generate capital losses in the event of significant rate increases. However, the business strategy for this type of instruments is to hold them in the portfolio until maturity.

## 8.4. Other risks

Legal risks and risks related to innovation, environmental sustainability and governance have been analysed in the appropriate sections of the Sustainability Report.



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9.1. Organisation and Human Resources

The number of employees on the payroll in December 2024 is as follows:

Acciaierie Venete S.p.A.				
	31/12/2024	31/12/2023	Change	Change %
Blue-collar workers	1,052	1,030	22	2.1%
White-collar workers	329	306	23	7.5%
Managers	34	32	2	6.3%
Executives	18	17	1	5.9%
Temporary workers	41	24	17	70.8%
Total employees	1,474	1,409	65	4.6%

Acciaierie Venete Group				
	31/12/2024	31/12/2023	Change	Change %
Blue-collar workers	1,188	1,171	17	1.5%
White-collar workers	395	370	25	6.8%
Managers	38	36	2	5.6%
Executives	21	20	1	5.0%
Temporary workers	52	32	20	62.5%
Total employees	1,694	1,629	65	4.0%

The average number of employees in 2024 was as follows:

Acciaierie Venete S.p.A.				
	Average current year number	Average previous year number	Change	Change %
Blue-collar workers	1,044	1,036	8	0.8%
White-collar workers	326	314	12	3.8%
Managers	32	30	2	6.7%
Executives	18	17	1	5.9%
Temporary workers	37	21	16	76.2%
Total employees	1,457	1,418	39	2.8%

Acciaierie Venete Group				
	Average current year number	Average previous year number	Change	Change %
Blue-collar workers	1,178	1,164	14	1.3%
White-collar workers	391	374	17	4.7%
Managers	35	30	5	16.7%
Executives	21	20	1	5.0%
Temporary workers	48	28	20	71.4%
Total employees	1,673	1,616	57	3.6%



## 9.2. Relations with related parties

The holding Company Acciaierie Venete has commercial and financial relations with its subsidiaries; there are also commercial and financial relations with the parent company Parsid S.p.A., the latter relating to the national IRES tax consolidation.

The prices of the transferred goods and services and the terms of payment are ordinary market prices. There were no transactions with related parties that were atypical or unusual with respect to normal business operations. Details of the economic and financial effects of related party transactions as at 31 December 2024 can be found in the relevant section of the explanatory notes to the financial statements.

At Group level, transactions with related parties are part of the ordinary course of business of Group companies and do not qualify as either atypical or unusual. These transactions are settled at arm's length. Group companies have tax-related transactions with the parent company Parsid S.p.A., relating to the national IRES tax consolidation scheme. For details on the economic and equity effects of transactions carried out in 2024 with related parties, excluding the fully consolidated companies whose transactions are omitted, please refer to the relevant section of the explanatory notes to the consolidated financial statements.

## 9.3. Treasury shares and shares in parent companies

It is declared that, as at 31 December 2024, no treasury shares or shares in parent companies were held by Group companies, including through trust companies or intermediaries; similarly, there were none at the end of the previous year.

It is further declared that no treasury shares were acquired or disposed of during 2024, not even through trust companies or intermediaries.

## 9.4. Forecast 2025

The estimates published in February by Eurofer in the Economic and steel market outlook 2025-2026 show a steel market subject to great uncertainty. Steel demand deteriorated significantly in 2024 and is expected to recover modestly in 2025 but with consumption volumes remaining below pre-pandemic levels.

The imposition of tariffs is causing a shift in steel supply by international players from the US to Europe, exacerbating competitive pressure on local producers. This was further increased by the recent events in Turkey, whose steel market has a strong influence on the European steel market, and the perpetuation of the war conflicts already under way in 2024. Steel market players are therefore maintaining an extremely cautious procurement stance.

In the first quarter of the current year, the Holding Company recorded an overall increase in orders compared to the same period of the previous year, against an initially more moderate trend in shipments. This variance is attributable to the manner in which demand manifested itself, mainly oriented towards very short-term horizons and characterised by limited planning, in a climate of generalised prudence and persistent caution on the part of customers deriving from an unstable and highly volatile macroeconomic framework.

However, the resilience of the order backlog and its gradual stabilisation suggest that, should this trend consolidate, we could see a, albeit weak, growth over the previous year, even on the shipping front.

At the same time, a slow, but gradual recovery in sales prices is observed, but this follows a prolonged phase of price compression, which was particularly marked in the second half of 2024.

This recovery, although at first glance interpretable as a sign of market normalisation, does not yet represent an element of strengthening margins but, rather, a necessary and barely sufficient condition for restoring minimum levels of economic-operational sustainability, which have been put under a lot of pressure in recent months.

Incidentally, in this scenario of discontinuous dynamics, the evolution of US trade policies, and in particular the reappearance of protectionist measures, has no prospect of generating significant impacts on the Group's business, which marginally serves the US market. Any indirect repercussions, linked to Acciaierie Venete's role as a supplier of European operators active on a global scale, remain limited and insignificant at the moment, making the impact of the "Trump effect" negligible from a management point of view.


To conclude, the outlook for the coming months points to a slow horizontal recovery of the markets, in an environment that remains complex and in some ways stagnant, but which is showing the first timid signs of a reorganisation of trade balances.

Electricity and gas prices were high in the first two months of the year but a decrease in prices is expected in the following periods. The cost of scrap is expected to be constant or slightly increasing.

From a treasury point of view, it is estimated to maintain a largely active net financial position and a financial management that allows for a positive contribution to the company's profitability.

Padua, 22 May 2025  
For the Board of Directors

**Alessandro Banzato**





# SUSTAINABILITY REPORT 2024

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Mission

Thanks to the passion of our people and a constant drive for innovation and sustainability, we support the needs of customers and partners by offering special steels that generate a unique and recognisable value along the entire supply chain.



Vision

Growing and innovating in harmony with the world, but remaining faithful to the simplicity that has allowed us to become great.

Values

Respect for the rules

In our organisation rules are essential to express freedom and balance in the market and within the working environment. Respect for others and everything around us is an absolute must for us.

Team spirit

Team spirit is our go-to strategy: you can't go it alone if you want to win. "We" comes before all else.

Passion

For us, passion means putting our hearts into everything we do: every step, every process, is the result of a drive for quality and innovation. At Acciaierie Venete the dedication of individuals comes together to strive for ever more challenging achievements.

Safety

The attentive training of our staff and the controls we have in place ensure the maximum safety of our employees and the communities that host our facilities. Health, welfare, environmental quality and working conditions are key issues for Acciaierie Venete.

Development

In a constant race for improvement, we innovate to build a better future with courage. We count on our solid foundations to ensure growth and sustainable development.

Sustainability

Attention to the environment is our priority. Acciaierie Venete actively participates in the fight against climate change by studying product and process solutions that reduce polluting emissions, maximising the principles of the circular economy.

Reliability

Reliability is our core value. Quality, reliability and solidity are the characteristics that have always distinguished us, and that today allow us to earn the trust of our customers, suppliers and partners.

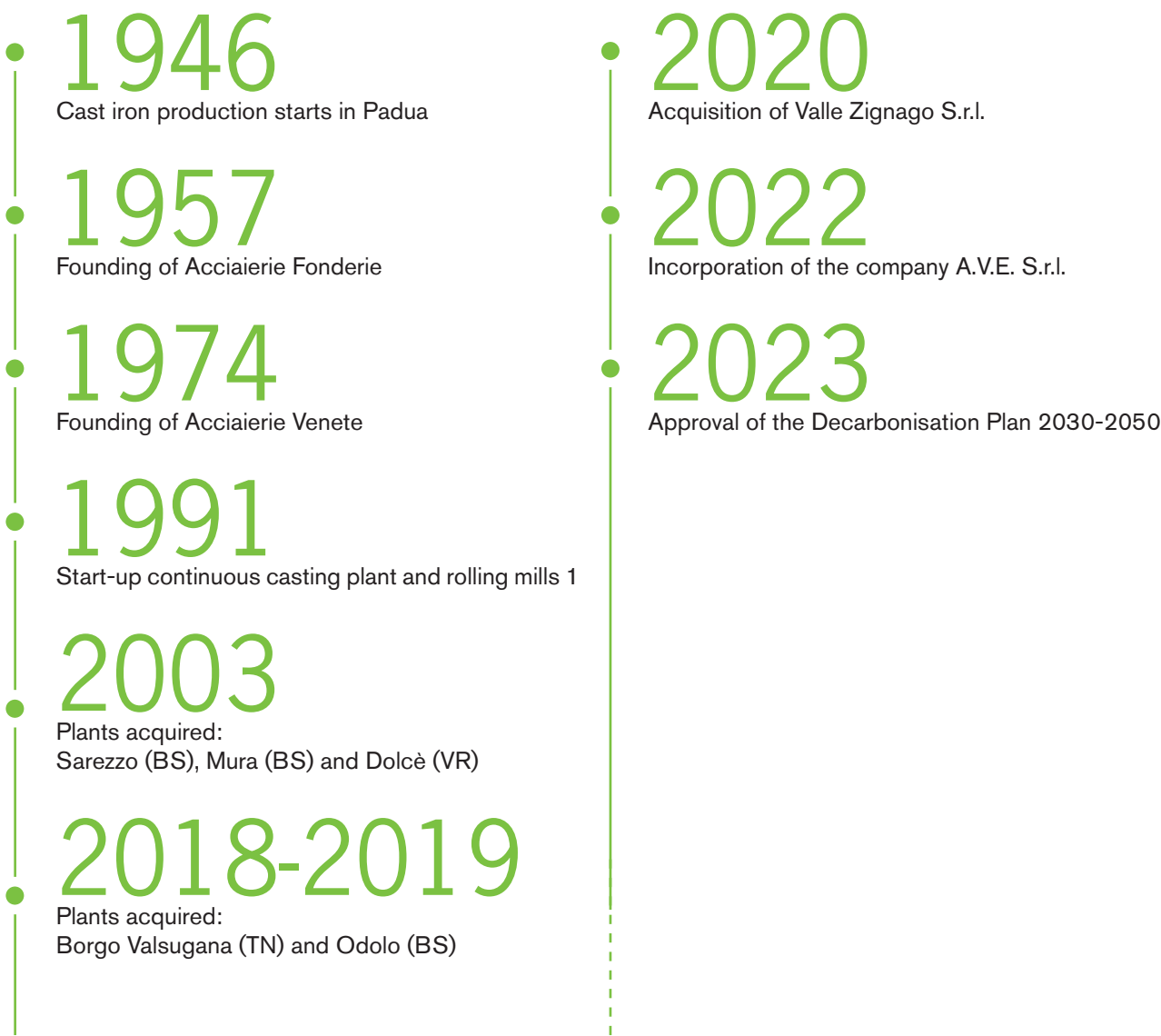


# 10. ACCIAIERIE VENETE GROUP: ORGANISATIONAL STRUCTURE AND CORPORATE IDENTITY

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# 10.1. The corporate structure of the Acciaierie Venete Group



Acciaierie Venete S.p.A. has always made a constant and determined effort to strengthen its corporate structure, pursuing a strategy of expansion both upstream and downstream. The objective was to create a solid, integrated and highly competitive value chain, able to face market challenges with efficiency and resilience.

Upstream, the Group has acquired key companies such as Padana Rottami S.r.l. and Maltauro Rottami S.r.l., which are essential to guarantee a constant and timely supply of scrap, a crucial raw material for the production process. Thanks to these acquisitions, Acciaierie Venete has consolidated its control over the supply chain, ensuring direct and optimised management of resources.

Downstream, the Group has expanded its distribution network through strategic acquisitions, such as Centro Italiano Acciai S.r.l. and Esti S.r.l., which deal with the processing and distribution of steel produced by Acciaierie Venete, responding in a targeted manner to specific market needs. In addition, it strengthened its commercial presence with the acquisition of Venete Siderprodukte AG, which handles the sale of processed steel in the foreign market, thus completing the distribution and marketing cycle.

A further step forward was taken in June 2023, when the Group acquired Setrans S.r.l., a transport company, with the aim of optimising logistics management and enhancing strategies related to the transfer of goods, thus ensuring greater efficiency in supply chain management.

Acciaierie Venete places great importance to safeguarding the ecosystems in which it operates, paying attention to both the use of land and the environmental effects of its activities, constantly striving to reduce them.

With respect for the land and the environment, elements deeply linked to the Group's cultural and geographical identity, in 2020 Acciaierie Venete chose to acquire the Valle Zignago Agricultural Company.

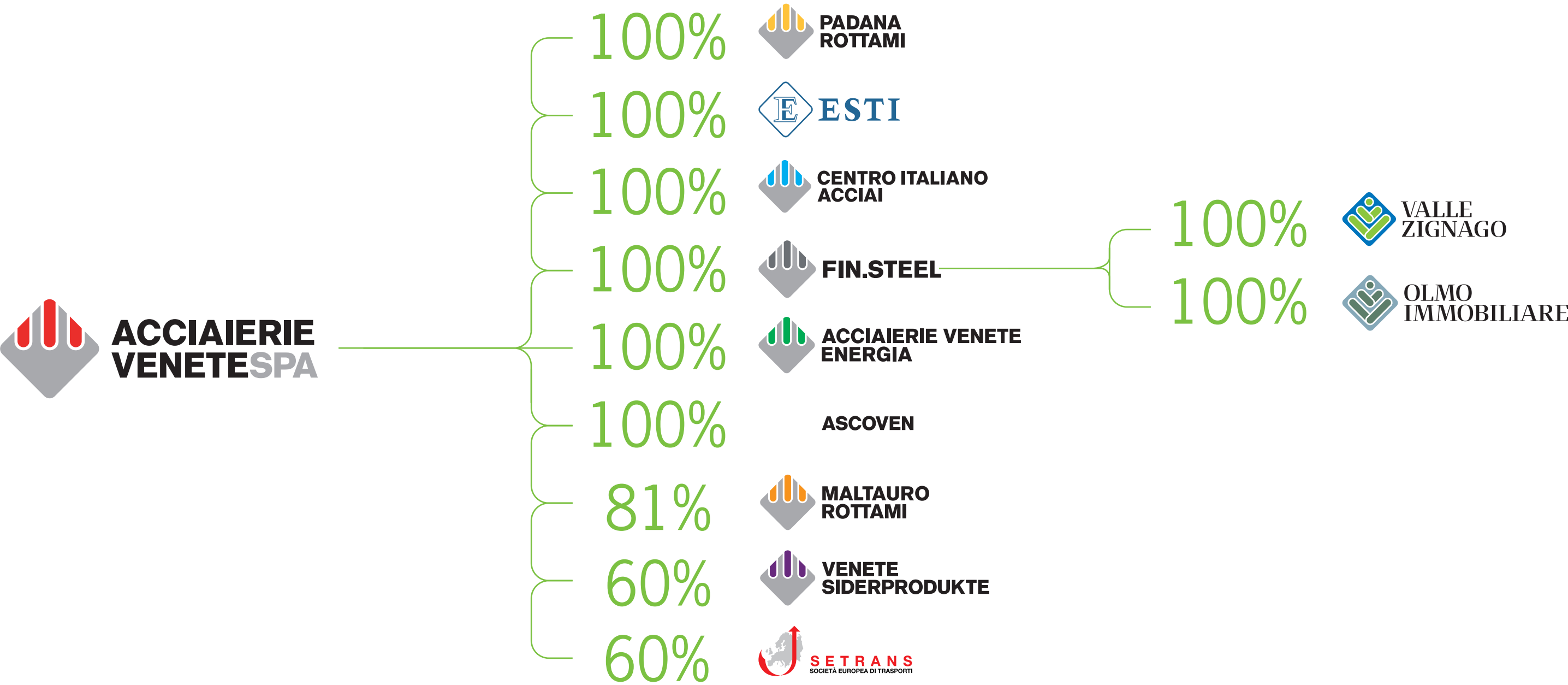
Valle Zignago represents the northern boundary of the valley complex of Caorle, in the province of Venice, and includes 400 hectares of aquatic areas, salt marshes

(typical flat formations of lagoons), sub-watersheds and rural roads; 410 hectares designated for agricultural use and 4.5 hectares dedicated to residential and agricultural buildings.

At the heart of this solid and articulated structure is Acciaierie Venete S.p.A., which continues to produce raw and semi-finished steel, distributed directly to customers or through its own distribution companies.

The Group has three steel mills at the sites of: Padua, Sarezzo and Borgo Valsugana; seven rolling mills in the localities of: Padua, Sarezzo, Buja, Dolcè, Mura and Odolo. Thanks to this strategic vision and targeted acquisitions, Acciaierie Venete was able to build a diversified and integrated corporate structure, capable of responding promptly and competently to market challenges, while maintaining high quality standards at every stage of the production and distribution process. Acciaierie Venete operates mainly in Italy, with a consolidated presence in the regions of Lombardy, Veneto, Trentino-Alto Adige, Emilia-Romagna and Friuli-Venezia Giulia. However, thanks to the marketing and distribution activities carried out by the supply chain, the steel produced by the Group finds markets in more than 20 European countries, significantly expanding its customer portfolio and consolidating its position at an international level. This commercial expansion allows Acciaierie Venete to extend its sales network, thus meeting the needs of the European market and strengthening its competitiveness.

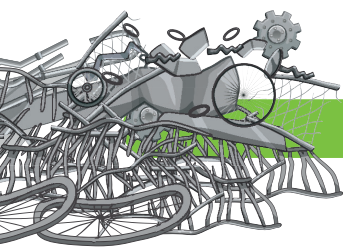




- Scrap Supply
- Steelwork
- Rolling mill
- Finishing
- Logistics







A subsidiary of Acciaierie Venete since 1997, located in the industrial area of Castelfranco Veneto in the province of Treviso, it is a major player in the Italian market for the collection, transportation, processing and trade of ferrous and non-ferrous scrap.

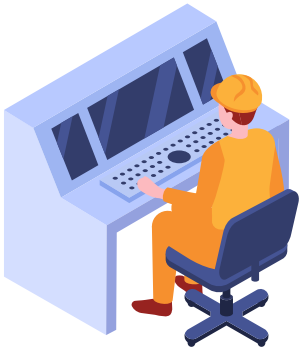
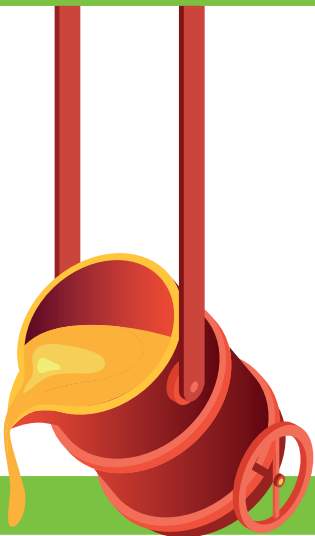
A qualified supplier for major steel mills, it is an authorised entity for plant dismantling, sorting and selection of materials.



A company that specialises in the recovery of ferrous and metal scrap and the quality of furnace-ready scrap preparation for customers such as steel mills and foundries. It was established in Zanè (VI) in 1956 and was subsequently acquired by Acciaierie Venete S.p.A. in 1986, becoming the market leader in the province of Vicenza.

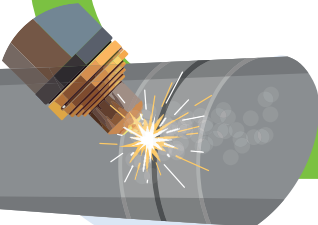


- ◆ Padua
- ◆ Sarezzo
- ◆ Borgo Valsugana



3. Rolling and Finishing

- ◆ Padua
- ◆ Sarezzo
- ◆ Buja
- ◆ Dolce
- ◆ Odolo
- ◆ Mura
- ◆ Padua
- ◆ Odolo
- ◆ Rolling
- ◆ Finishing



Esti S.r.l. is a company that specialises in the production of wear-resistant steel parts. The company mainly produces blades for shovel and excavator buckets, blades for dozers, graders and snowploughs, but its product range is completed with the production of teeth and tips. The type of steel used, the careful heat treatment and the very low tolerances of the machining operations result in a high quality product with high resistance to wear.



Centro Italiano Acciai S.r.l. is a steel trading company, representing a strategic service hub of the Acciaierie Venete Group operating in the processing and distribution of steel products. Centro Italiano Acciai S.r.l. aims to cover a part of the market that the parent company cannot serve due to reduced quantities or service.



Venete Siderprodukte AG, located in Schlieren, is a foreign trading company largely controlled by Acciaierie Venete, which aims to expand the company's presence in foreign markets, especially in German-speaking countries and Eastern Europe.



Setrans S.r.l. operates in the road transport sector and has long experience in this field. The company provides services such as distribution (including multimodal shipments), a logistics platform and material storage areas.



## 10.2. The Corporate Governance of Acciaierie Venete

### Board of Directors

consists of nine members



### Sustainability Committee

consists of the Chair of the Board of Directors and the heads of the main corporate functions, including several professionals of the subsidiaries.

### Auditing Firm

as an external body, it performs an equally important role; it is responsible for verifying and certifying that the company carries out all its operations according to the standards specified by law and by the pertinent accounting standards.

### Supervisory Body

consists of an internal member of the organisation and two external members.

### Board of Statutory Auditors

consisting of the Chair, two standing Auditors and two alternate Auditors; it is responsible for carrying out a control function on the company's operations in the short and long term.

The governance of Acciaierie Venete S.p.A grants the Board of Directors the central role of overseeing and controlling the organisational, administrative and accounting structure of the Holding Company and its subsidiaries. This body meets at least four times a year and is responsible for the ordinary and extraordinary management of the company as well as risk management. Within the Board of Directors, one member is between 30 and 50 years old, while the remaining members are over 50 years old and are divided between employees (33%) and independent members (66%).

The Board of Statutory Auditors monitors the conduct of the company in its management with respect to the law, controls the manner in which financial reporting is handled and its proper management. The Board of Statutory Auditors is composed of three women and two men. The Supervisory Board supervises the application of the Organisational, Management and Control Model as well as the Code of Ethics; The work done is shared with the managers of the various company functions, and is periodically brought to the attention of the Board of Statutory Auditors and the Board of Directors for assessment and approval.





10.3. ESG Governance

Sustainability Committee

Acciaierie Venete's Sustainability Committee, chaired by the CEO and CSO, is a key strategic body in managing corporate sustainability. This committee has a broad and qualified membership, with the presence of the main company management contributing their specific expertise to guide the company towards sustainability goals.

In addition to the CEO and CSO, who assume the leadership and coordination role, the committee boasts the active participation of various departments, including the Administration, Finance and Control Department, which deals with the economic and financial aspects of investing in sustainability. The Procurement Department contributes to ensuring that supplies and procurement processes comply with sustainability criteria.

The Sales Department plays a key role in orienting the sales and marketing strategy from a sustainable development perspective, while the Quality and R&D Department is responsible for product and process innovation in line with the ecological and quality standards required by the market. In addition, the Information Systems Department ensures that the technology infrastructure effectively supports sustainability initiatives by integrating advanced technologies to optimise operations.

The Human Resources Management approach is followed by HR Management, which promotes staff training and awareness of environmental and social issues, while HSE Management deals with health, safety and the environment, ensuring that operations comply with environmental and safety regulations.

Energy Management, monitors and optimises energy consumption, working to reduce the environmental impact of corporate operations. A further decisive contribution to the Committee is made by the Director of Decarbonisation, who leads specific initiatives to reduce greenhouse gas emissions, with the aim of achieving the company's carbon neutrality commitments. The Director of Decarbonisation works closely with all other departments to implement innovative technologies and practices that reduce the company's carbon footprint.

Finally, Management of the subsidiaries Padana Rottami S.r.l. and Esti S.r.l. is an integral part of the committee, ensuring that subsidiaries and affiliates also adopt sustainability practices in line with Group policies.

In this manner, Acciaierie Venete's Sustainability Committee plays a crucial role in integrating the company's strategies with the requirements of a sustainable economy, promoting a shared and transversal approach that involves all company areas and subsidiaries.

10.4. Risk management

The Acciaierie Venete Group has implemented an effective risk management system, which has proven to be a key factor in maintaining the value of the company over time.

In order to optimise this value, the Company has implemented an Enterprise Risk Management process aimed at integrated risk management, through systematic actions of Control, Reduction, Contractual Transfer and Elimination of risks.

Monitoring, mitigation and management activities are carried out on a daily and ongoing basis by the various corporate functions and Bodies.

The Acciaierie Venete Group operates in the steel industry and has identified a number of risk categories, classified as follows:

Financial risks

- Credit risks
- Liquidity risk
- Interest rate risk
- Foreign exchange rate risk

Operational risks

- Industrial risks
- Risks related to product quality
- Worker health and safety in the workplace
- Business Interruption
- Cybersecurity
- Litigation Risks

Strategic Risks

- Innovation
- Sustainability
- Fluctuation of the price of raw materials
- Concentration of customers and business relations

Legal and Compliance Risks

- Antitrust

10.4.1. Organisation, Management and Control Model(OMC)PURSUANTTOITALIANLEGISLATIVE DECREE 231/2001 and Supervisory Body

The OMC is a document approved by the Board of Directors that contains the general principles as well as the specific rules aimed at combating the commission by companies of the predicate offences enumerated in Italian Legislative Decree 231/2001.

The Code of Ethics and the Organisational Model adopted in 2010 were also systematically reviewed throughout 2024 by the Supervisory Body, composed of two external members and one internal member of our organisation.

The work done by the Supervisory Body, shared with the heads of the various company functions, is periodically brought to the attention of the Board of Statutory Auditors and the Board of Directors for sharing.

During the course of 2024, the Supervisory Body performed a total of twelve audits that involved each of the Company's production plants at least once, and the administrative headquarters five times, for issues related to different predicate offences envisaged in the aforementioned regulation.

It should be noted that with a view to the ongoing maintenance of the Organisational Model, which also takes into account the broadening of the list of offences taken into consideration, during 2024, Italian Legislative Decree 141/2024, which entered into force on 4 October 2024, on “National provisions complementary to the Customs Code of the Union and revision of the sanctioning system in the field of excise duties and other indirect taxes on production and consumption”; implementing the tax delegation (Law No. 111/2023), legislators revised the domestic regulations to harmonise them with those of the EU, also by telematically introducing customs procedures and enhancing control activities. For the purposes hereof, Article 25-sexiesdecies of Italian Legislative Decree 231/2001 has been amended by providing for:

- the replacement of the former Consolidated Customs Act (repealed) with the “national provisions complementary to the Union Customs Code, referred

to in the legislative decree issued pursuant to Articles 11 and 20 of Law No. 111 of 9 August 2023”;

- the integration of the Consolidation Act on Excise Duties (Italian Legislative Decree No. 504 of 26 October 1995), by Art. 3 of the aforementioned legislative decree scheme;
- that, when the evasion of border duties due exceeds the threshold of 100,000 euros, the prohibition from exercising the activity and the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence shall apply;

In addition, during 2024, the plan to update the Organisational Model of Acciaierie Venete S.p.A. and Padana Rottami S.r.l. was launched, with the simultaneous extension of the Organisational, Management and Control Model (MOG) to some Group companies, namely Centro Italiano Acciai S.r.l., Esti S.r.l. and Maltauro Rottami S.r.l.,

It is planned to complete this project within the current year.

10.4.2. Antitrust Compliance Programme

Compliance with antitrust rules is the basis of the Group's ethics, and over the years it has become increasingly aware of the issue by implementing an antitrust compliance programme and periodically organising internal seminars. The programme began in 2017 with the addition of the position of Antitrust Compliance Officer (ACO) to the organisational chart, a person responsible for monitoring and maintaining all the functions performed within the system in line with the antitrust model adopted. In addition to periodic seminars, the last of which was held in 2022 and the next will be held in 2025, a number of awareness-raising and training actions were carried out in the field over the past few years, using news reports regarding sanctions or investigations by national or European Authorities to refresh the principles studied and note the risks that the Company runs in the event of improper conduct.

All new hires assigned to areas exposed to critical competition and market issues are given an information kit on their activities and the Antitrust manual, followed

by personalised learning sessions. Acciaierie Venete makes compliance with antitrust law a priority, convinced that this will increase its competitiveness in the market as well as the technical development and innovation of products for the benefit of more efficient companies and end consumers.

Compliance with antitrust rules underpins the ethics of the Group, which over the years has never been subject to any investigation or sanction by the European Antitrust Authority.

During 2024 there were no legal actions relating to anti-competitive behaviour, trust activities or monopolistic practices.

Statement of Antitrust Compliance Principles

“Acciaierie Venete calls on all its employees to make every effort to manage the antitrust risk together, making competition the engine of its corporate growth.”

Alessandro Banzato – Chair

Having made antitrust compliance a corporate priority, Acciaierie Venete organises regular audits, courses and training seminars for all employees most exposed to antitrust risk to familiarise them with the basic rules of competition law, with the threefold aim of avoiding infractions, better protecting themselves against aggressive and unlawful commercial policies of third parties and promptly seizing opportunities for growth.

With these objectives in mind, the 2022 Antitrust Compliance Programme was conceived. As in the past, the Programme is led by the Antitrust Compliance Officer.

Indeed, appointed by the Board of Directors with a dedicated and intangible budget, the ACO ensures (where necessary with the aid of an external specialised lawyer):

- Prompt advice when requested by employees.
- Prior analysis of commercial policies.
- Continuous staff training, by organising training sessions with mandatory attendance.
- A system of sanctions for employees in the event of non-compliance.
- Distribution of the Antitrust Manual to employees.
- Audits at regular intervals for those employees most exposed to antitrust risk, but less than every two years.

At Acciaierie Venete, every employee exposed to antitrust risk is well aware that they must:

- Refrain from any unauthorised contact with competitors.
- When meeting with competitors, ensure that the meeting has a legitimate purpose and that the topics discussed do not go beyond such purpose.
- Avoid exchanging sensitive and/or confidential information with competitors, including through third companies, consortia or associations.
- Monitor its internal and external communications.

- Consult the ACO immediately if the lawfulness of a situation appears doubtful.

To ensure the effectiveness of the programme, all employees are aware of the company's right to organise internal, unannounced audits of:

- Employees' compliance with the rules issued.
- The possible presence in their laptops, smartphones, files and agendas of mechanisms that can detect the violation of such rules.

This document is published on the company's website so that third-party companies that have dealings with it (customers, competitors, suppliers) are both aware of the obligations incumbent on its employees and feel obliged to comply with the antitrust rules which, by protecting the competitive mechanisms of the market, incentivise companies to excel in the quality and cost-effectiveness of their products to the benefit of technical progress and customers/consumers.

Therefore, Acciaierie Venete demands compliance with antitrust rules from its employees and third-party companies that deal with it.



10.5. Economic value

In 2024, the Acciaierie Venete Group generated value of more than 1.4 billion euros. The Acciaierie Venete Group produces wealth and contributes to the economic growth of the social and environmental context in which it operates. This contribution is measured in terms of added value produced and distributed to stakeholders.

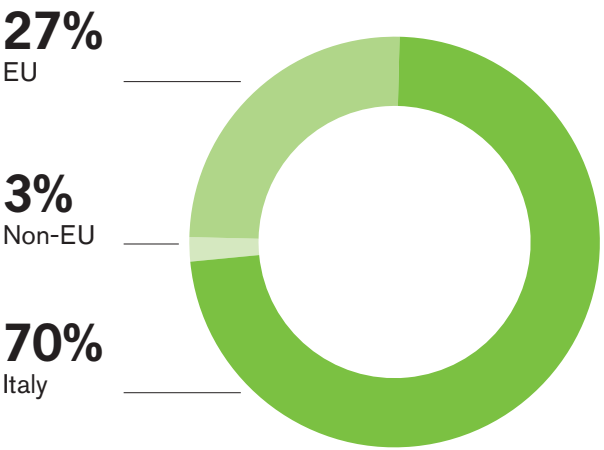
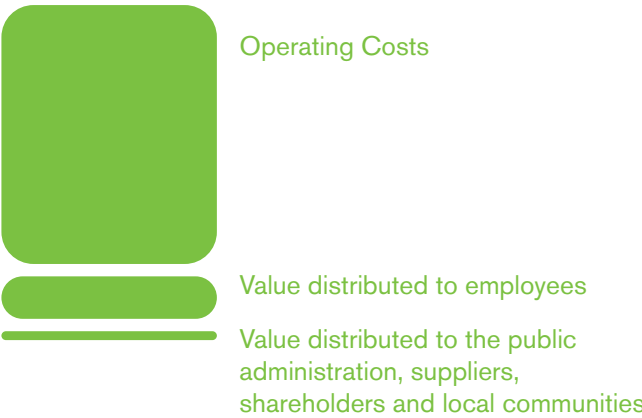
In thousands of euros	
Economic value generated	1,235,979
Economic value distributed	1,170,202
Economic value withheld	65,777

Analysis of distributed economic value	
In thousands of euros	
Operating Costs	1,015,178
Remuneration of Personnel	110,859
Remuneration distributed to the Public Administration, suppliers, shareholders and local communities	44,164

Division between distributed, retained and generated economic value

The value directly distributed in 2024 exceeded 1.1 billion euros, broken down as follows:

- Operating costs distributed to suppliers (mainly of raw materials) amounted to 1 billion euros.
- Remuneration and employee benefits obligations totalled 110 million euros.
- Transfers to the Public Administration, lenders, shareholders and the community amounted to 44 million euros.



**Macro context**

The IMF's World Economic Outlook of January 2025 shows uncertain global economic growth, with global GDP rising by 3.2% in 2024. Advanced economies accelerated slightly (+1.7%), while emerging markets slowed (+4.2%). In the euro area, growth was modest (+0.8%), with inflation falling sharply, but problems such as weak domestic demand and a weak manufacturing sector, particularly in Germany and Italy, persisted. Steel production saw an overall contraction of 0.9%, influenced by a supply surplus and competition from low-cost producers. In Italy, steel production decreased by 5%, with significant declines in the automotive and construction sectors. Energy costs remained high, with volatility due to geopolitical instability and supply difficulties.

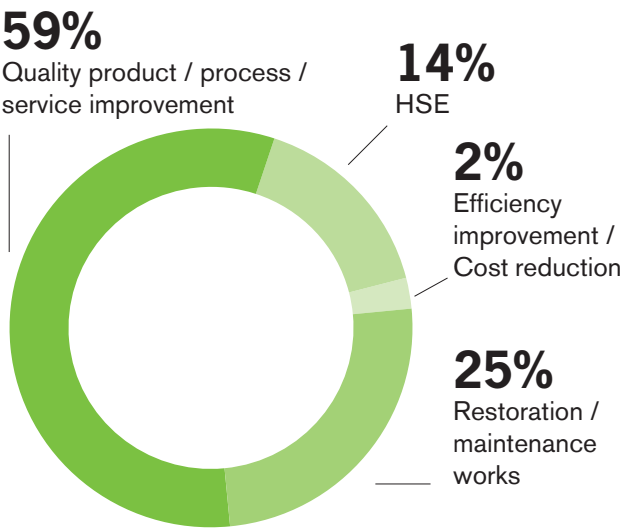
**Investments**

The investment plan plays a crucial role in increasing production efficiency, improving process quality and increasing safety within the Group. The interventions implemented in recent years and those planned have proved to be essential for achieving the objectives set. Investments can be divided into four main areas:

**HSE:** investments that enable continuous improvement of safety standards, investments that aim to reduce environmental impact and CO<sub>2</sub> emissions through the purchase of specific technologies, and finally investments that aim to optimise water use, reduce consumption and improve wastewater treatment, contributing to the sustainable use and protection of water resources;

- renovation/maintenance works, allow the renovation of plant, machinery and facilities necessary to business continuity;
- efficiency improvement/cost reduction, through technologies and solutions to reduce waste and increase efficiency;
- product/process quality improvement, allowing for retaining the competitive advantage gained over time.

In 2024, 88 million euros was invested in tangible fixed assets demonstrating the company's commitment to technological and sustainable evolution. Group Investments (2024): €87,729 thousand.



The Acciaierie Venete Group incurred additional costs of about €1.8 million for strategic consulting on improving safety culture and operational excellence.

10.6. Cybersecurity

In a world marked by the continuous growth and evolution of threats in the area of digital crime (cybercrime), in 2024 Acciaierie Venete S.p.A. continues working to update and expand its protection strategy. Particular noteworthy initiatives in this process of continuous updating and the improvement of prevention, monitoring and reaction include:

- assisted by the Virtual CISO, consolidation and issuance of the Incident Recovery Plan (IR Plan). This is a structured response plan, describing all activities, corrective/intervention measures and organisational initiatives to be taken in the face of various IT security and service continuity incidents, in order to ensure maximum responsiveness and resilience;
- activation of immutability in corporate backups, both daily and continuous replication; with the aim of further increasing protection and resilience;
- vulnerability assessment. Testing by a third party Company in order to reveal any weaknesses in the security infrastructure. This assessment will be repeated annually;
- continuous awareness-raising/training and definition of risk awareness and safe behaviour plans for all employees, including subsidiaries.

The company continues to cooperate with the Telecommunications Police, sharing information on cybercrime threats and incidents.

Group training statistics

411 users trained	
Acciaierie Venete S.p.A.	337
Centro Italiano Acciai S.r.l.	16
Padana Rottami S.r.l.	18
Esti S.r.l.	25
Maltauro Rottami S.r.l.	5
Setrans S.r.l.	10

12 key modules
Phishing
Passwords
Social networks
Mobile Devices
Fake news
Privacy & GDPR
USB Devices
Malware
Email security
Web Browsing
Critical Scenarios
Social Engineering

1,631 hours
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10.7. Our steel supply chain

The Group, our strength

The Acciaierie Venete Group operates with a vertical vision in the steel industry, starting with the sorting and processing of scrap and the supply of clean energy. This path continues, downstream from the steelworks, with the creation of an extraordinarily varied range of semi-finished and finished products, tailored to the specific needs of our customers, both Italian and foreign.

A supply chain that winds through several activities operating in perfect synergy, where each subsidiary contributes its own unique essence to the overall strength of the Group. At the centre, Acciaierie Venete: with a clear and determined vision, it drives a steel value chain with a sustainable approach, with the dual aim of ensuring maximum adherence and flexibility to the demands of its partners and efficient management of production processes.

The steel we produce

In its simplest conception, steel is an alloy of iron and carbon in which the content of the latter does not exceed 2%. If these two elements are added to others, such as nickel, copper, aluminium, manganese or chromium, we speak of alloy steels, endowed with superior chemical, physical and mechanical characteristics. Acciaierie Venete specialises in the production of low-alloy steels, where no element other than iron and carbon exceeds 5%. Depending on their uses downstream of the value chain, the steels we produce, also known as special steels or engineering steels, are required to meet stringent criteria of elasticity, ductility, toughness and fatigue resistance and are made to order in accordance with the precise processing and application requirements specified by our customers.

Our products

Acciaierie Venete's product range is among the richest in the European market in terms of quality, morphologies, dimensions and delivery conditions. As long product manufacturers, the offering encompasses innumerable product categories, mainly identifiable in continuous casting products such as blooms and billets, and rolling products such as round bars, billets,

squares, rods, wire rods, flat bars and various profiles, such as angles and U-irons. Our company specialises in the production of case-hardening, tempered, micro-alloyed, improved workability steels, and the production of numerous other steels aimed at specific markets or needs, such as boron steels, spring steels and those for the bearings industry. Added to this complexity is the possible combination of multiple treatments on the material, such as heat treatment and cold working, such as peeling, rolling or chamfering.

Reference markets

With its production of semi-finished, rolled and verticalised products, Acciaierie Venete is strongly oriented towards the field of specialties, designing and manufacturing steels to meet the advanced engineering requirements and quality demands of all industries using special steels.

Sectors include automotive, earthmoving, agricultural machinery, the energy sector (oil & gas and wind power), general mechanical engineering, the construction sector and the various uses of merchant rolls.

Through a dense network of established business relationships with our customers who forge, stamp, draw or process steel by cold turning, we serve many of the global market's most important user brands. Gears, gearwheels, bearings, flanges and bolts are just a few examples of the components Acciaierie Venete manufactures.

Much of the material leaving our pants participates, whether directly or indirectly, in the activities of our daily lives: it could be under the gear knob of a car, in the wheel of a motorbike, in an automatic coffee machine or make possible the transportation of gas and the production and distribution of sustainable electricity.

Our mission is to offer reliable, durable semi-finished products, to be able to contribute to the success of those who follow us in the value chain and to safeguard the quality of life of the people who, even without knowing, interact with our steel in their daily lives.

Our decision to continuously improve processes, products and services has led the company to implement a Quality System in compliance with the



requirements of UNI EN ISO 9001:2015. At the date of this document, all production units where design and production of alloy and non-alloy steel products are carried out have implemented this management system. Moreover, the Padua and Sarezzo sites are IATF 16949:2016 certified for the same type of activities for the automotive sector.

10.7.1. Certified quality

In November and December 2024, the renewal audit according to the IATF 16949 standard was performed, and the inspection to maintain the qualification of steels for the automotive industry was successful. Furthermore, 59 internal audits were carried out as per the annual Programme issued and revised, with an average score of 98.2%, a slight drop compared to the previous year. Audits were also performed both by external entities and by Group customers. The quality of our products, which meet top standards in the industry, make Acciaierie Venete steel one of the most qualified in the European market for engineering steels, steels designed for mechanical engineering and similar applications that require rigorous levels of technological characteristics, including ductility, toughness and fatigue strength. Quality avails itself of the support of the various Plant Managers, who implement the practices defined at a regional level. At a Group level there is a quality management manager who coordinates laboratory tests, technical support for customers, feasibility of orders, product certification and technological offers. In other words, this function oversees the products' manufacturing and transformation processes, evaluating the strengths, weaknesses, threats and opportunities for each product made in order to ensure customer satisfaction and product safety with respect to intended uses. All products are accompanied by a test certificate that attests to the results of quality tests conducted in the laboratory and the absence of radioactive contamination. This document makes it possible to trace the product's main production steps. Moreover, the traceability and safety of Acciaierie Venete's products is guaranteed

by aluminium or plastic plates containing qualitative indications of the product, such as: the casting number, the section, the steel brand. Over the coming years, investments are also planned in the field of digital product traceability. Acciaierie Venete's Integrated Environment and Energy Management System is built on three cornerstones.

The pillars of Acciaierie Venete's Integrated Management System



In order to guarantee high quality standards and support the distribution and knowledge of the Environmental Policy at all levels of the organisation, the Group continuously spreads its fundamental principles both internally, through regular meetings with department heads and internal training and auditing, and externally, with the involvement of service providers on behalf of the company.

The position of Product Safety Officer (Produktichereitsbeauftragten) was confirmed. This position was established on the one hand to respond to the requests of some leading customers in the automotive sector, but also anticipating the increasingly stringent Italian, German and European regulations on product safety. The Product Safety Officer supervises production for the automotive sector at the Riviera Francia plant in Padua. The delegated role entails the following responsibilities and powers:

- Analyses and defines production processes and sets priorities for the prevention of defects during product development.
- Works with production for the preparation and subsequent implementation of Failure Mode and Effects Analysis (FMEA).
- Works with production to design and develop products, leveraging lessons learned.
- Coordinates execution, ensuring the correct implementation of periodic checks of production processes and the product itself, especially aspects relating to the safety of the product shipped to the customer.
- Assesses the likelihood of failure of safety-related aspects of defined products.
- Verifies the implementation and effectiveness of the containment measures and corrective actions implemented following any customer complaints.

The Product Safety Officer reports directly to the Managing Director, and, as part of his/her duties as Group Quality Manager, has the authority to suspend the production of the aforementioned products if there are issues that could potentially affect or reduce

product safety levels or otherwise cause damage to the company's image. Therefore, the Product Safety Officer is also responsible for coordinating the controls and tests that are deemed necessary to ensure the required product safety levels. As in previous years the achievement of the Quality Department's quality objectives was encouraged through the payment of a performance bonus linked to the quality of the work done, the production carried out and the days of absence of workers.



# 11. SUSTAINABILITY OF THE ACCIAIERIE VENETE GROUP

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# 11.1. Material topics and the ESG programme

Acciaierie Venete has become increasingly aware of the importance of gearing its activities towards more sustainable practices, responding to increasingly urgent environmental, social and governance challenges. As stakeholders' expectations continue to evolve and their interest in ESG topics increases, the Group has decided to further intensify its commitment to an increasingly responsible business transformation. With awareness and renewed vigour, the Acciaierie Venete Group has set itself the objective of aligning its business with contemporary challenges, seriously and proactively tackling the path towards a production of special steels that is not only efficient, but also sustainable, in harmony with the principles of sustainability and responsibility that are currently central to the global community and stakeholders.

For Acciaierie Venete, sustainability is the fundamental basis that guides every stage of the production process, guiding the company's choices to ensure minimal impact on the environment, society and the economy. Sustainability has become the common denominator for all decisions and innovation processes within the Group, influencing not only the production of special steels, but also long-term strategies in all areas of operation.

The Acciaierie Venete Group adopts a sustainable approach that guides all its activities, promoting respect for the principles of environmental and social responsibility throughout the entire supply chain. While being aware of the complexity of global sourcing dynamics, the company constantly strives to extend these values to the less directly controllable phases. This allows sustainability to be not just a goal, but a value that permeates all of Acciaierie Venete's business operations, becoming a determining factor in achieving long-term results for the company, its stakeholders and the environment.

## E – Environment

The Group is focused on the efficient use of resources, recycling and circularity, the constant reduction of greenhouse gas emissions, the adoption of renewable energy sources and the increasing attention to safeguarding our host environment, with the aim of continuing to offer quality products with a progressively lower carbon footprint.

Special attention is paid to water management, a crucial aspect for an industry that relies heavily on water resources for its production processes. Acciaierie Venete has adopted water recirculation policies, minimising wastage and optimising consumption to reduce environmental impact, ensure long-term resource sustainability and avoid the depletion of reservoirs.

Waste management is another pillar of sustainability, with a constant search for solutions to recover and recycle materials. The Acciaierie Venete Group is committed to minimising waste production, promoting circular economy practices and ensuring that the majority of waste generated is directed to recovery, contributing to the reduction of the overall environmental impact.

## S – Social

The Acciaierie Venete Group designs, plans and implements actions that positively impact society, promoting diversity and inclusion within our organisation, ensuring fair and sustainable working conditions, and supporting the communities we operate in through initiatives that can involve and possibly improve the lives of the people around us.

## G – Governance

In implementing its growth programmes and operational strategies for the future, a profound change of its governance structure has been initiated, with the definition of new roles, tools and practices capable of promoting transparency, ethics and accountability to every choice made. The Group operates with the highest standards of integrity, so as to ensure business management that respects the rights of our employees, our customers and all other stakeholders.

Aware of the fundamental importance of all this, the ultimate goal of the Acciaierie Venete Group is to embrace ESG policies to the point of making them an integral part of the Group's culture and identity, in the full conviction that sustainability, in its broadest sense, represents a value to be preserved, defended and further developed for the future of the next generations.



11.1.1. Materiality analysis

Following a thorough internal review, for 2024 the materiality analysis adopted in the previous year was used, since no significant changes to the material issues relevant to the organisation emerged. This process confirmed the continuity of the priorities identified, thus ensuring constant alignment with the needs and expectations of the stakeholders, as well as with the evolving dynamics of the reference context.

Over the years, the Group has embarked on this path starting from dialogue and listening, the foundations on which a complex ESG strategy has been defined, which, enriched with clear targets and objectives, will soon be shared with the public.

During 2024, the process of alignment with the provisions of the new European CSRD (Corporate Sustainability Reporting Directive) legislation continued, in order to ensure full compliance with the new reporting method that will be mandatory for companies from the next financial years onwards. This process involves a review and expansion of corporate reporting practices, with the aim of integrating sustainability aspects in a structured and transparent manner, in line with the new European standards. The adoption of CSRD requires a greater focus on sustainability issues, with more detailed and accurate reporting, including both direct and indirect impacts of company activities. Through this process, Acciaierie Venete is laying the foundations to ensure that information on sustainability risks and opportunities is properly integrated into the strategy and communication, in order to meet stakeholder expectations and growing demand for transparency and accountability.

This approach has made it possible to identify and deepen the risks and opportunities related to the future, both in financial terms and in terms of long-term sustainability, through the point of view of those who, as stakeholders, are an integral part of Acciaierie Venete's development.

This report does not include the results of this first in-depth exercise on impacts, risks and opportunities related to sustainability issues, which will, however, be

updated and published in future sustainability reports.

The main stakeholder groups with which Acciaierie Venete interacts have been identified below, based on an assessment of the extent and importance of influence: suppliers, business partners and customers, with whom the company shares business and supply relationships that are essential to our operations. Within the organisation, employees play a central role, as they are a fundamental resource for development, as well as the local communities and institutions, with which it works for territorial well-being and compliance with regulations. Interaction with regulators is crucial to ensure compliance with ever-changing regulations, while trade associations are a privileged channel for discussion and updating on industry best practices. Another relevant player is the media, which influence the public perception of the company and our activities. Finally, trade unions are key partners for social dialogue and personnel relations management. Through these groups of players, Acciaierie Venete has identified the aspects that most impact reputation, investor trust, employee attraction and involvement, and customer and community relations.

Assessment methodology

Stakeholders were involved in an assessment process through the administration of a questionnaire, in which issues identified as potentially relevant and deserving of attention were presented. The topics were assessed according to three main dimensions: dependence, influence and continuity. Dependence refers to the relationship between stakeholders and the company, whether they depend directly or indirectly on the company's activities, or whether the company depends on them for its operations. Influence concerns stakeholders who can have an impact on the strategic decision-making process of the company or other actors. Finally, continuity was assessed on the basis of the frequency and constancy of contact points between the company and stakeholders, for operational, financial, social or environmental issues. Stakeholders rated each issue on a scale of 1 to 5, then translated into categories of importance (low, medium, high).

Subsequently, Acciaierie Venete collected the results of the assessments provided by stakeholders and analysed them, identifying the impacts, both positive and negative, actual and potential, that the Company's activities may have on the environment, the value chain, business ethics, human resources and governance.

Once the impacts were identified, they were assessed taking into account the GRI Sustainability Reporting Standards<sup>5</sup> guidelines.

This analysis process made it possible to integrate the stakeholders' point of view in the definition of the material topics to be included in the report; subsequently, the company's top management was involved in a dedicated workshop, during which each stakeholder was able to express his or her assessment of the importance of the different stakeholder categories and the sustainability topics considered relevant to be published in the report. Through its management systems, Acciaierie Venete contributes to reducing the negative impacts of relevant material issues and increasing their positive impacts.

5. Non-financial Reporting Standards defined in 2016 and partly revised in 2021 by the Global Reporting Initiative (GRI)



MATERIAL TOPICS		IMPACT	EFFECT
		on the environment	
ENVIRONMENT			
Environmental pollution	The steel production process generates pollutants that, if not managed properly and effectively, could have a negative impact on the local environment	negative	effective
Use of water resources	Water is a fundamental resource for the entire steel production process, but its contact with certain materials leads to its pollution and therefore causes potential hazards in the discharge phase.	negative	effective
Waste generation	The entire steel production chain produces waste which, if not treated properly, could cause negative impacts on the environment	negative	effective
Circular economy	Many of the operations in the production cycle have an impact on the environment, but this effect is mitigated by the sustainable use of raw materials and waste. Helping to increase the level of circularity.	positive	effective
CO2 emissions and climate transition	Managing and reducing greenhouse gas emissions, both direct and indirect, is one of the main challenges in steel production, as it is a GHG-emitting activity.	negative	effective
		on the environment	
VALUE CHAIN			
Product quality	Acciaierie Venete recognises the priority of ensuring that every stage of the production process, from design to distribution, meets stringent standards that minimise risks to end users.	positive	effective
Innovation and ESG products	The company strongly believes that innovation must be accompanied by CSR aspects.	positive	effective
Scarcity of raw materials	Acciaierie Venete recognises the need to make its materials supply chain increasingly resilient.	negative	effective
Customer satisfaction	The importance of recording customer satisfaction is recognised.	positive	potential
Management of the supply chain Environmental and social impact of the supply chain	Acciaierie Venete also addresses the management of environmental, social and governance risks along its supply chain by selecting, monitoring and engaging suppliers on sustainability topics.	positive	effective

MATERIAL TOPICS		IMPACT	EFFECT
		on business ethics	
BUSINESS ETHICS			
Corruption	For the management of business and stakeholder relations, Acciaierie Venete adopts ad hoc tools (policies and procedures) to prevent and manage corruption.	negative	potential
		on the environment	
HUMAN RESOURCES			
Occupational health and safety	Acciaierie Venete is committed to adopting increasingly virtuous strategic policies and management procedures aimed at mitigating the residual risks intrinsic to its processes, which can potentially lead to negative events in relation to people's health/safety.	negative	effective
Training and development Attracting and retaining talent	Staff education and the provision of specific training influences the organisational structure by enhancing the knowledge and skills of staff, thus strengthening staff relations.	positive	effective
		on the environment	
VISION & GOVERNANCE			
Compliance, values, corporate culture and strategy	In order to be able to continue its business, Acciaierie Venete considers compliance with current regulations to be essential.	positive	effective
Business model resilience	Acciaierie Venete adapts a business model that can adapt and change as a result of changes in the operating environment.	positive	effective
Risk prevention and management	The company has a set of risk management policies and procedures to prevent or cope with the occurrence of risks of various kinds.	positive	potential

11.2. The Decarbonisation Plan of Acciaierie Venete

The steel industry plays a significant role in contributing to greenhouse gas emissions, and consequently its influence on climate change cannot be considered negligible.

In fact, the sector accounts for between 7% and 9% of global CO<sub>2</sub> emissions, with a total value of around 2.6 billion tonnes per year. For this reason, steel producers are moving towards implementing a series of measures to progressively reduce their carbon footprint.

The Decarbonisation Plan defined by Acciaierie Venete is based on six fundamental strategic guidelines, designed to steer the company towards an increasingly sustainable future, with a precise focus on reducing CO<sub>2</sub> emissions and lowering environmental impact.

The Decarbonisation Plan is based on six strategic guidelines:

- energy efficiency and process optimisation;
- circular economy and recirculation;
- transition towards energy sources with reduced emissions;
- product innovation;
- CO<sub>2</sub> capture, storage and use;
- CO<sub>2</sub> offsetting.

Each guideline is accompanied by a set of practical initiatives, carefully selected to ensure concrete and measurable results.

For each of these initiatives, Acciaierie Venete has established a prioritisation system that takes into account a number of strategic criteria in order to optimise resources and maximise environmental and economic benefits. The main evaluation factors are as follows:

1. impact on product safety and quality: each initiative was carefully evaluated to understand how it could positively affect process safety and final product quality. Acciaierie Venete will ensure that every intervention not only meets high quality standards, but also helps to maintain and improve operational safety at every stage of production;

2. the potential to reduce carbon footprint and environmental impact: each action will be evaluated according to its concrete potential to reduce greenhouse gas emissions and overall improvement in environmental performance. Acciaierie Venete aims to identify and implement solutions that have a tangible impact on combating climate change;

3. the level of technological maturity: Acciaierie Venete is committed to choosing technologies that are not only advanced, but also feasible and practicable, to ensure rapid implementation and effective results;

4. the cost-benefit ratio: Acciaierie Venete will adopt an efficiency-oriented approach, seeking to maximise positive returns for the environment and the community by ensuring optimal use of resources.

Thanks to these assessment criteria, Acciaierie Venete will be able to direct its strategic choices in a targeted and measurable way, ensuring that the Decarbonisation Plan produces concrete results, actively contributing to the construction of a more sustainable and responsible future for the steel sector and the entire community.

11.3. The production process

Steel is mainly obtained using two different production processes: an electric furnace (EAF) as at Acciaierie Venete, and what is called the primary process. The former involves melting ferrous scrap, exploiting steel's potential recyclability to the fullest, while the primary process BF-BOF (Blast Furnace + Basic Oxygen Furnace), mainly uses iron ore and hard coal, both of which are products of primary mining. Derived from agglomeration and coking plants respectively, these materials will then be melted in the blast furnace to obtain pig iron, which in turn is fed into oxygen converters for steel production.

The electric furnace process is much simpler and more compact because it is limited to the direct melting of ferrous scrap through the heating of electrodes, and to a lesser extent the chemical energy triggered by the insufflation of gas.

The difference between the two processes translates into substantial economic industrial and environmental consequences. The complexity of the primary process requires large investments and a large workforce, while the EAF process requires less capital, less space, and offers greater production flexibility. In addition, blast furnace melting generates around 2.5 tonnes of CO<sub>2</sub> for every tonne of steel produced, compared to 0.1-0.2 tonnes emitted by the electric furnace: an impact 12 to 25 times greater.

In a nutshell, beyond operational differences, the electric furnace process is a virtuous example of a circular economy, allowing scrap and waste materials to be fed back into the production cycle and become new steel.

11.3.1. Scrap: our circularity

The recyclability of steel makes it possible for the Italian steel sector to be classified as a "circular economy". This material is 100% recyclable and can be continuously reused without losing its fundamental properties. The core concept behind the circular economy is due to the fact that steel is continuously transformed according to its end use. According to the Bureau of International

Recycling (BIR), steel is considered the most recycled material in the world. Moreover, the recycling of steel products at the end of their life cycle is supplemented by the scrap coming directly from steel production and transformation processes that is put back immediately into the cycle. To speak of steel as a simply recyclable material is in reality reductive because it can in fact be classified as a "permanent material." Unlike many other simply recyclable materials, steel is a durable material that can be recast over and over again without ever losing any of its intrinsic properties like strength, versatility and formability, which make it irreplaceable in an array of applications.

The use of 1 tonne of ferrous scrap results in the following savings:

- 1 100 kg of iron
  - 630 kg of coal
  - 55 kg of limestone
  - 2.3 m<sup>3</sup> of landfill space saved
- (Source: BIR)

The origin of scrap

Ferrous scrap is considered a basic raw material for the steel industry, which produces it by means of an electric arc furnace. The main sources of recovery are the manufacturing industry, industrial demolition and municipal collections. Once collected, the scrap is processed for reintroduction to the market. The processing of ferrous scrap Waste is carried out by authorised and specialised companies, which through standard operating procedures for processing change the raw material from Waste to "Non-Waste" (Reg. 333/2011 End of Waste) regenerating/recovering both an economic and productive value. This legislation aims to stimulate recycling markets within the European Union. To treat ferrous scrap as "non-waste," it is essential to perform treatments such as cutting, shredding, and de-pollution to prepare the material for final use in melting or steel-processing plants.



Radiometric testing

With the ultimate aim of avoiding unintentional releases of radioactive sources, the Acciaierie Venete Group has adopted a series of internal procedures to progressively reduce the risk of these entering the production cycle and contaminating it.

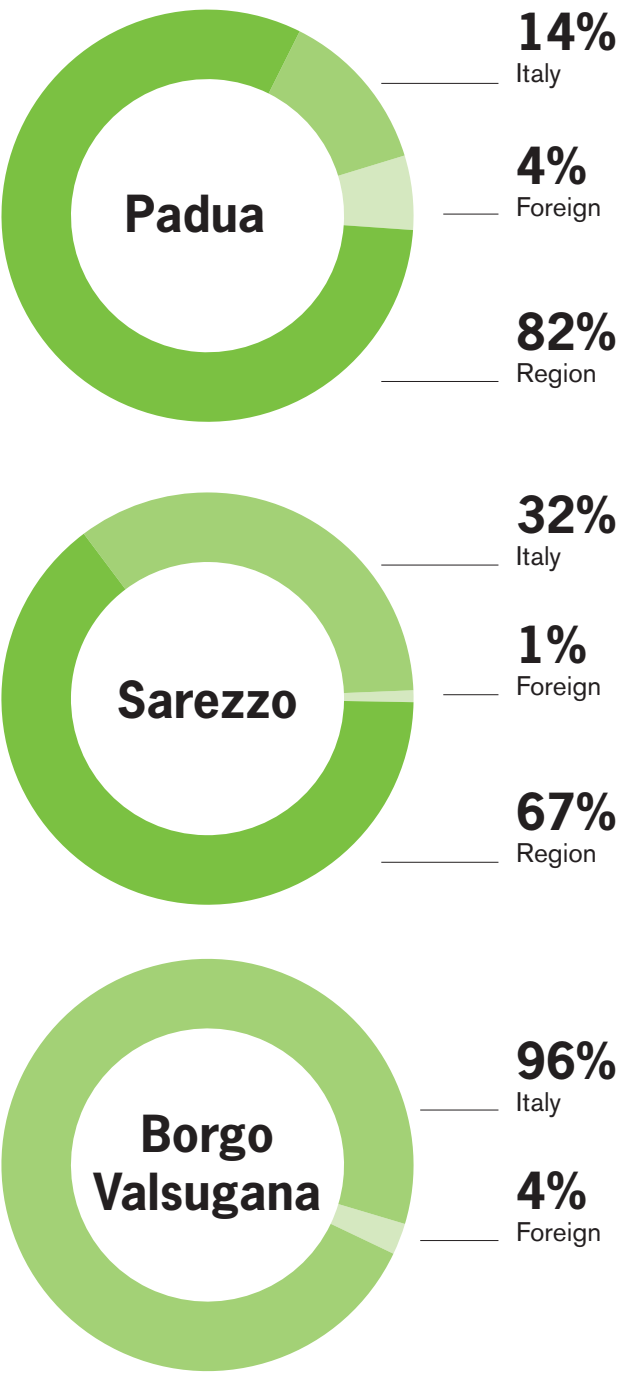
Radiometric testing is regulated by specific operating procedures and instructions in force at the production sites, drawn up by the technical/operating personnel in cooperation with the appointed Qualified Expert. This documentation defines how incoming and outgoing material, as well as certain intermediate stages of work processes, are to be controlled.

In addition to the timely monitoring of operations, there are periodic educational activities, training and simulation of emergency scenarios, all aimed at ensuring an effective supervision of aspects and optimisation of prevention systems.

During 2024, no accident events occurred, the regulations in force were met and the planned training and simulation programmes were adhered to.

Scrap supplies by geographical area

Breakdown of scrap suppliers by geographical area according to the percentage of economic value distributed. When reference is made to the “region” label on the charts, the location of the suppliers is considered to coincide with the region in which the plant in question is located.



11.4. Our commitments to stakeholders

The social aspect of ESG strategies focuses on the impacts of company operations in dealings with employees, suppliers, customers, local communities, along the supply chain and with society as a whole. Acciaierie Venete Group's present and future objective within this policy is not only to recognise that the activities undertaken have a real impact on people's lives, but also to proactively organise initiatives that aim to contribute to the well-being of the very social fabric the company operates in, both within and beyond the confines of its own plants. For this reason, the Group has long been dedicated to social projects of various kinds, even before the recent adoption of ESG principles, since these issues have always been considered as important to the company's industrial development as they are for its environmental impact. Examples include the sustainable supply chain, the collaboration with Findynamic and the support for LeVillage, discussed below.

11.4.1. The sustainable supply chain

During 2024, Acciaierie Venete S.p.A. continued its efforts to make the entire value chain more sustainable, strengthening its ESG approach throughout the entire production process. The initiative was shaped by the desire to extend the sustainability assessment upstream of the organisation, with the aim of standardising the level of adherence to ESG principles among all suppliers

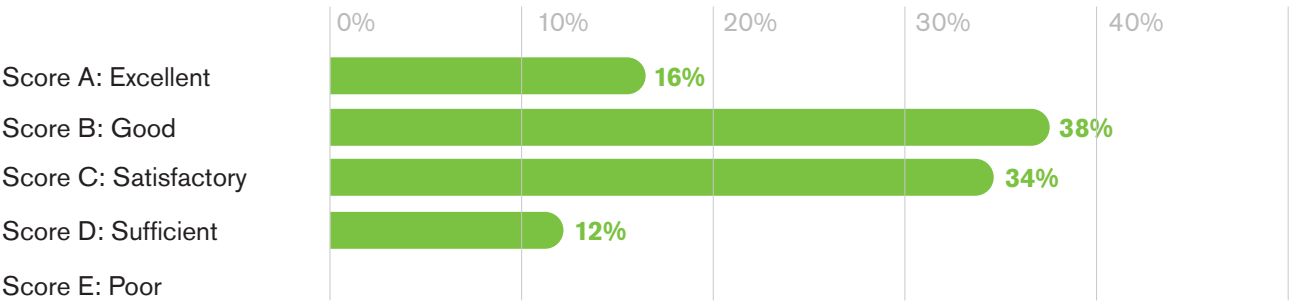
and promoting a cooperative approach based on shared values. Indeed, the Acciaierie Venete Group considers itself accountable to its stakeholders, and recognises that responsible supply chain management is fundamental to achieving long-term sustainability goals.

The supply chain assessment project was launched in 2023, when an ad hoc questionnaire was designed in collaboration with CRIBIS (CRIF S.p.A.) to assess suppliers deemed strategic to the business<sup>6</sup>. This tool makes it possible to define the level of sustainability of suppliers through specific criteria linked to ESG issues, thus ensuring that each business partner aligns with the standards and objectives set by the Group.

Through the Synesgy platform, Acciaierie Venete assigns each supplier an ESG score, which serves as an indicator of their performance. Subsequently, an action plan is drawn up for each supplier, aimed at improving their relative positioning, thus incentivising continuous attention and evolution towards increasingly responsible practices. This process not only ensures that suppliers adhere to the Group's core principles, but also fosters a constructive dialogue that helps strengthen the entire supply chain in a sustainable manner.

This allows Acciaierie Venete to consolidate its commitment to integrated sustainability, while helping to steer suppliers towards a more sustainable approach, consistent with global challenges and the expectations of an ever-changing environment.

Scores assigned to strategic suppliers



6. Following a careful internal analysis, 82 suppliers were assessed as highly strategic

11.4.2. Acciaierie Venete and Findynamic: together to support the supply chain

The Dynamic Discount partnership that Acciaierie Venete started with Findynamic in 2019 continues. For Acciaierie Venete, Dynamic Discount is an effective supplier integration and retention tool, capable of expanding the supplier network and strengthening existing relationships with the supply chain, improving efficiency and payment flexibility. More specifically, the collaboration programme allows Acciaierie Venete's suppliers to have access to credit with a discount on the rate applied of around 20% compared to the average market rate. To date, 180 SMEs have been involved, which together represent more than 50% of the suppliers that meet the necessary requirements to be able to take advantage of the benefits of the service. The initiative also encompasses Acciaierie Venete's active commitment to ESG as it aims to promote the sustainable aspect of supply chain financial support, especially for small and medium-sized enterprises (SMEs).

11.4.3. Believing in young companies – Le Village



Acciaierie Venete is a partner of LeVillage, an ecosystem that supports the development of start-ups and accelerates their innovation.

This project is the result of an ongoing collaboration between:  
**STARTUPS AND YOUNG INNOVATIVE COMPANIES:** growing within LeVillage, seeking synergies that enable them to innovate both the market and themselves.

**PARTNERS:** Italian and foreign companies participating in the project as investors and that collaborate in the ongoing development of the young companies.

**ENABLERS:** entities from the world of innovation that can be either public, such as Universities, Institutes etc., or private, such as Incubators or other Funds. They are fundamental to the evolution of the start-up life cycle.  
**CREDIT AGRICOLE:** International banking institution, founder of the project and present in 49 countries. International ecosystem currently established in France, Italy and Luxembourg has more than 44 clusters, totalling more than 1200 start-ups and 830 partner companies.

During 2024 Acciaierie Venete participated in numerous events organised by the Triveneto section, the trends that were of particular interest to the company were: artificial intelligence, circularity, sustainability and innovation, and innovative human resources management.

11.5. Sustainable innovation

The Italian steel industry is aware of the decisive role of innovation in ensuring future competitiveness, which is why it requires proper encouragement and financing. Indeed, the sector is constantly studying the best available technologies and continuously improving processes and products in order to maintain high quality standards. Acciaierie Venete aims to play an active role in the introduction of technologies that guarantee process quality, product innovation and improved sustainability performance in terms of environmental protection and occupational health and safety (OHS). As in 2023, in 2024 Acciaierie Venete continued to focus its efforts on the company's research and development, which have largely involved the Technical and Quality Departments in some important projects. As already noted, in 2019 the company's Research and Development Centre was set up in order to deal in a structured manner with studies and independent research carried out in collaboration with qualified external bodies. The consolidated centre is continuing its activities, both at the plant level and in broader projects, while also remaining committed to the field of research for environmental sustainability. The main studies delved into certain phases of the steel production process in order to improve its quality and performance. Experience in the production of high-purity steels was acquired by obtaining further targeted approvals for certain product lines. As far as the process is concerned, low-temperature rolling tests were conducted in one of the rolling mills in Padua, on specific steels, to assess the potential of this technique in obtaining particular microstructural characteristics. Below are the most significant initiatives and some partnerships in innovative projects.

11.5.1. Artificial intelligence

Since 2019, Acciaierie Venete's Research and Development Centre has been involved in projects related to digitisation as a field of study and, in 2024 it continued on a larger scale with further research activities in the area of Industry 4.0, in particular for applications using artificial intelligence tools. In this case, the SRC Group has explored various activities to fit under the umbrella of these new technologies. In fact, the team attended various meetings in the area to network with companies and start-ups proposing the implementation of these advanced techniques. In the wake of these meetings, various discussion tables were set up for the incorporation of ML and AI techniques on various aspects of industrial processes. Some of these include SPC on LF-CCo area, ML and algorithmic management of production scheduling, internal logistics managed with AI, RF acquisition and classification of CND outcome images. Others will be evaluated and the foundations laid for long-term collaborations in this emerging field as well. The launch of an initial project in the CND area is planned for 2025.

Company research and development centre

Application of OES-PDA techniques for determining inclusion status in real time

Thanks to recent investments in the most modern OES-PDA tools as part of the Industry 4.0 development programme, the R&S team has intensified its sampling plan aimed at measuring inclusion density during the various steps of the production process. The ultimate objective remains to develop one or more models that allow corrective actions to intervene promptly in the production process and to improve the final micro-inclusive properties of the steel produced. This project was presented at the 40th edition of AIM in Naples in September 2024.



Development of production methods for steels with high purity requirements (“clean steel”) 2024 saw the consolidation of efforts on this project thanks to the approval of another production procedure and the confirmation of market forecasts for this area. In fact, this process aims to satisfy customers operating in the steel sector with high, stringent purity requirements. The success of the first tests continued and is confirming what was decided in 2020 to support the plant engineering necessary for a reliable process. In 2024 the new plants were continuously fine tuned and thus proved the effectiveness of the new production methods.

Feasibility study for a verticalised subcritical treatment plant with the Padua LAM1 rolling mill

During 2024, the study for a new cooling cycle for material rolled by the Padua LAM1 rolling mill continued. While there is currently only one cooling bed, experimental furnaces have been used to study the results that can be obtained by installing active and passive furnaces in series with the existing cooling bed. These furnaces would allow the residual thermal energy of the rods to be utilised, leading to significant savings in terms of consumption and emissions, and would also avoid further heat treatment that would normally have to be carried out afterwards. During 2024, initial contacts were made with potential suppliers together with the Technical Department and plant management. This project was presented at the 40th edition of AIM in Naples in September 2024.

Support for the specialised education of university students Since 2004, every year Acciaierie Venete has hosted graduating students to complete their thesis work and internships. These studies and research generally concern metallurgy or other fields closely related to the company's steelmaking processes.

ESTEP

Participation in activities promoted by the European steel platform

At the beginning of 2020 Acciaierie Venete joined ESTEP, a platform that brings together steel producers and related technologies at a European level. In 2024 the efforts continued with the updating of the CSP and the monitoring of the RFCS and HE calls. In any case the main activity remains work on the Clean Steel Partnership, but also several virtual meetings were held to network between producers with the aim of creating international projects under the aegis of the European Union.

CLEAN STEEL PARTNERSHIP

Participation in the drafting of roadmaps for decarbonisation. Acciaierie Venete participated in various ways in the drafting of the Clean Steel Partnership (CSP), a document at a European level that aims to create a common front in the steel industry to raise funds as part of the Green Deal decarbonisation project promoted by the European Union. Throughout 2024, Acciaierie Venete S.p.A. participated in meetings and seminars that resulted in important financing opportunities. Within CSP producers and technology suppliers talk to each other with the aim of conceiving international projects aimed at the development and implementation of new techniques and plants that allow the production and processing of steel while reducing greenhouse gas emissions.

HYDRA

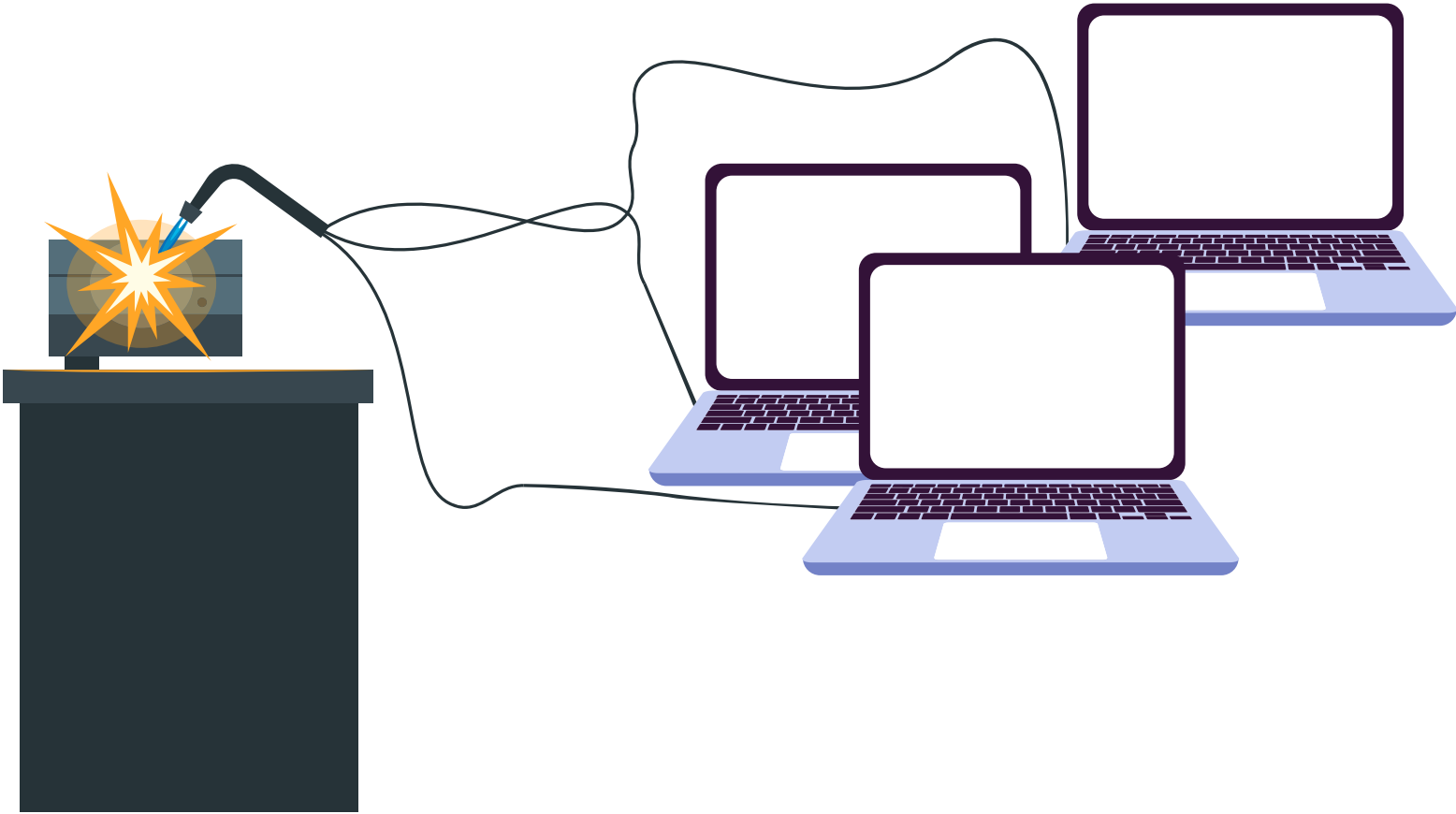
Hydrogen as the energy vector of the future.

Acciaierie Venete continues to participate in the Hydra IT06 project under the auspices of the RINA research centre. The project aims to switch energy sources from fossil fuels to hydrogen produced from renewable sources for the decarbonisation of the production cycle. Green steel is a priority for Europe, and more and more users are paying attention to the way steel is produced for their raw material. This ambitious goal is leading the company to move more and more towards a sustainable way of making steel, and thus to study a wide variety of topics in support of the production of a steel that can one day be called carbon free. In 2024, the first experimental phases began with various assays of steels representative of our production mix being sent to RINA to assess interactions with hydrogen at various levels.

HYDAM

Effects of hydrogen in steel from continuous casting to finished product.

Acciaierie Venete is part of a Europe-wide consortium for participation in an RFCS project: <https://www.hydam.eu/>. The project, drafted and submitted in 2023, was approved and financed in 2024. Other players from Spain, Austria and Belgium participated. This project focuses on the study of the behaviour and effects of hydrogen on steel from continuous casting to the finished product understood both as rolled bars and as final goods, in the case of this project these are fasteners. In 2024, two in-person meetings have already been held in Bilbao and Gent. At the end of 2024, the first useful castings for the project were produced. The next meeting will be held in Padua in June 2025.





## 12. HUMAN RESOURCE MANAGEMENT

12.1. Employees: our strength

48

12.2. Training

50

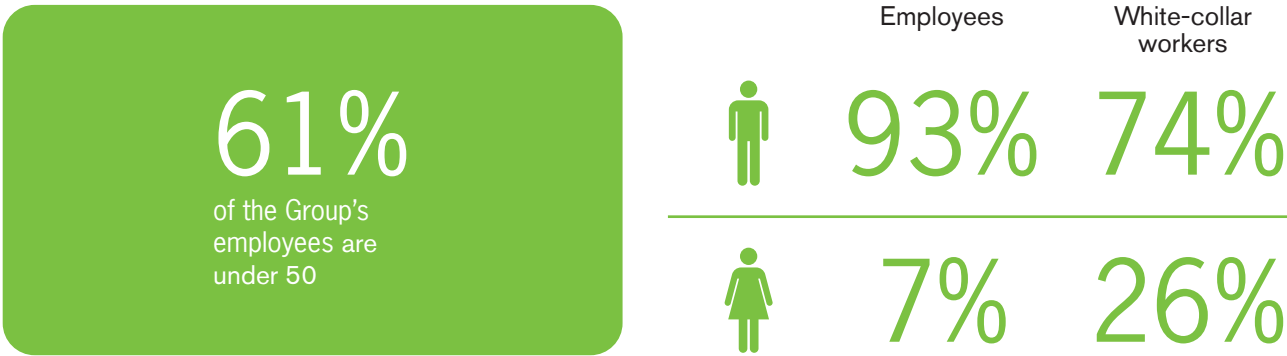
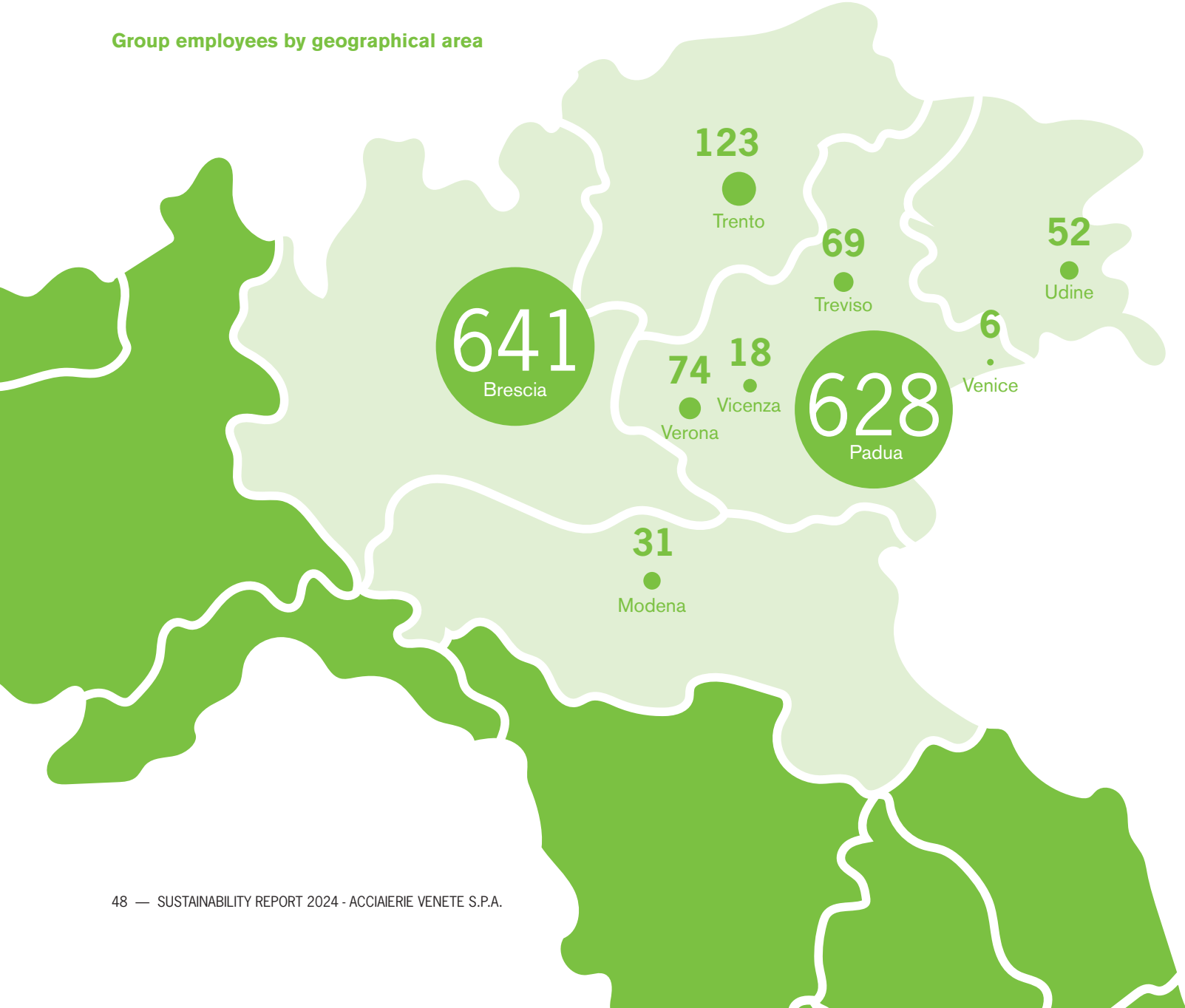


12.1. Employees: our strength

For the Acciaierie Venete Group, human resources are the fundamental element on which the company's competitive advantage is based. We believe, in fact, that the development of people, their involvement and the ability to offer concrete opportunities to increase professional skills, linked to career development opportunities are the most important critical success factors. The Group's human resource management policies are defined based on these strategic assumptions.

In the context defined above, a fundamental role is played by the professional skills development system, which has been structured to encourage the acquisition and consolidation of the professional skills needed both to ensure an adequate performance of the role assigned and to guarantee a foundation of skills to base professional development plans on.

Group employees by geographical area



At the end of 2024, the Acciaierie Venete Group's total number of employees was 1,642, compared to 1,597 in 2023, an increase of 45 compared to the previous year. The Holding Company has 1,433 employees, an increase from 2023.

The Acciaierie Venete Group availed itself of the collaboration of non-employee workers, whose work is subject to the organisation's control; as at 31 December 2024, these workers numbered 52. In 2024, 148 employees left, against which 193 people

HIRING - Employees by age and gender						
Number of employees	2024			2023		
	Men	Women	Total	Men	Women	Total
< 30 years	77	4	81	69	3	72
between 30 and 50 years	81	6	87	95	5	100
> 50 years	24	1	25	31	3	34
Total	182	11	193	195	11	206

TERMINATIONS - Employees by age and gender						
Number of employees	2024			2023		
	Men	Women	Total	Men	Women	Total
< 30 years	33	3	36	54	1	55
between 30 and 50 years	63	3	66	77	1	78
> 50 years	46	-	46	74	3	77
Total	142	6	148	205	5	210

7. All Acciaierie Venete employees are covered by national collective bargaining agreements

% TURNOVER				
Employees by age and gender	2024		2023	
% TURNOVER (hires)	Men	Women	Men	Women
< 30 years	4.8%	0.3%	5.0%	0.2%
between 30 and 50 years	5.1%	0.4%	6.8%	0.4%
> 50 years	1.5%	0.1%	2.2%	0.2%
% TURNOVER (terminations) Men Women	Men	Women	Men	Women
< 30 years	2.1%	0.2%	3.9%	0.1%
between 30 and 50 years	3.9%	0.2%	5.5%	0.1%
> 50 years	2.9%	0.0%	5.3%	0.2%

Permanent / Fixed-term contract



Full-time / Part-time contracts



were hired, an increase of 44 employees; it should be noted that 81 out of 193 of the new hires, i.e. 42%, are under 30 years of age.

95% of the employees are employed on permanent contracts, thus confirming the company's strategy of stabilising the employment relationship.

In order to maximise the involvement and enhancement of human resources, the following organisational projects have been implemented:

Continuous improvement project

In order to cope with the increasing levels of competition in the steel market, a competitive strategy was developed based on the ability to combine the improvement of product quality levels with the need to increase the efficiency of production processes, as well as with the constant improvement of workplace health and safety and environmental protection levels.

The project has a number of objectives, correlated with each other by elements of systemic interaction that involve the entire company, understood as a set of human resources, plant structures and, finally, company procedures and standards.

It is within this context that a structured system has been put in place aimed at encouraging the involvement of human resources who are asked to put forward proposals having the objective of ensuring the improvement of the company's operational processes.

The system is based on two concepts:

- the conviction that Human Resources directly involved in operational activities, are able to identify changes, suitable for bringing about an (organisational or process) improvement in the way activities are carried out;
- the consideration that the system of continuous improvement is more effective when implemented through multiple limited initiatives that, precisely thanks to their reduced impact, are more easily assimilated in the organisational behaviour of each individual employee rather than through a few large projects with an inevitably slower and less widespread adoption.

An essential element of the project is the process of providing feedback on the improvement proposals.

The area manager who receives the proposal must provide feedback to the person who submitted the idea, updating them on the progress of the proposal, and, at the end of the evaluation process, letting them know the reasons why it was considered technically feasible or otherwise.

The project envisages the establishment of an internal technical committee whose task is to verify the technical feasibility and economic viability of the improvement proposals, and based on these elements to define the amount of the bonus to be paid to the proposer.

Given the importance that the Company attaches to the issues of health and safety at work and environmental protection, it was decided that proposals for improvement that address these issues will receive a bonus that is higher than proposals related to quality, efficiency and productivity levels.

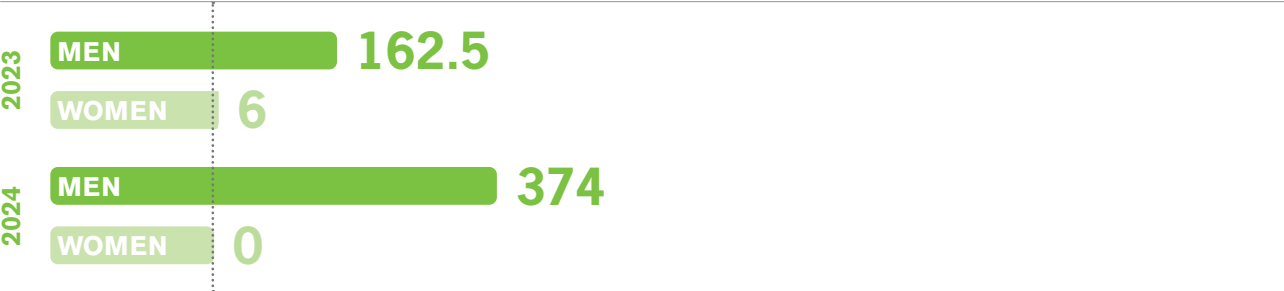


12.2. Training

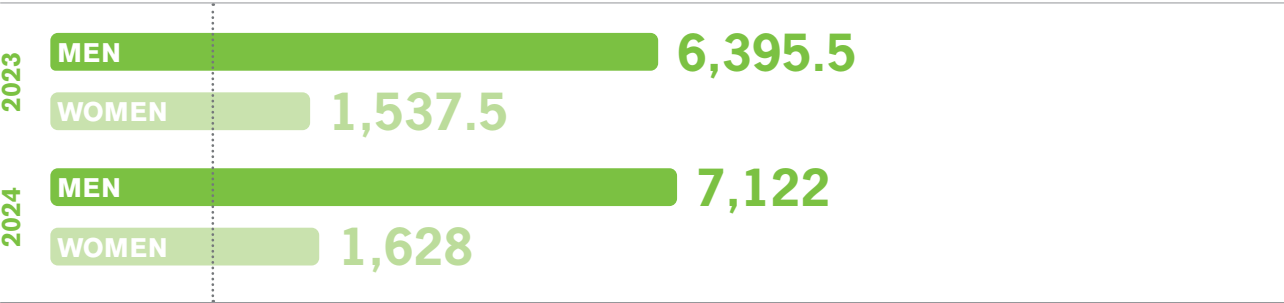
Training hours for executives (TOT 2023: 104; 2024: 113)



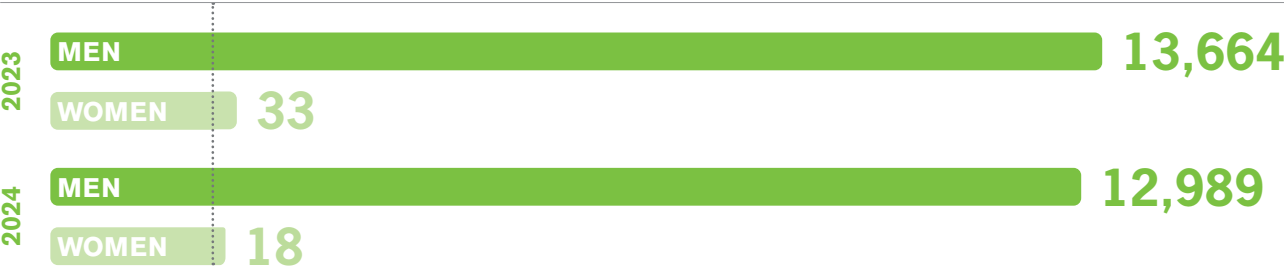
Training hours for managers (TOT 2023: 168,5; 2024: 374)



Training hours for clerks (TOT 2023: 7933; 2024: 8751)



Training hours for workers (TOT 2023: 13697; 2024: 13007)



2024	Men	Women	Total
Average Training Hours	13.4	14.3	13.5
Executives	5.9	-	5.4
Managers	10.4	-	9.8
White-collar workers	24.4	15.7	22.2
Blue-collar workers	11.0	2.6	10.9
2023	Men	Women	Total
Average Training Hours	13.7	14.3	13.7
Executives	5.8	-	5.2
Managers	4.8	3.0	4.7
White-collar workers	23.6	15.4	21.4
Blue-collar workers	11.7	5.5	11.7

A company that invests in the training of its human resources is a company that is making long-term plans for its organisation.

Throughout 2024, 22,245 hours of theoretical classroom training were provided.

The Acciaierie Venete system aims to combine training with development initiatives, where “training” refers to initiatives that enable people to update their knowledge and skills so that they can perform their assigned work to the best of their ability, and human resources “development” includes initiatives organised on a long-term horizon aimed at the professional growth of human resources. The training system consists of the following elements:

Acciaierie Venete Academy

This is a training course, aimed at all young graduates of the Group, structured on three areas of expertise: metallurgy, digitalisation and soft skills.

Metallurgy: in-depth study of topics related to the production process of special steels; heat treatments and quality systems.

Digital Skills: in-depth study of structural and organisational aspects of corporate information systems. Soft Skills: the topics covered are aimed at developing the organisational and managerial skills of young graduates.

The objectives of the project are manifold:

- offer our high-potential resources the chance to learn the basic professional skills necessary to support their career development.
- encourage the creation of a networking system among the Group's young graduates by stimulating the exchange of skills and experience;
- create team building opportunities and therefore a chance to increase cohesion of the company's future management.

The overall duration of the plan is five years, for a total of 480 hours of training (i.e. 96 hours per year) plus five specialised modules of 24 hours each, for a grand total of 600 hours over the five-year period.

Young Engineers Project

The project envisages the hiring of young engineers with recent university degrees who will be placed within the management staff of the production departments, alternating periods of theoretical training as part of the Academy curriculum with periods of on-the-job training, in order to train future forepersons and plant managers. Twenty-five young engineers are currently involved in the project.

ITS Course

During 2024, Acciaierie Venete strengthened its commitment to the technical and professional training of young people, consolidating its collaboration with the ITS Academy Meccatronico Veneto. The project involves students in the “Innovation of Mechanical Processes and Products” course, a programme that aims to train highly qualified technicians capable of integrating technological and management skills to meet the needs of modern industry. Since December 2024, Acciaierie Venete welcomed two ITS students for an internship experience at the Padua plant. During the internship, which lasts two years, the students:

- are placed side by side with experienced maintenance workers in order to acquire the operational skills necessary for their professional development;
- develop skills in managing production processes, analysing plant performance data and using advanced technologies.

This initiative represents an important growth opportunity both for the students, who can consolidate their skills in the field, and for Acciaierie Venete, which has the opportunity to train young talent and invest in the company's future resources.

IFTS future for steel

This is a one-year training course managed in cooperation with three other steel companies in Brescia (Asonext S.p.A.; Duferdofin S.p.A. and Feralpi S.p.A.), during which the students are given 400 hours of theoretical training (at the Don Bosco institute in

Brescia) alternating with 800 hours of on-the-job training to provide the skills required for the job of electromechanical maintenance technician. One trainee was trained in 2023, three trainees in 2024, and six trainees were included between 2024 and 2025.

IFTS project: training and development of new talent

In 2024, Acciaierie Venete launched the IFTS (Higher Technical Education and Training) Project to train technicians specialised in the installation and maintenance of civil and industrial mechatronic systems at the Padua plant. Two young talents started this course, combining 400 hours of theoretical training with 800 hours of on-the-job training, for a total of 1,200 hours. The programme provides for the development of advanced skills in industrial maintenance, safety and process management. The initiative, realised in collaboration with Randstad HR Solutions S.r.l., envisages a ten-month apprenticeship contract, with the aim of developing qualified professional figures, capable of responding to company needs. This project bears witness to Acciaierie Venete's commitment to helping young people enter the workforce, promoting the growth of strategic skills for the industry of the future.

Employer branding: meeting future talents

In 2024, Acciaierie Venete participated in a number of events in order to get in touch with young professionals and promote career opportunities. In addition to involving university students and undergraduates, the company also gave presentations to secondary school students, with the aim of bringing young graduates closer to the world of steel and technical professions. Some of the events in which we participated are listed below:

- "Convivium" Engineering Italy: Held in Brescia on 16 May 2024, this event brought together engineering students and sector professionals. Acciaierie Venete participated by offering information on career opportunities and interacting with young talent;

- “Meet the Engineers of the Future”: Organised by Confindustria Veneto East on 21 November 2024, this event was attended by 105 students from degree programmes in Mechanical Engineering, Chemical and Materials Engineering, and Civil and Industrial Safety Engineering. Acciaierie Venete had the opportunity to present its professional opportunities and make contact with young talent;
- “Smart Future Academy”: Held in Brescia from 3 to 5 October 2024, this event involved secondary school and university students, offering workshops and career guidance sessions. Acciaierie Venete participated to present its career opportunities and attract young professionals;
- Collaboration with the Employment Centre of Padua: We participated in initiatives aimed at facilitating the matching of labour supply and demand, offering job placement opportunities;
- Recruiting Day: we participated in several recruiting events, among which we mention, in particular, the projects organised by the Friuli-Venezia Giulia region to promote personnel recruitment activities in the region. These initiatives allowed Acciaierie Venete to come into contact with various professional figures, promoting the company culture and the career opportunities offered. The active involvement of university students and graduates has helped strengthen the company's image as a reference point for training and talent development in the industrial segment.

Performance assessment

The professional development of human resources is key for Acciaierie Venete. Thanks to medium- to long-term training programmes and constant performance evaluations, employees have the opportunity to develop their skills. The performance evaluation system is useful for reaching this objective and is designed to outline both training needs and the company's incentive policy. The evaluation system is structured in order to evaluate three different levels that determine the performance of human resources: competence, potential and performance.

With regard to competence, the gap between the level of skills possessed and the level needed to be able to adequately perform the job is evaluated, as well as any gaps highlighting the training that needs to be provided. As far as potential is concerned, the ability to hold positions of greater responsibility is assessed, including with possible training. With regard to performance, the results achieved are evaluated, and based on the results training needs and rewards are defined. It is based on the results of such evaluation that training plans, career paths and rewards are defined.

We protectthe well-being of our employees

Every person is unique and enhancing their individuality means promoting their professional development and organisational well-being. In an increasingly dynamic and interconnected working environment, diversity, inclusion and equal opportunities are key strategic levers for the sustainable growth of companies and society. We are convinced that investing in these values not only strengthens the social role of our Company, but also contributes concretely to the development of talent, competitiveness and innovation. This is why we are committed to creating a fair and accessible working environment where every person, regardless of gender, age, ability or any other personal characteristic, can fully express their potential and find real opportunities for growth. Working towards a more inclusive future means building a stronger company, capable of facing global challenges with resilience and strategic vision.

**Guiding principles**

For us, the definition of non-discrimination is: “All employees of the Acciaierie Venete Group must be evaluated solely based on their professional skills and expertise. Any form of discrimination based on political orientation, trade union, religion, nationality, ethnicity, language, disability, gender and age is therefore rejected. Similarly, bullying and sexual harassment will not be tolerated”.

Equal opportunities and equal dignity: “In the Acciaierie Venete Group, diversity is considered a value that must be recognised. Equal treatment and equal opportunities



must therefore be guaranteed for all types of diversity". Personal conditions relating to the balance between people's private and professional lives (pregnancy, maternity, paternity, part-time, flexible working, etc.) must not become instruments for discriminatory treatment. " Work-life balance: "The Acciaierie Venete Group is committed to launching new initiatives aimed at supporting work-life balance, taking the real needs of its employees into account". " Creation of an inclusive working environment: "The Acciaierie Venete Group is committed to implementing initiatives for employees aimed at ensuring that all have the opportunity to participate in company processes without any form of obstacle related to country, gender, religion, culture, personal beliefs, orientation, disability, age or any other form of diversity, creating an environment capable of fostering the manifestation of the personal and 'unique' potential of each person and of using it as a strategic lever for achieving organisational objectives". "

Feeling like a part of many communities Acciaierie Venete's plants are located in nine Italian municipalities, in turn spread across five regions: Veneto, Lombardy, Trentino Alto Adige, Friuli-Venezia Giulia and Emilia Romagna. A member of several regional and trade associations, Acciaierie Venete is linked to the local area and its host communities from both a production and business point of view. At the local level, our company participates in Confindustria delegations while, at the national level, it plays a representative role in the steel sector with the appointment of our Chair as Vice-Chair of Federacciai. Membership in the Confindustria system has also led Acciaierie Venete to adopt the values and commitments contained in Confindustria's Charter of Environmental Sustainability Principles as an integral part of its activities and growth processes. Being part of many communities also means actively contributing to their social and cultural life, participating in events and initiatives that take many forms but at the same time are deeply connected with the area where Acciaierie Venete is established. For historical reasons, the Holding Company retains a particularly close bond with Padua, where it was founded and has grown over the past 65 years in full harmony with the city and its residents. Over the course of time, the thread that connects the Holding Company with Padua has taken the form of initiatives of various kinds, ranging from sports to the arts, science and a constant commitment to social issues.

For more than ten years the company has been a sponsor of Petrarca Rugby, a team that plays in Italy's top league, in a sport whose values reflect those of our company, and whose principles of work, loyalty and courage recall our way of making steel. The long-standing collaboration with the RFX Consortium for Advanced Nuclear Research also continues. Founded in 1958 with a small group from the University of Padua, RFX became a CNR research centre in the 1970s, operating within the framework of the European Nuclear Fusion Programme. Its evolution continued until 1996 when it was transformed from a small entity into a larger consortium, which was also participated in by the Ente per le Nuove Tecnologie, l'Energia e l'Ambiente (Enea - Agency for New Technologies, Energy and the Environment), the Istituto Nazionale di Fisica Nucleare (INFN - National Institute of Nuclear Physics) and Acciaierie Venete. In 2013, however, Acciaierie Venete became part of the share capital of Fabbrica Attività & Relazioni Intergenerazionali, in a project that led to the founding of the Opera Immacolata Concezione Foundation (OIC) and whose objective is to foster relations between the elderly and children. One of the latest initiatives is the collaboration with the Foundation for Advanced Biomedical Research, established in Padua in 1996 with the aim of promoting and carrying out research in the university and healthcare system of north-eastern Italy. Through its operational arm – the Veneto Institute of Molecular Medicine (VIMM) – the Foundation represents a hub of excellence at an international level for what it does in the sphere of cellular and molecular biology. Its goals include learning about the causes of many diseases that are incurable today and the study of new therapeutic strategies.

In the social area, Acciaierie Venete donated to the ANMIL (Associazione Nazionale Lavoratori Mutilati e Invalidi - National Association of Disabled and Invalid Workers) association a new minibus equipped to transport the disabled. A fruitful relationship has been active with ANMIL for some time, which has developed with the organisation during meetings aimed at raising awareness among our workers on the issue of workplace safety. Finally, after the restoration in 2021 of twelve statues and obelisks in Prato della Valle, the symbolic square of Padua, in 2024, an agreement was signed with the City of Padua for the entire financing of the restoration of the historic Caffè Pedrocchi, one of the city's iconic places. The Caffè Pedrocchi, which was opened in 1772 by Francesco Pedrocchi from Bergamo as a "coffee shop," is located in the city centre, a short distance from the University, City Hall, markets, theatre and Piazza dei Noli (currently, Piazza Garibaldi), from where the stagecoaches to nearby cities departed.



# 13. MANAGEMENT OF ENVIRONMENTAL IMPACTS

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### 13.1. Environmental sustainability as a conscious choice

Steel is a key alloy for most industrial sectors, from transport to infrastructure and housing, from manufacturing to agriculture and energy. This central role makes it a key element in the transition to new sustainable and environmentally friendly urban and infrastructure models. In this sense, therefore, steel producers play a decisive role both in responding to sustainable production demands and in monitoring and managing the positive and negative externalities of their supply chain. Well aware of this fact, over the last 50 years the industry has implemented energy efficiency processes and employed new technologies, reducing its energy consumption per tonne of steel produced by two-thirds. In the case of Acciaierie Venete, constant monitoring and control of the energy performance of its production plants made it possible in 2024 to maintain the levels of the previous year, adopting strategies and investment plans aimed at reducing energy intensity per unit of product. The need to make the steel sector more sustainable, particularly from an environmental point of view, derives from international and European legislation and growing demands and pressure from the various stakeholders (investors and the financial community, suppliers, governments, the public and local communities, etc.), which are increasingly interested in understanding how companies in this sector are preparing to respond to the challenges posed by climate change. This is a very important industrial orientation for the whole sector, now focused on sustainability, starting with the redefinition of the entire product life cycle, from the extraction of the raw material to its recycling. The Acciaierie Venete Group is determined to continue and strengthen its commitment to a more sustainable economic system over time, convinced that steel represents a fundamental basis for present and future generations. This awareness has led the company to adopt a management system certified according to UNI EN ISO 14001:2015, focused on the respect and protection of the environment and its resources. To date, this system has been applied to all the activities

of Acciaierie Venete S.p.A.'s production plants and is progressively being integrated with a health and safety management system that complies with the UNI ISO 45001:2018 standard. As at 2019, all plants are certified according to UNI EN ISO 14001 and UNI EN ISO 50001. In line with European and National Directives concerning the prevention and control of pollution, Acciaierie Venete adopts the best available plant, management and control techniques (so-called BAT, "Best Available Techniques"), which are both economically and technically sustainable. The use of these technologies contributes to a significant reduction in the environmental impacts of production processes, with a focus on reducing air emissions, water discharges, waste management and energy consumption. Acciaierie Venete also continues to strictly adhere to environmental regulations, maintaining best practices in all its plants to protect the environment and ensure the health and safety of its workers in 2024. The HSE (Health, Safety & Environment) Staff is the function that promotes the actions contained in the Health, Safety, Environment and Energy Policy, ensuring compliance with the company's strategic guidelines. A continuous improvement programme is drawn up for each plant, including the objectives to be achieved (with related intermediate goals), the implementation methods, the person in charge, the people involved and the related costs. Constant, structured monitoring of environmental performance ensures early detection of any changes followed by the adoption of preventive or corrective measures. In the middle of each month, all HSE Acciaierie Venete personnel meet on an itinerant basis in the Group's production plants to discuss the previous month's performance and plan improvement initiatives. The day is divided between an inspection and an office discussion with sharing of results, considerations and proposals, with the aim of increasing the company's preventive measures and the skills of personnel.

In order to ensure constant monitoring of the environmental impacts while at the same time ensuring a systemic and periodic review of the Environmental Management System, during the three-year period in question (2022-2023-2024), internal audits were conducted at all production sites thanks to which it was possible to identify, analyse and resolve the anomalies found. During 2024, all planned recertification and periodic third-party audits were successfully completed, with no major non-conformities.



13.2. Safety at work

Acciaierie Venete has always placed great care in the prevention of risks that undermine workers' safety. Acciaierie Venete's management policies envisage a constant attention to workplaces in order to continuously improve the work conditions. In order to ensure compliance with each of the elements that make up the corporate safety system, Acciaierie Venete has adopted a procedure aimed at defining responsibilities, tasks and criteria for managing the system itself, in particular with regard to supervisory activities on the correct implementation of the relevant regulations in force, as well as the company procedures and standards, the implementation of which is entrusted to the Plant Managers/Employers.

Moreover, in order to make the prevention and protection of workers more structured, the executives, managers and supervisors are responsible for constantly monitoring all aspects inherent to ensure safety, such as the use of Personal Protective Equipment (PPE), compliance with safety procedures, attention to the protection of the work environment, ergonomic conditions, and the efficiency of equipment and plants. Constant monitoring of these aspects is guaranteed, an approach that makes it possible to reduce risks and therefore to prevent accidents, as well as ensuring continuous improvement in levels of work safety and environmental protection. Any conditions or conduct that deviate from company procedures and practices are examined by the Health and Safety Officer in order to define the action to be taken to prevent a recurrence of such an event, giving priority to raising awareness and engaging employees.

The success of a good safety policy is also determined by the degree of involvement of its employees, and this is why, as already mentioned in the previous pages, at Acciaierie Venete all employees receive specific training and education on safety at work.

During 2024, the process of updating the Organisational and Management Model pursuant to Italian Legislative Decree 231/2001 was initiated, to be completed by the first quarter of 2025, involving all company department heads.

WORK-RELATED INJURIES - Data referring to all Group employees			
	Unit of measurement	2024	2023
Total hours worked	hours	2,730,809	2,784,762
Total recorded accidents	no.	68	99
of which accidents while travelling to/from work	no.	-	-
of which serious injuries (injuries causing more than 6 months of absence)	no.	-	1
Total fatal accidents	no.	-	-
Total recorded accidents	no.	68	99
Mortality rate	no.	0	0
Serious injury rate	%	0	0.36
Injury rate	%	24.9	35.6

Restatement of information to refine calculation methodology

As for the Group's non-employee workers, during 2024, there were 4 injuries, none of which were serious.

The year 2024 was characterised by a significant reduction in the number of accident events with essentially the same number of hours worked. The Acciaierie Venete Group reported a decrease in accidents of about one-third compared to the previous year, none of them serious.

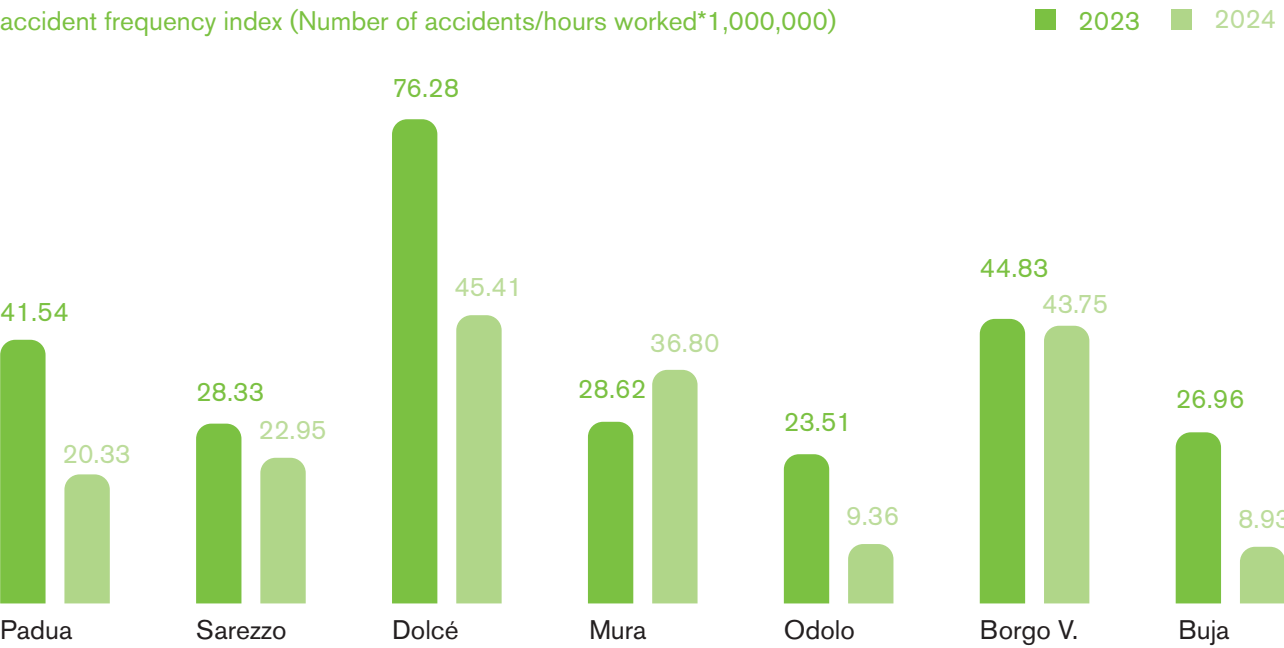


Focus on Acciaierie Venete S.p.A.

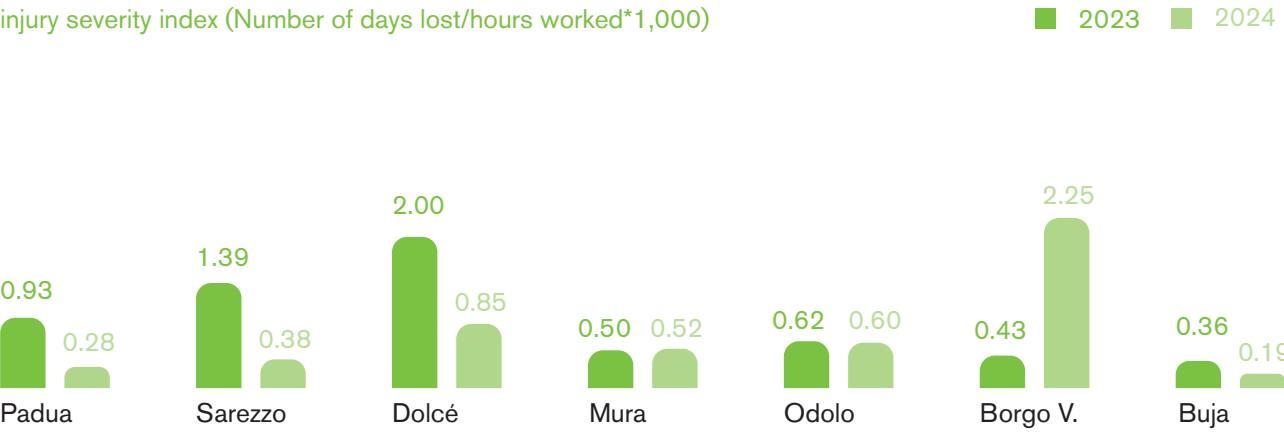
The trend of the two basic parameters by which accident trends are measured, the frequency index (F.I.) and the severity index (S.I.), is improving compared to

the previous year. Nearly all the production Plants saw a significant reduction in accident events, both in terms of frequency and severity. In continuation of what was started in the previous

accident frequency index (Number of accidents/hours worked\*1,000,000)



injury severity index (Number of days lost/hours worked\*1,000)



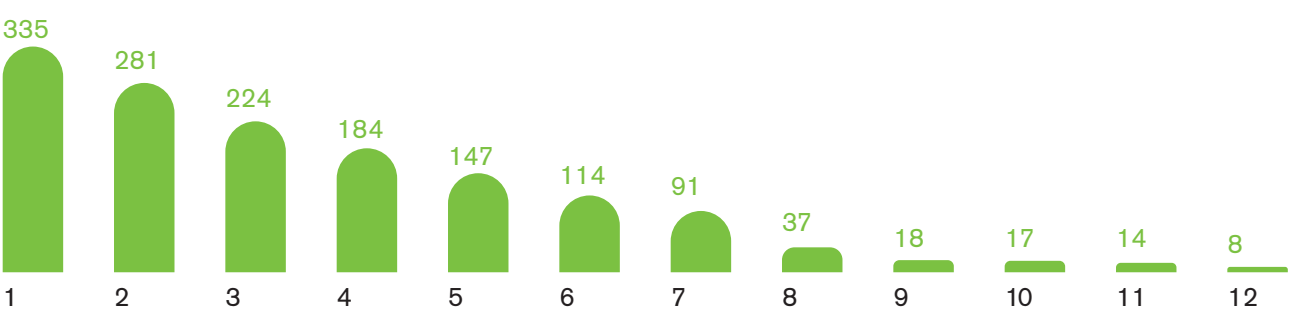
year, the year 2024 was characterised by a significant process of reviewing the company's activities, aided by the adoption of new prevention and protection tools and the joint planning of projects that will have a positive impact on the control of health/safety aspects. Plant managers, RSPP (Prevention and Protection Service Manager for Safety), RLS (Workers' Safety Representative), supervisors and workers were involved in carrying out these activities. The reports resulted in tangible prevention/protection measures being analysed and implemented/ scheduled. These measures include changes to work phases, mechanical/electrical/ automation modifications, as well as the improvement of existing documentation.

Causes of accidents

1. Product handling and storage: accidents occurring during the handling, moving and storage of products, machinery or equipment.
2. Slipping, tripping and falling on the floor: Injury caused by falls at the same height and not from above. Slipping is caused by poor friction or adherence between the footwear and the supporting surface, while tripping occurs when the foot encounters an object that obstructs it, causing a loss of balance.
3. Explosion: an injury caused by the sudden and violent release of energy, usually accompanied by high temperatures and the presence of gas. A gas explosion

- is caused by a combination of three factors: fuel (something burning), ignition source (heat) and oxygen.
4. Moving machinery: injury caused by machinery components or equipment capable of moving with any type of power supply, by remote control or by force of gravity.
5. Boiling substances: injury caused by exposure to any type of boiling material, equipment, surface, steam or water.
6. Manual tasks and hand tools: injuries occurring while performing manual tasks or using both manual and power tools.
7. Fall from height: a fall from a height greater than the height resulting after the fall.
8. Overhead crane: any injury caused primarily by the operation or condition of an overhead crane, or its components such as hooks, reel lifts or ropes.
9. Falling objects: objects that can strike a person for any reason, including from the side or from below.
10. Foreign bodies in the eye: injury caused by the presence of a foreign body inside the eye.
11. Hot metals: injury caused by the presence of hot or glowing metals, resulting in the risk of thermal radiation, splashes and burns.
12. Other mobile equipment: accidents caused primarily by the use of mobile equipment other than machinery, overhead travelling cranes, vehicles and trains.

Analysis of causes of accidents and related lost days of work - 2024



Safety in Action Project

Project Objectives

The main objective of the multi-year “Safety in Action” project is to initiate a cultural change to bring Acciaierie Venete to a more advanced level of maturity in terms of safety. This means developing an environment in which safety is perceived as a shared value, integrated into daily activities and actively promoted by all levels of the company. The aim is for all workers, regardless of their role, to feel responsible for their own and others' safety, actively intervening to prevent risks and improve working conditions.

Actions implemented

A key aspect of the project is the increasing involvement of workers in improving safety, in terms of risk perception and concrete actions. Workers not only apply the established procedures, but actively participate in their optimisation, reporting critical issues, proposing ideas and contributing to the implementation of practical solutions. This direct participation creates an increasing sense of shared responsibility and strengthens a corporate culture in which safety is perceived as a concrete value and not just a regulatory obligation. Within the framework of the project, several concrete actions have already seen the light of day; some of the most relevant ones are listed below.

Operational rituals in the field

A structured mode of observation in the field was introduced: each organisational level participates in safety discussions directly in operational areas, observing ongoing activities and discussing best practices with workers. This approach encourages open dialogue and increased awareness of existing risks. To make this possible, a training and mentoring programme involving 80 people in the Padua plant was initiated, a model that will be progressively extended to all plants by 2025, to ensure widespread and sustainable change. In order to transform the safety culture, a structured mode of on-the-job coaching is used, among other tools, based on the following key elements.

- Listening**  
actively, learning  
from others
- Language**  
from “I” to “we”
- Teamwork**  
to accelerate the growth  
of each member
- Trust**  
to stimulate open and  
positive communication
- Feedback**  
for continuous  
improvement



Involvement of company management

One of the most relevant aspects of the project to drive cultural transformation concerns the implementation of a specific structured programme for the concrete and active involvement of company management. The aim is

in fact to ensure that both operational and management areas are linked by a single mindset based on risk management, embedded in, represented and expressed by each corporate function.



The 7 Golden Rules

An important goal achieved by the project, was to draft our 7 Golden Rules for safety, which are fundamental to building a safety culture equally rooted in all the Group's production facilities. They provide precise instructions on what employees, contractors and visitors should know, do and not do to prevent injuries and damage. These rules represent Acciaierie Venete's

collective commitment to ensure that each individual within the organisation is aware of the risks present, actively involved in their mitigation and ready to offer their support. Activities have also been initiated to share and raise awareness among staff in the plants, inviting them to reflect on these rules and to actively contribute to the creation of a safer working environment for all.

OUR 7 GOLDEN RULES

1. Lifting Operations

2. Insulation

3. Work at Height

4. Movement of vehicles and people

5. Confined spaces

6. Personal Protective Equipment

7. Change Management

Standardisation of procedures

To promote a shared safety culture and strengthen cohesion between the different plants, dedicated workshops were organised, involving selected teams from all plants. These meetings had a twofold objective: on the one hand, to make uniform and standardise basic operating procedures, ensuring greater consistency, efficiency and safety in daily activities; on the other hand, to create opportunities for comparison and collaboration between colleagues from different plants, encouraging the sharing of experiences and strengthening team spirit. Open dialogue and joint work have made it possible to enhance the skills of each individual, stimulating a stronger sense of belonging and helping to make safety an increasingly shared value at all levels of the company.

Next steps

The company intends to consolidate and expand the project in the coming months, with the aim of extending it to all plants by 2025. Planned actions include:

- expansion of training and mentoring to more workers;
- enhanced operational rituals in the field to ensure continuous communication and improved safety conditions;
- strengthening of involvement practices to make workers increasingly involved in decisions that affect their safety.

The ultimate goal is to build an environment where safety is a key element of the corporate culture, with concrete benefits for all employees and for the overall sustainability of the company.

Project for EMAS certification

The Acciaierie Venete plants in Padua in Riviera Francia, Via Olanda and Via Pellico, as well as the Buja and Dolcè Plants, have earned EMAS certification.

The registrations were issued by the Ecolabel Ecoaudit Committee - EMAS Section (ISPRA) following the technical opinions of the local ARPA and the certifier RINA, and maintained certification during 2024.

It should be noted that since 2024 the Mura and Odolo plants have obtained EMAS registration, while the

Borgo Valsugana and Sarezzo plants have started the process, with the aim of completing certification during the current year.

Acciaierie Venete undertook this initiative at the end of 2020, involving all managers in the various production, administrative and management processes.

The in-depth analyses performed ensured the identification and verification of numerous company performance indicators related to the environmental aspects characteristic of the steel production cycle, ranging from the preparation of raw material (scrap) to cold processing, from steel mills to out-of-furnace treatments, continuous casting and rolling mills.

A detailed presentation was sent again to all workers explaining the purpose and methods of the certification, as well as an exhaustive summary of the performance indicators taken as a reference for EMAS.

13.3. The energy we consume

The consumption of energy is a relevant environmental indicator, especially for energy-intensive sectors like the steel industry. Electricity is the main energy source in the steelworks, used to ensure the proper functioning of electric furnaces, equipment and production auxiliaries. This is followed by natural gas, used as fuel in reheating furnaces, heat treatments and within the steelworks. Diesel consumption, on the other hand, is

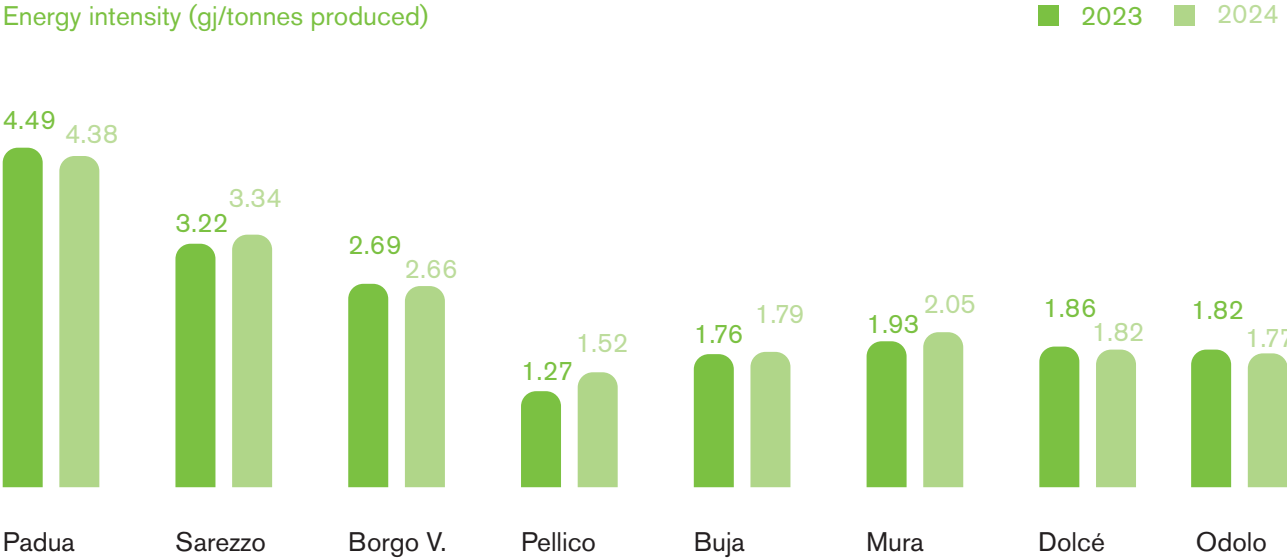
residual, mainly related to the handling of construction equipment. As far as the consumption of natural Gas and Electricity is concerned, Acciaierie Venete S.p.A. covers 99% of the Group's entire requirements. The analysis will therefore focus on the Holding Company. The energy consumption of the Acciaierie Venete Group is shown in the chart below, in Gigajoules (GJ).

	u.m.	2024	2023
Non-renewable energy sources			
Natural gas	GJ	2,647,062	2,734,261
Diesel	GJ	102,880	101,397
Petrol	GJ	27	35
Electricity (from district heating)	GJ	197	146
Electricity	GJ	3,539,293	3,714,894
Renewable energy sources			
of which share covered by GO	GJ	1,174,867	-
Electricity from renewable sources produced and consumed		569	-

Note that for the time frame under analysis energy consumption was directly proportional to production volumes. The indicator of energy intensity per tonne produced should be read for comparison with intra-plant years. In fact, there is a substantial difference between the plants in terms of type of production and equipment, which does not allow for a direct comparison. Looking at the data for the year 2024, there is a general confirmation of the value from the previous year, with slight changes

both positive and negative. These variances are due to numerous factors, including the effects of energy efficiency measures developed in 2023 and operational in 2024, such as the improvement of the automation of the reheating furnace in Padua or the replacement of the ladle reheating station in the Borgo Valsugana plant. However, the positive effect of these projects was partially nullified by the general worsening of production levels recorded in the second half of the year of analysis due to a contraction in demand in the reference market.

Energy intensity (gj/tonnes produced)



One of the tasks of Energy Management is to study energy saving opportunities; to this end, all Acciaierie Venete sites are certified according to the ISO 50001 scheme. During the year 2024, many activities were completed. The main ones concern the gas consumption side, the replacement of ladle reheating stations in the steel mills of Padua, Sarezzo and Borgo Valsugana, and studies aimed at optimising the combustion of the rolling mill reheating furnaces. With regard to reducing electricity consumption, work was carried out on compressed air systems and lighting. The total estimated annual savings amount to 6.3 toe/year of electricity and 705 toe/year of gas, which are added to the interventions already in progress. These include the intervention on the rolling mill in Padua, incentivised through the White Certificates mechanism (5,112 White Certificates obtained for 2024). Overall, the corresponding estimate for the reduction of climate-changing gas emissions corresponds to 1,639 tonCO<sub>2</sub>/year in scope 1 and 7.9 tonCO<sub>2</sub>/year in scope 2.

In addition, the Company has embarked on a path aimed at strengthening the energy monitoring system of the plants, in order to constitute an effective and widespread tool aimed at reporting on the efficiency interventions carried out and analysing possible improvement scenarios.

Renewable sources

During 2024, Acciaierie Venete signed agreements for the installation of four on-site photovoltaic systems at its own plants and those of its subsidiaries, with the aim of reducing electricity taken from the grid, and consequently indirect costs and emissions. Specifically, the installation of the Padua and Dolcè plants, which are still in the preliminary stage for start-up, was completed, while the Valle Zignago and Esti plants were started up. For these two, the electricity produced is 475.7 MWh/year, saving 37.3 tonCO<sub>2</sub> of scope 2 (related to self-consumption only).



Materials associated with production processes

Scrap and coke are the raw materials used in steel production.  
Over the last two years, there has been a decrease in the tonnes of material purchased, which is directly related to the trend in production performance without showing any significant departure.

Raw materials		2024	2023
Unrecycled			
Coke	t	14,518	18,723
Recycled			
Scrap	t	1,468,993	1,692,835
Materials associated with processes		2024	2023
Unrecycled			
Argon	M3	1,478,054	-
Nitrogen	M3	1,775,651	-
Oxygen	M3	49,968,501	55,134,510
Oils	kg	310,306	-
Semi-finished products		2024	2023
Unrecycled			
Ferroalloys	t	37,384	40,496
Lime	t	52,260	63,723

8. The amounts shown in the table are almost entirely attributable to the Holding Company's consumption, only the value of Oils is a Group figure.  
The materials in the table are of non-renewable origin.

Sustainability in the production cycle

The production cycle is closely linked to sustainability, which is why every year the company implements process solutions that allow it to respect the environment, the air and the biodiversity of the land.  
The most important initiatives are closely related to production processes and aim to improve Acciaierie Venete's operational eco-efficiency.  
The projects are grouped into sustainability macro-objectives:

Recovery of ladle drips

Contributes significantly to the process of optimising resources in the production cycle. In particular, it allows the recovery of production residues, metal and their heat, the latter being used to help superheat the scrap in the furnace, thus improving the efficiency of the melting process. This approach not only reduces waste, but also enables a more sustainable use of resources, optimising both energy and materials used.  
It leads to a reduction in the consumption of raw materials such as lime, in the recovery of ladle drips about 50% of the white slag is CaO still reactive, and finally it reduces waste production.

Magnesia-based refractories recovery from demolition of ladle, tundish and electric furnace

Spent refractories from demolition are screened and then re-introduced into the production cycle, or recycled externally, this process reduces raw material consumption and waste production.

Recovery of ladle and tundish plungers in aluminous material

At the end of use they are collected and recycled externally.

Use of alternative foaming additives to carbons

Use of recycled materials as an alternative slag foaming additive to coal to reduce CO2 emissions.

New energy recovery units for ladle heating

The installation allows for the reduction of natural gas consumption and will allow a higher level of homogeneity in the reheating of refractories and a lower thermal drop at tapping.

Ladle mapping system with thermal monitoring and reheating cycle

Industry 4.0 project to increase production process efficiency.

Black slag recovery

Thanks to a feasibility study, it has been shown how this material can validly replace the more valuable natural aggregates normally used in infrastructure. A specific industrial recovery process, calibrated to the volumes of waste produced by steel mills, has been developed. Black slag, suitably treated, is transformed into a high-performance aggregate, currently used in road paving.

White slag recovery

The white slag from the steel refining process is reintroduced into the production process and exploited in the same way as a natural material, helping to increase the development of the circular economy. To date, Acciaierie Venete is supporting research and experimentation projects for the recovery of white slag through international collaborations with leading research institutes.

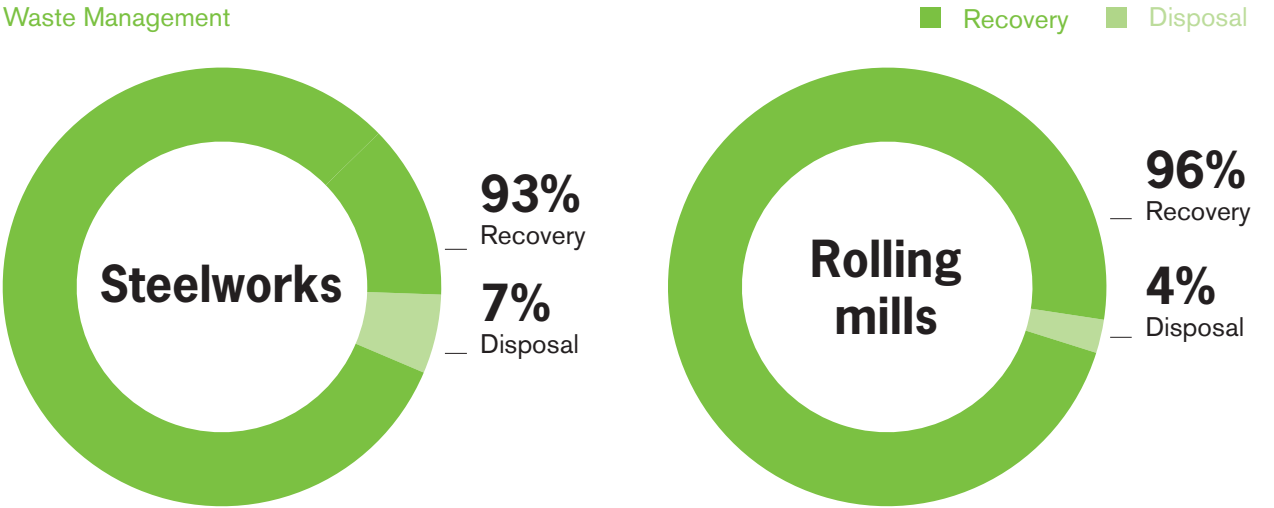
13.4. Waste management

The minimisation of waste – especially waste sent for disposal – clearly shows the correct and effective management of incoming resources. Although Acciaierie Venete's production process is virtuous in the way it reuses incoming secondary raw materials, the activities carried out at the plants generate waste as an output, like heavy waste from scrap sorting operations, black and white slag, flue gas abatement dust and rolling flakes. On the other hand, many paths for the recovery

of residues from steel production processes are now established practices among operators in the sector, which have also been carried out for years by Acciaierie Venete in compliance with current environmental regulations, having the advantage of minimising the consumption of raw materials and allowing the recovery of materials that would otherwise become waste. During 2024, the total volume of waste is decreasing compared to the previous year.

	u.m.	2024		2023	
		Hazardous	Non Hazardous	Hazardous	Non Hazardous
Recovery	tonne	25,316.7	350,942.2	27,481.0	365,344.9
Disposal	tonne	6,398.2	25,218.5	6,680.0	34,391.5
Storage	tonne	0.4	1,188.3	2.0	8,586.0
Total	tonne	31,715.3	377,349.0	34,163.0	408,322.4

Waste Management



AV Group Waste Management





13.5. Water management

The focus on sustainable use of water is a primary objective for companies operating in the steel sector. The proper management of water is an essential practice to mitigate the environmental impact of industries on the planet. Water is a fundamental resource for the steel production process, in particular for the cooling of the plants. The continuous use of cooling systems, which push water recirculation up to 98%, has led to a constant improvement in performance. Acciaierie Venete S.p.A. accounts for more than 95% of the main indicators in the Group's water balance, both for water withdrawn and water discharged. In the subsidiaries, water is hardly ever used for industrial purposes (except for some cutting operations), but mainly for civil use. In this regard, strategies to reduce consumption are focused on the holding company. The year 2024, saw a reduction in water consumption due to better management of water resources through careful investments in systems and personnel. Indeed, the project involving a new water treatment system at the Buja plant came into operation, and the results are in line with the technical expectations.

**Breakdown of water consumption by supply source**  
The Acciaierie Venete Group manages water resources in an integrated and responsible manner, adopting a diversified supply method that includes various sources, as well as careful control of discharges in compliance with current environmental regulations. The Group's plants, such as those in Sarezzo, Borgo Valsugana, Mura and Odolo, source their water mainly from surface water bodies such as rivers and streams, which are used to meet industrial water needs, particularly for cooling processes. In addition, almost all plants are also supplied through artesian wells, drawing water from groundwater. For civil needs, such as use in company premises and toilets, all plants resort to drawing water from consortium aqueducts. Although this type of supply represents a smaller percentage than natural sources, it still ensures a continuous and secure supply for non-industrial needs.

The subsidiaries of the Acciaierie Venete Group source their water exclusively from consortium aqueducts, using water mainly for civil purposes. With regard to the management of discharges, almost all plants release water into surface water bodies, after having subjected it to strict control and treatment. Wastewater treatment operations are carried out in accordance with current environmental permits, in order to comply with environmental quality standards and minimise the impact on the aquatic ecosystem. One aspect common to all plants is the management of discharges to sewers, which mainly concern civil waste water. This integrated management of water resources and discharges allows the Acciaierie Venete Group to optimise the use of water, reduce environmental impact and comply with water protection regulations, contributing significantly to the sustainability of its industrial activities.

GRI 303-3: Water withdrawal			
Source	Unit of measurement	2024	2023
Surface water (e.g. lakes, rivers, seas)	1000l	387,620	332,453
Aquifers	1000l	1,092,534	1,533,802
Third-party water resources	1000l	66,872	68,164
Total water withdrawn	1000l	1,547,026	1,934,419

GRI 303-4: Water discharge			
Source	Unit of measurement	2024	2023
Surface water (e.g. lakes, rivers, seas)	1000l	1,166,832	1,270,944
Third-party water resources	1000l	72,270	68,016
Authorised ground discharge	1000l	74,318	44,749
Total water discharged	1000l	1,313,420	1,383,709

GRI 303-5: Water consumption			
	Unit of measurement	2024	2023
Total water consumed	1000l	233,606	550,710

Restatement of information to refine calculation methodology

9. With regard to water withdrawal in areas subject to water stress, the Acciaierie Venete Group uses the Aqueduct Tool, software developed by the World Resources Institute (WRI), to map areas that may be at risk. The WRI tool can be accessed via the following link: <https://www.wri.org/our-work/project/aqueduct>. According to the “Baseline – Water stress,” no sites were found to be in areas of extreme water stress. The sites located in the Brescia area are characterised by a high level of water stress, those in the Veneto, Trentino-Alto Adige and Friuli Venezia Giulia regions by a medium-high level and finally for the plant located in the Emilia-Romagna region, the risk is low.

Emissions from our production processes

In the steel production process, it is essential to use high energy consumption which inevitably leads to the emission of certain quantities of greenhouse gases into the atmosphere. We can divide this type of emissions into direct (combustion process emissions at different stages of the production cycle) and indirect (those used for electricity consumption). For the steel industry using electric arc furnace technology, most emissions are mainly indirect and derive from the production of electricity in order to melt the steel scrap inside the electric furnaces of its plants. By contrast, the emission of greenhouse gases from steel production and

transformation (e.g. rolling process) are mainly due to the combustion of natural gas in heating furnaces or for heat treatments. The changes in the results, in some cases significant, are mainly attributable to the methodology of collecting the data of the concentrations at the emission points, in most cases annually or half-yearly. The measured values, all complying with existing authorisations, are multiplied with the stable operating hours.

Type of pollutant	Unit of measurement	2024	2023
NOx	kg	1,046,997	484,529
SOx	kg	871,703	262,834
Dust	kg	14,258	7,592
CO	kg	753,366	361,671

13.6. Greenhouse gas emissions

Following the growing focus on environmental impact mitigation policies, the Acciaierie Venete Group has developed a strategy to reduce Scope 1 and Scope 2 emissions, aligned with the Paris Agreement target. This strategy rests on three pillars: awareness of its impact in terms of emissions, the decarbonisation plan and the monitoring of actions taken. To enhance the organisation's impact monitoring, since 2022 Acciaierie Venete has flanked the “historical” accounting linked to the Emission Trading System (ETS) directive, and the reporting linked to the integrated environmental system, with the organisation's Carbon Footprint according to the ISO 14064-1 scheme. This certification made it possible to deepen the accounting of indirect emissions (Scope 3) and to build the basis for defining specific KPIs linked to product macro-categories with a cradle-to-gate approach. The monitoring activity also implemented the impact analysis of specific products with the first product carbon footprint being obtained in 2023 and subsequent certification according to ISO 14067 - Systematic Approach scheme, during 2024. To date, Acciaierie Venete is therefore able to produce specific Carbon Footprints on products required by the market. The GHG accounting proposed within the financial statements, according to GRI guidelines, includes a quantification of Scope 1 through emissions from stationary and process combustion (certified within the ETS, with the exception of the Pellico and Buja plants), emissions from mobile combustion and fugitive emissions. Indirect emissions linked to the purchase of energy carriers (Scope 2) are calculated using two approaches:

▪ Market-based, which considers the electricity supply taking into account the amount of renewable energy purchased and certified through Guarantees of Origin, while the remaining energy supply is valued at the residual mix, i.e. the emission factor of the Italian thermoelectric park;

▪ Location-based, which considers the average emission factor associated with the national energy mix, thus including renewables.

The organisation's commitment to reducing its carbon footprint was reflected in the drafting of the decarbonisation plan to 2030. The plan focuses on cutting Scope 1 and Scope 2 emissions per tonne of steel produced compared to reference year 2022. Acciaierie Venete aims to reduce Scope 1 emissions through the promotion of energy efficiency, research and implementation of measures to replace fossil fuels with renewables, and the use of by-products in the melting furnace. In line with these objectives, concrete actions were implemented in 2024, such as the replacement of ladle reheating stations in the steel mills of Padua, Sarezzo and Borgo Valsugana, the improvement of automation in the Padua reheating furnace, and the use in the Sarezzo steel mill of recycled polymers to replace traditional injection coal as a foaming agent for the slag from the electric arc furnace. As far as Scope 2 emissions are concerned, these will be reduced through the Group's investments in renewable plants and the purchase of green energy, including through long-term supply agreements. Confirming this path, the installation of four on-site photovoltaic systems at its own plants and those of its subsidiaries was completed in 2024. Furthermore, in 2024, the share of electricity from non-carbon emitting sources in the total demand was just over 30%. To further strengthen our commitment to decarbonisation, two PPAs (Power Purchase Agreements) were signed that will guarantee the supply of energy from off-site photovoltaic plants from 2026. Finally, to reduce electricity consumption, work was carried out on air systems.

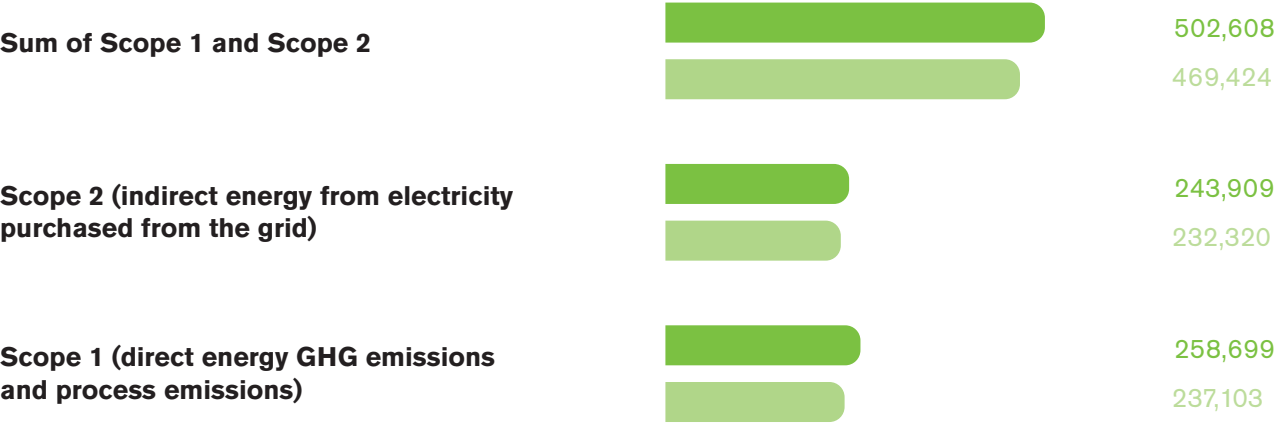


The graph below shows the Acciaierie Venete Group's total emissions for 2024, calculated according to the Location-based approach. Emissions are presented both as the sum of Scope 1 and 2 emissions and broken down by scope, with a comparison to the previous year's values (2023). The sum of Scope 1 and 2 emissions for 2024 amounts to 469,424 tonnes CO<sub>2</sub>eq. There is a reduction in emissions in both scopes 1 and 2, compared to 2023. This result is attributable to various factors, including the energy efficiency measures implemented during the year and the directly proportional relationship between emissions and production volumes.

Considering the Market-based approach, emissions in 2024 amount to 508,154 tonnes CO<sub>2</sub>eq. In this case, the reduction of Scope 2 emissions in 2024 is more pronounced than with the Location-based approach. This result is due to the measures implemented in 2024, which increased the share of electricity from non-carbon sources to 30% of total demand.

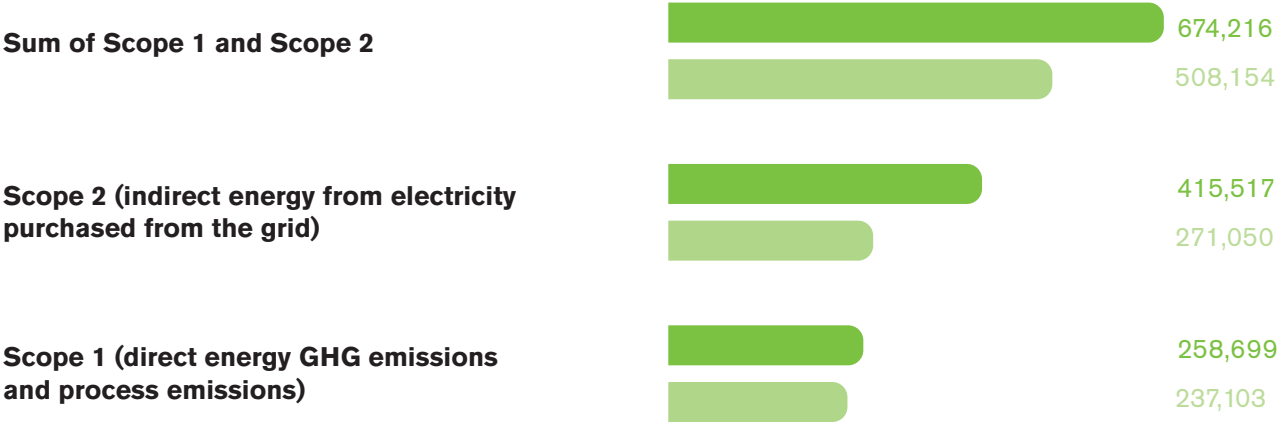
Absolute emissions - Location Based (tonCO<sub>2</sub>eq)

2023 AV Group 2024 AV Group



Absolute emissions - Market Based (tonCO<sub>2</sub>eq)

2023 AV Group 2024 AV Group

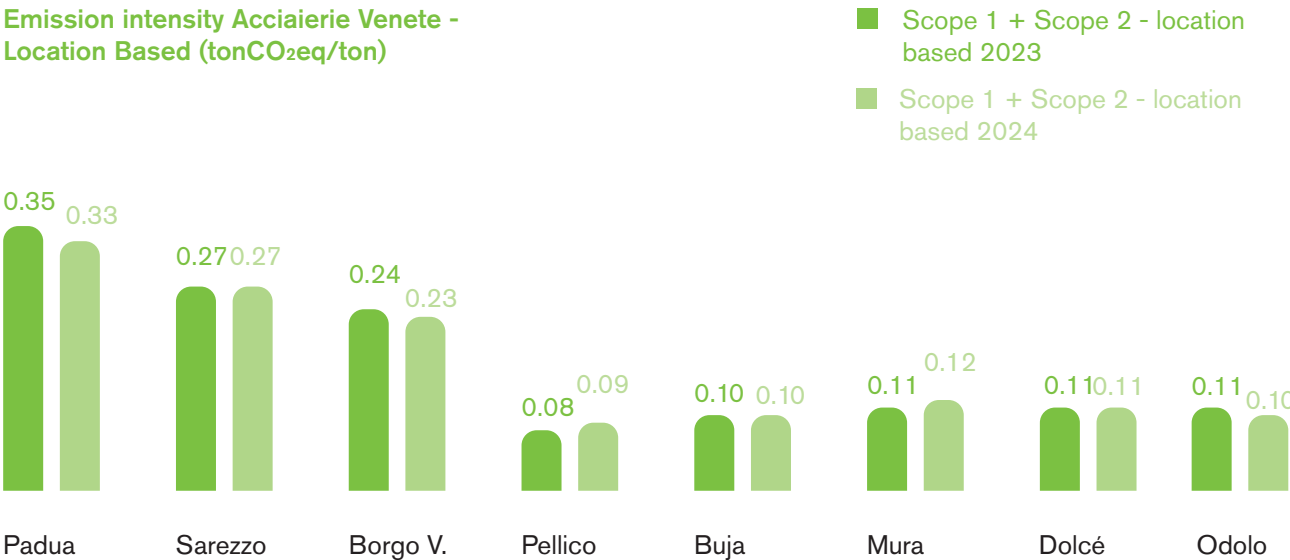


The following graphs show the emission intensity for each plant, calculated by relating Scope 1 and 2 emissions to the quantity of tonnes of product produced, considering both the Location-based and Market-based approaches. For a correct reading of the intensity indicators, it is important to consider that the activities undertaken vary between plants, depending on the specific production and plant. For this reason, the comparison of values must be made between years within the same plant, avoiding a direct comparison between different sites, given their heterogeneity in terms of production and plant configuration.

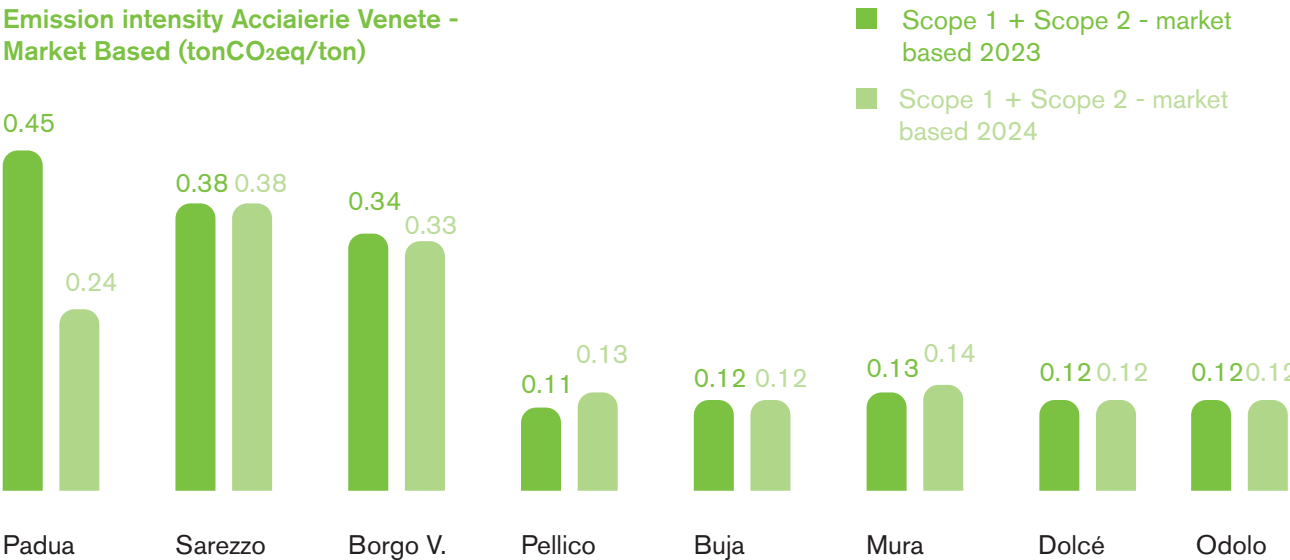
The Location-based emission intensity graphs show that for Scope 1 and Scope 2 there is a general confirmation of the values found in 2023, with slight changes both positive and negative. These deviations are due to numerous factors, including the effects of energy efficiency measures developed in 2023 and operational in 2024. However, the positive effect of these projects was partially nullified by the general worsening of production levels recorded in the second half of the year of analysis due to a contraction in demand in the reference market, which is reflected in reduced performance in production processes.

In the Market-based approach, a significant reduction in emission intensity is observed in the Padua plant compared to 2023, attributable to the interventions carried out in 2024, which in a similar way to what was previously indicated brought the share of electricity from non-carbon emitting sources to 30% of the total requirement.

Emission intensity Acciaierie Venete - Location Based (tonCO<sub>2</sub>eq/ton)



Emission intensity Acciaierie Venete - Market Based (tonCO<sub>2</sub>eq/ton)





The principles for defining the content and quality of the report

The Sustainability Report of the Acciaierie Venete Group aims to report on issues relevant to the Group and its main stakeholders. It is prepared in accordance with the GRI Sustainability Reporting Standards, the most recent and widely used non-financial reporting standards defined in 2016 and partly revised in 2021 by the Global Reporting Initiative (GRI), according to the "with reference to" option.

This document has been prepared in accordance with the principles for defining the contents of the Report suggested by the GRI:

- **Completeness:** the material topics addressed in the Report are covered in their entirety and represent the most relevant environmental, social and economic aspects for Acciaierie Venete's business, thus allowing a complete assessment of the Company's performance in the reporting year.
- **Sustainability context:** the Acciaierie Venete Group's performance presented in this document is part of the broader sustainability context of the Company's business. To ensure the quality of the information included, Report quality principles have been followed in the preparation of the Report as suggested by the GRI.
- **Accuracy:** the level of detail of the contents reported in this Sustainability Report is adequate for understanding and assessing the Acciaierie Venete Group's sustainability performance during the reporting period.
- **Clarity:** the choice of clear and accessible language and the use of graphs and tables to represent the Company's performance make this Report usable and easy to understand for stakeholders.
- **Comparability:** the indicators presented in the Report are reported for the two-year period 2023-2024, where available, and accompanied by a comment on their performance so that the information can be checked and compared by the external auditors.

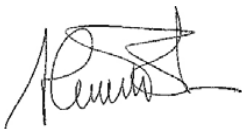
- **Verifiability:** The information is presented in a clear, accessible manner and is verified by an external auditing firm.
- **Balance:** the contents of this document give a balanced account of Acciaierie Venete's performance during the reporting period.
- **Timeliness.**

This document is the seventh edition of Acciaierie Venete Group's Sustainability Report and contains a description of the initiatives and activities for 2024. The collection of performance indicators and the frequency of reporting are annual. The reporting boundary includes the Acciaierie Venete Group. The reporting year to which the information and data included in this section refer is 2024. The description and scope of the impact of each issue in the Acciaierie Venete Group's value creation chain is given for each issue.

Given the need to prepare the Group's Consolidated Financial Statements, the Ordinary Shareholders' Meeting for the approval of the Financial Statements for the year ended 31 December 2024 was convened within the longer term of 180 days from the end of the financial year reporting period, pursuant to Article 2364, second paragraph, of the Italian Civil Code and Article 12 of the Articles of Association.

Padua, 22 May 2025  
for the Board of Directors

Alessandro Banzato



Methodological Note

Below are methods used for some of the main indicators reported in this Sustainability Report.

Employees

The calculation of personnel takes into account the number of employees as at 31 December of the relevant year for all companies of the Acciaierie Venete Group.

Turnover rate

The turnover rate (incoming, outgoing and total) is calculated as the number of hirings during the year compared to the number of people in Group companies on 31 December of the previous year.

Accident indices

- The accident indices have been calculated as follows:
- Fatality index: number of fatal accidents/hours worked\* 1,000,000
  - Index of serious accidents: number of accidents with period of absence from work longer than 6 months (excluding accidents that caused fatalities) / hours worked\* 1,000,000
  - Recorded accident index: number of accidents during the year / hours worked x 1,000,000
  - Severity index: number of days lost / hours worked\* 1,000

Energy consumption

The conversion factors used to equalise energy consumption are summarised in the table below.

Greenhouse gas emissions

Greenhouse gas emissions have been calculated according to the principles set out in the international standard ISO 14064-1. In particular, it should be noted that the only greenhouse gas considered was carbon dioxide (CO<sub>2</sub>). The emission factors used for the calculation of CO<sub>2</sub> emissions were determined as follows:

- Direct emissions (Scope 1): the scope 1 emissions of the plants covered by the ETS system were added to the emissions related to the consumption of natural gas and diesel, using as emission factors the data included in the Table of national standard parameters and published by the Italian Ministry for the Environment for the years 2021-2023. The CO<sub>2</sub>eq emissions linked to the quantities of refrigerant gases lost during the year are also added to these (source: Defra, 2024).
- Indirect emissions (Scope 2): indirect emissions from electricity consumption were calculated according to both the location-based and market-based approaches. The emission factors shown in the table on page 39, published by ISPRA in the document "Emission Factors for Electricity Production and Consumption in Italy – Update to 2022 and Preliminary Estimates for 2023," were used for the calculation. The estimates for 2023 were prepared by ISPRA based on data provided by Terna.

The following conversion and emission factors were used for the calculations:

Conversion/emission factor	Source
Electricity conversion factor to toe: 0.187 toe/MWh	MiSE Circular of 18 December 2014
Natural gas to toe conversion factor: 0.836 toe/1,000 Sm³	MiSE Circular of 18 December 2014
Electricity Emission Factor (Location-based approach): 0.236 tCO <sub>2</sub> /MWh	“Emission Factors for Electricity Production and Consumption in Italy,” ISPRA, 28/02/2024*
Electricity Emission Factor (Market-based approach): 0.413 tCO <sub>2</sub> /MWh	“Emission Factors for Electricity Production and Consumption in Italy,” ISPRA, 28/02/2024*
Emission factor of natural gas: 2.019 tCO <sub>2</sub> /1,000 Sm³	“Table of National Standard Parameters,” ISPRA UNFCCC national report, 13/01/2025

GRI CONTENT INDEX

The Acciaierie Venete Group has reported the information mentioned in this GRI content index for the period 01 January 2024 – 31 December 2024 with reference to GRI Standards.

GRI 1 used: GRI 1 - Fundamental Principles - Version 2021.

GRI Standard	Information	Indicator description	Page
GRI2	2-1	Organisational details	29
	2-2	Entities included in the organisation's sustainability reporting	30-31-32
	2-3	Reporting period	66
	2-4	Review of information	55-62
	5-5	External assurance	-
	2-6	Activities, value chain and other business relationships	32
	2-7	Employees	48
	2-8	Workers who are not employees	48-55
	2-9	Governance structure and composition	33-34
	2-13	Delegation and responsibility for managing impacts	34-35
	2-14	Role of the highest governance body in sustainability reporting	33
	2-17	Collective knowledge of the highest governance body	33-34-35
	2-22	Statement on sustainable development strategy	40
	2-23	Policy commitments	27
	2-27	Compliance with laws and regulations	There were no instances of non-compliance with laws and regulations during 2024.
	2-28	Membership in associations	45-46
	2-29	Approach to stakeholder engagement	41
	2-30	Collective agreements	48



GRI Standard	Information	Indicator description	Page
GRI 3	3-1	Process to determine material topics	41
	3-2	List of material topics	42
	3-3	Management of material topics	----
GRI 201	201-1	Economic value directly generated and distributed	36
GRI 203	203-1	Infrastructure investments and services supported	36
GRI 204	204-1	Proportion of spending made to local suppliers	44
GRI 205	205-1	Operations assessed to determine risks related to corruption	34-35
	205-2	Communication and training on anti-corruption regulations and procedures	34-35
	205-3	Confirmed incidents of corruption and measures taken	During 2024, there were no proven cases of corruption.
GRI 206	206-1	Legal actions for anti-competitive behaviour, anti-trust activities, and monopoly practices	35
GRI 301	301-1	Materials used by weight and volume	60
	301-2	Materials used that originate from recycling	60
GRI 302	302-1	Energy consumption within the organisation	59
	302-3	Energy intensity	59
GRI 303	303-1	Interactions with water	62
	303-3	Withdrawal	62
	303-4	Discharge	62
	303-5	Consumption	62
GRI 305	305-1	Direct emissions Scope 1	64
	305-2	Indirect emissions Scope 2	64
	305-4	GHG emission intensity	65
	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	63

GRI Standard	Information	Indicator description	Page
GRI 306	306-3	Waste generated	61
	306-4	Waste not landfilled	61
	306-5	Waste delivered to landfill	61
GRI 308	308-2	Negative environmental impacts in the supply chain and actions taken	44
GRI 401	401-1	New employee hires and employee turnover	48
GRI 403	403-9	Work-related injuries	55-56
GRI 404	404-1	Average hours of training per year per employee	50
	404-3	Percentage of employees receiving regular performance and personal development reviews	44



# SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

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Explanatory notes, introductory section	76
Explanatory notes, assets	81
Explanatory Notes, liabilities and shareholders' equity	93
Explanatory notes, income statement	104
Explanatory notes, other information	112



## Balance Sheet

Master data	
Name	ACCIAIERIE VENETE S.P.A.
Head Office	VIA PUISLE 4 38051 BORGIO VALSUGANA (TN)
Share Capital	126,000,000
Share Capital fully paid-up	Yes
Chamber of Commerce, Industry, Crafts and Agriculture Code	TN
VAT No.	00224180281
Tax Code	00224180281
Economic Administrative Index No.	TN 232400
Legal Form	Public Limited Company
Main activity sector (ATECO)	Manufacture of iron, steel and ferro-alloys (24.10.00)
Company in liquidation	No
Single-member company	No
Company subject to management and coordination by others	No
Name of the company or entity exercising management and coordination activities	
Part of a group	Yes
Name of Holding Company	PARSID S.P.A.
Country of the Holding Company	ITALY
Cooperative registration number	

Balance Sheet	31/12/2024	31/12/2023
<b>Assets</b>		
<b>B) Fixed assets</b>		
<b>I - Intangible fixed assets</b>		
3) Industrial Patent and use of Intellectual Property Rights	1,508,404	1,161,083
4) Concessions, licences, trademarks and similar rights	90,626	113,008
6) Intangible fixed assets in progress and advances	155,592	227,873
7) Other	142,425	34,913
Total intangible fixed assets	1,897,047	1,536,877
<b>II - Tangible fixed assets</b>		
1) Land and buildings	88,012,294	83,309,847
2) Plant and equipment	126,618,700	129,277,486
3) Industrial and commercial equipment	2,005,818	1,910,163
4) Other assets	2,774,378	2,257,050
5) Intangible fixed assets in progress and advances	54,516,169	30,334,219
Total tangible fixed assets	273,927,359	247,088,765
<b>III - Financial fixed assets</b>		
<b>1) Equity investments in</b>		
a) Subsidiaries	56,410,352	56,300,352
d) From undertakings controlled by the parent companies		
d-bis) Other companies	7,984,093	8,016,918
Total equity investments	64,394,445	64,317,270

Balance Sheet	31/12/2024	31/12/2023
<b>2) Receivables</b>		
<b>a) From subsidiaries</b>		
due within the following year	5,125,000	5,000,000
due beyond the following year	1,125,000	-
Total receivables from subsidiaries	6,250,000	5,000,000
<b>d) from undertakings controlled by the parent companies</b>		
<b>d-bis) from others</b>		
due within the following year	9,052,000	-
due beyond the following year	12,926,370	12,371,744
Total receivables from others	21,978,370	12,371,744
Total receivables	28,228,370	17,371,744
3) Other securities	6,356,509	4,997,404
Total financial fixed assets	98,979,324	86,686,418
Total non-current assets (B)	374,803,730	335,312,060
<b>C) Current assets</b>		
<b>I - Inventories</b>		
1) Raw, ancillary and consumable materials	54,396,081	62,047,483
4) Finished goods and merchandise	224,660,133	223,778,861
Total inventories	279,056,214	285,826,344
<b>II - Receivables</b>		
<b>1) from customers</b>		
due within the following year	248,135,257	282,452,884
Total receivables from customers	248,135,257	282,452,884
<b>2) From subsidiaries</b>		
due within the following year	38,936,394	42,942,927
Total receivables from subsidiaries	38,936,394	42,942,927

Balance Sheet	31/12/2024	31/12/2023
<b>4) from parent companies</b>		
due within the following year	16,380,567	9,008,736
Total receivables from parent companies	16,380,567	9,008,736
<b>5) from undertakings controlled by the parent companies</b>		
<b>5-bis) Tax Credits</b>		
due within the following year	12,823,995	4,816,995
due beyond the following year	1,518,700	2,992,707
Total tax credits	14,342,695	7,809,702
5-ter) Prepaid taxes	2,481,471	1,687,955
<b>5-quater) from others</b>		
due within the following year	44,598,574	54,098,318
Total receivables from others	44,598,574	54,098,318
Total receivables	364,874,958	398,000,522
<b>III - Financial assets not constituting fixed assets</b>		
5) Financial derivative assets	1,313,030	2,054,460
6) Other securities	147,335,157	131,648,699
financial assets for centralised treasury management	16,619,958	24,483,041
Total financial assets not constituting fixed assets	165,268,145	158,186,200
<b>IV - Cash and cash equivalents</b>		
1) Bank and postal deposits	173,319,371	170,766,349
3) Cash and cash equivalents	6,944	4,935
Total liquid assets	173,326,315	170,771,284
Total current assets (C)	982,525,632	1,012,784,350
D) Accruals and deferrals	4,542,253	4,303,398
Total assets	1,361,871,615	1,352,399,808



Balance Sheet	31/12/2024	31/12/2023
Liabilities		
A) Shareholders' equity		
I - Capital	126,000,000	126,000,000
III - Revaluation reserves	39,131,300	39,131,300
IV - Legal reserve	17,225,000	12,600,000
VI - Other reserves, separately indicated		
Merger surplus reserve	13,336,256	13,336,256
Miscellaneous other reserves	(1)	-
Total other reserves	13,336,255	13,336,256
VII - Reserve for expected cash flow hedging transactions	946,695	1,481,265
VIII - Profits (losses) carried forward	798,530,581	742,563,273
IX - Profit (loss) for the year	6,197,717	92,407,308
Total shareholders' equity	1,001,367,548	1,027,519,402
B) Provisions for risks and charges		
1) for pensions and similar obligations	436,797	647,268
2) for taxes, including deferred taxes	2,460,756	2,744,033
3) derivative financial instruments liabilities	-	294,466
4) others	857,500	1,270,180
Total provisions for risks and charges	3,755,053	4,955,947
C) Employee severance indemnity	4,003,271	4,397,117
D) Payables		
4) Payables to banks		
due within the following year	37,940,052	17,976,957
due beyond the following year	38,453,685	36,391,091
Total payables to banks	76,393,737	54,368,048
6) Advances		
due within the following year	877,466	1,173,326
Total advances	877,466	1,173,326

Balance Sheet	31/12/2024	31/12/2023
7) Payables to suppliers		
due within the following year	155,422,772	136,897,138
Total payables to suppliers	155,422,772	136,897,138
9) Payables to subsidiaries		
due within the following year	86,234,037	90,479,216
Total payables to subsidiaries	86,234,037	90,479,216
11) Payables to parent companies		
due within the following year	450,800	1,405,850
Total payables to parent companies	450,800	1,405,850
12) Tax liabilities		
due within the following year	4,403,293	3,918,355
Total tax liabilities	4,403,293	3,918,355
13) Payables to social security and welfare institutions		
due within the following year	8,234,433	7,848,185
Total payables to social security and welfare institutions	8,234,433	7,848,185
14) Other payables		
due within the following year	17,125,765	15,036,975
Total other payables	17,125,765	15,036,975
Total payables	349,142,303	311,127,093
E) Accruals and deferrals	3,603,440	4,400,249
Total liabilities	1,361,871,615	1,352,399,808

Income Statement

Income Statement	31/12/2024	31/12/2023
<b>A) Value of production</b>		
1) Revenues from sales and services	1,094,139,598	1,306,410,012
2) Changes in inventories of work in progress, semi-finished and finished products	881,272	(42,237,843)
4) Increases in fixed assets for internal work	20,402	154,366
<b>5) Other revenues and income</b>		
contributions for current expenses	11,724,148	41,616,261
other	50,820,924	18,866,868
Total other revenues and income	62,545,072	60,483,129
Total value of production	1,157,586,344	1,324,809,664
<b>B) Costs of production</b>		
6) raw, ancillary, consumable materials and goods	910,895,913	968,297,527
7) for services	95,382,391	96,589,506
8) for use of leased assets	6,733,544	6,345,524
<b>9) for personnel</b>		
a) wages and salaries	69,929,494	67,197,119
b) social security expenses	22,601,449	22,344,170
c) employee severance indemnity	4,777,431	4,503,908
e) other costs	566,609	1,220,805
Total personnel costs	97,874,983	95,266,002
<b>10) depreciation, amortisation and write-downs</b>		
a) amortisation of intangible fixed assets	775,547	608,276
b) depreciation of tangible fixed assets	52,267,068	48,763,063
Total depreciation, amortisation and write-downs	53,042,615	49,371,339
11) Changes in inventories of raw, ancillary and consumable materials and goods	7,651,402	7,934,804
12) provisions for risks and charges	214,705	-
14) other operating expenses	8,654,642	7,357,202
Total cost of production	1,180,450,195	1,231,161,904
Difference between value and cost of production (A - B)	(22,863,851)	93,647,760

Income Statement	31/12/2024	31/12/2023
<b>C) Financial income and expenses</b>		
<b>15) income from equity investments</b>		
from subsidiaries	11,120,717	1,901,059
other	32,100	10,511
Total income from equity investments	11,152,817	1,911,570
<b>16) other financial income</b>		
b) from securities held as fixed assets other than equity investments	11,503	-
c) from securities held as current assets that are not equity investments	5,828,169	5,823,702
<b>d) income other than the above</b>		
from subsidiaries	742,227	672,414
other	6,971,525	5,486,253
Total income other than above	7,713,752	6,158,667
Total other financial income	13,553,424	11,982,369
<b>17) interest and other financial expenses</b>		
from subsidiaries	285,900	159,430
other	2,795,747	2,663,816
Total interest and other financial expenses	3,081,647	2,823,246
17-bis) foreign exchange gains and losses	(63,579)	(37,440)
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	21,561,015	11,033,253



Cash flow statement, indirect method

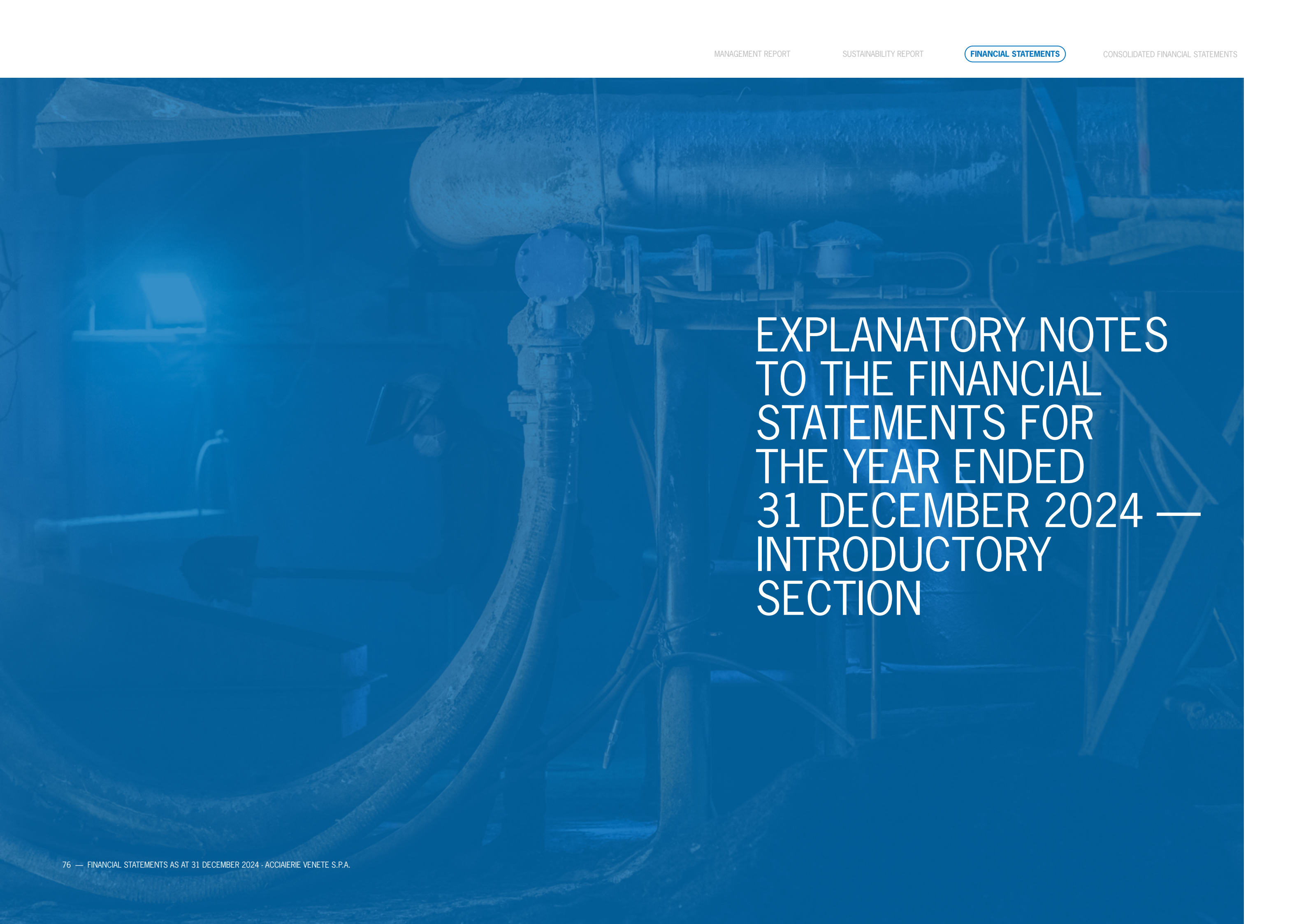
Income Statement	31/12/2024	31/12/2023
D) Value adjustments on financial assets and liabilities		
18) revaluations		
c) of securities held as current assets that are not equity investments	1,710,578	2,548,875
d) of derivative financial instruments	294,466	93,477
Total revaluations	2,005,044	2,642,352
19) write-downs		
a) of equity investments	32,825	-
c) of securities held as current assets that are not equity investments	133,877	37,615
d) of derivative financial instruments	-	369,899
Total write-downs	166,702	407,514
Total value adjustments on financial assets and liabilities (18 - 19)	1,838,342	2,234,838
Earnings before taxes - EBT (A - B + - C + - D)	535,506	106,915,851
20) Deferred and Prepaid Income Taxes for the year		
current taxes	-	14,641,526
Taxes relating to previous financial years	837,101	4,512
deferred and prepaid taxes	(789,493)	(137,495)
income (expenses) from joining the tax consolidation/tax transparency scheme	5,709,819	-
Total current, deferred and prepaid income taxes for the year	(5,662,211)	14,508,543
21) Profit (loss) for the year	6,197,717	92,407,308

Cash flow statement, indirect method	31/12/2024	31/12/2023
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	6,197,717	92,407,308
Income Taxes	(5,662,211)	14,508,543
Interest payable/(receivable)	(9,539,740)	(7,443,728)
(Dividends)	(11,152,817)	(1,911,570)
(Gains)/Losses on disposal of assets	(1,006,928)	(2,654,213)
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses on disposals	(21,163,979)	94,906,340
Adjustments for non-monetary items not offset in net working capital		
Allocations to provisions	1,032,251	928,499
Depreciation of fixed assets	53,042,615	49,371,339
Impairment write-downs	32,825	-
Value adjustments to financial assets and liabilities of derivative financial instruments not involving monetary movements	(294,466)	276,422
Other adjustments increase/(decrease) for non-monetary items	(1,646,999)	(2,511,435)
Total adjustments for non-monetary items that did not have an offsetting entry in net working capital	52,166,226	48,064,825
2) Cash flow before changes in net working capital	31,002,247	142,971,165
Changes in net working capital		
Decrease/(Increase) in inventories	6,770,130	50,172,647
Decrease/(Increase) in receivables from customers	34,586,504	141,631,298
Increase/(Decrease) payables to suppliers	18,525,634	(62,943,030)
Decrease/(Increase) in accrued income and prepaid expenses	(238,855)	(2,287,653)
Increase/(Decrease) in accrued liabilities and deferred income	(796,809)	2,895,904
Other decreases/(Other increases) in net working capital	(12,721,641)	17,785,087
Total changes in net working capital	46,124,963	147,254,253
3) Cash flow after changes in net working capital	77,127,210	290,225,418

Cash flow statement, indirect method	31/12/2024	31/12/2023
Other adjustments		
Interest received/(paid)	9,539,740	7,443,728
(Income taxes paid)	(33,153)	(54,304,842)
Dividends received	3,135,917	1,911,570
(Use of provisions)	(1,780,447)	(1,206,469)
Total other adjustments	10,862,057	(46,156,013)
Cash flow from operating activities (A)	87,989,267	244,069,405
B) Cash flows from investing activities		
Tangible fixed assets		
(Investments)	(79,539,689)	(48,194,859)
Disposals	910,814	1,749,614
Intangible fixed assets		
(Investments)	(1,127,569)	(856,383)
Financial fixed assets		
(Investments)	(12,985,498)	(47,625,529)
Disposals	1,909,768	20,146,017
Short-term financial assets		
(Investments)	(53,229,130)	(68,836,427)
Disposals	69,604,451	43,333,225
Cash flow from investing activities (B)	(74,456,853)	(100,284,342)
C) Cash flows from financing activities		
Third-party financing		
Increase/(Decrease) short-term payables to banks	(71,381)	(25,216,818)
New loans	40,000,000	(5,423,736)
(Repayment of loans)	(18,135,952)	(34,496,337)

Cash flow statement, indirect method	31/12/2024	31/12/2023
Equity financing		
(Dividends and interim dividends paid)	(32,770,050)	(33,559,150)
Cash flow from financing activities (C)	(10,977,383)	(98,696,041)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	2,555,031	45,089,022
Liquid assets at beginning of year		
Bank and postal deposits	170,766,349	125,677,649
Cash and cash equivalents	4,935	4,613
Total liquid assets at beginning of year	170,771,284	125,682,262
Liquid assets at year-end		
Bank and postal deposits	173,319,371	170,766,349
Cash and cash equivalents	6,944	4,935
Total liquid assets at year-end	173,326,315	170,771,284



The background of the page is a photograph of industrial machinery, likely from a steel mill, featuring large pipes, valves, and structural beams. The entire image is covered with a semi-transparent blue overlay. The title text is positioned on the right side of the page, overlaid on this blue background.

# EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 — INTRODUCTORY SECTION



Explanatory notes, introductory section

Dear Shareholders,  
These financial statements, submitted for your examination and approval, show a profit for the year of €6,197,717.

Drafting criteria

The financial statements of Acciaierie Venete S.p.a. for the year ended 31 December 2024 have been prepared in accordance with the provisions of the Italian Civil Code, as reformed by Legislative Decree No. 139/15 in implementation of European Directive 2013/34, and by applying the Italian accounting standards issued by the Italian Accounting Standards Board in their most up-to-date version. It consists of the Balance Sheet (prepared in accordance with the format provided for by Articles 2424 and 2424-bis of the Italian Civil Code), the Income Statement (prepared in accordance with the format provided for by Articles 2425 and 2425-bis of the Italian Civil Code), these Explanatory Notes to the Financial Statements, which provide the information required by Article 2427 of the Italian Civil Code and other provisions of the Italian Civil Code on financial statements and previous laws, and the Cash Flow Statement, which is an integral part of the information on the financial statements for the period. The Management Report also provides the additional information deemed necessary for a true and fair view of the equity and financial position and the economic performance.

Basis of preparation

The criteria used in the preparation of the financial statements for the year ended 31/12/2024 do not differ from those used in the preparation of the financial statements for the previous year with regard to valuation. The continuity of application of the valuation criteria over time is in fact a necessary element for the

comparability of the company's financial statements over the various financial years. The valuation of items in the financial statements has been made on the basis of the general criteria of prudence and accruals-based accounting in view of a going concern principle, as well as taking into account the economic function of the asset or liability item considered. The application of the principle of prudence entailed the individual valuation of the components of individual items or asset or liabilities items, to avoid offsetting between losses that should have been recognised and profits that should not have been recognised because they were unrealized. In accordance with the accrual principle, the effect of transactions and other events has been recognised in the accounting and attributed to the financial year to which these transactions and events relate, and not to the year in which the related cash movements (receipts and payments) materialised. The valuation, taking into account the economic function of the asset or liability item, considering that it expresses the principle of substance over form, which is mandatory where not expressly contradictory to other specific rules on financial statements, allows items to be recognised and presented taking into account the substance of the transaction or contract.

Comparability and adaptation issues

There are no assets and liabilities that fall under more than one item in the balance sheet. Pursuant to Art. 2423 ter, paragraph 5 of the Italian Civil Code, it should be noted that in the 2024 Financial Statements, some income statement items have a different classification compared to the previous year, which was implemented for a better presentation. For the sake of clarity, a table on the 2023 income statement items with the previous and current reclassification is included.

INCOME STATEMENT	31/12/2023 with reclassifications 2024	31/12/2023 with reclassifications 2023	differences
A - VALUE OF PRODUCTION			
1) Revenues from sales and services	1,306,410,012	1,320,372,821	(13,962,809)
5) Other revenues and income	60,483,129	47,201,649	13,281,480
B) COSTS OF PRODUCTION			
7) For services	(96,589,506)	(97,020,520)	431,014
14) Other operating expenses	(7,357,202)	(7,268,271)	(88,931)
C) FINANCIAL INCOME AND EXPENSES			
17) other interest and financial expenses	(2,663,816)	(3,003,062)	339,246
TOTAL SUM of changes			0

In the column of balances as at 31/12/2023 in the financial statements, these amounts have therefore been reclassified with the new method used in 2024.

Valuation criteria applied  
(Ref. Art. 2426, first paragraph, Italian Civil Code)

Intangible fixed assets  
Intangible fixed assets are entered in the financial statements, where required, with the consent of the Board of Statutory Auditors at purchase or production cost, which is always lower than the durable value at year-end. They are depreciated according to their presumed useful life, taking into account the limits imposed by Art. 2426 of the Italian Civil Code, starting from the financial year in which they are available for use, by means of depreciation as follows:

Assets	Coefficients
Start-up and expansion costs	20.00%
Intellectual property rights	20.00% - 33.33%
Concessions, licences and trademarks	16.66% - 20.00% - 25.00% - 33.33%
Goodwill	20.00%
Other	6.66% - 5.00% - 8.30% - 10.00% - 11.10% - 12.50% - 20.00% - 33.30%



Tangible fixed assets

Tangible fixed assets, plant and equipment are recognised at their purchase or production cost, including ancillary expenses incurred, subject to revaluations pursuant to Law 576/75, Law 72/83 and Law 413/91, Law 2/2009, Law 126/2020 and those relating to the allocation of merger deficits determined in 1989, 1990 and 2009 as detailed below. In the 2008 financial year, the revaluation of industrial buildings was carried out, pursuant to Italian Legislative Decree No. 185/2008 (converted into Law No. 2/2009) for a total amount of €18,064,807, an amount that as at 31 December 2024 amounted to €17,842,883 as a result of certain disposals; the revaluation was carried out within the limits indicated by an independent appraisal that determined the current use value of

the industrial buildings owned by the company as at 31/12/2007. In the 2020 financial year, in accordance with the provisions of Art. 110 of Italian Legislative Decree No. 104/2020 (converted into Law No. 126/2020) as well as Articles 11, 13, 14 and 15 of Law No. 342/2000, the company revalued certain assets relating to the "Plant and Equipment" category for a total amount of €105,290,000; the amount as at 31 December 2024 was €104,813,443 following certain disposals. The depreciation of capital assets used in carrying out core business activities, which have not yet been fully depreciated, is deemed to be appropriate in view of their actual use, depreciation and residual possibility of economic use in the business. The depreciation coefficients applied are as follows:

Groups	Assets	Coefficients
PLANTS	Industrial land and buildings	5.0%
	Light construction	10.0%
THERMAL POWER PLANTS	Power plant buildings	4.0%
GENERAL INSTALLATIONS	General installations	12.0%
	Purification plants	15.0%
	General canteen installations	8.0%
SPECIFIC INSTALLATIONS	Large specific installations	17.5%
	Production equipment	25.0%
	Specific power plant installations	9.0%
FURNACES	Furnaces	15.0%
EQUIPMENT	Power plant equipment	10.0%
	Plant equipment	25.0%
VEHICLES	Internal transport vehicles	20.0%
	Vehicles	25.0%
FURNITURE AND FURNISHINGS	Canteen furniture and furnishings	10.0%
	Office furniture and furnishings	12.0%
ELECTRONIC MACHINES	Electronic machines	20.0%

Newly acquired assets are depreciated from the financial year in which they are placed in the production process; for assets whose use began in the current financial year, the calculated depreciation coefficients have been reduced by half. Assets not yet completed or ready for use are classified under fixed assets under construction and advances. Minor equipment purchased during the year, also in view of its insignificance, has been depreciated at 100%. Tangible fixed assets are shown in the financial statements grouped by homogeneous categories. Tangible fixed assets are written down in the event of permanent impairment.

Financial fixed assets

These consist of various equity investments, financial receivables and deposits paid by the company, the latter valued at nominal value, considered representative of their presumed realisable value. Equity investments are recorded at purchase price or fair value at the time of incorporation, including any ancillary costs. If, in subsequent years, the conditions for impairment losses on financial assets no longer apply, a reversal of the impairment loss is made within the limits of the original recognised cost. Financial receivables are measured at amortised cost or nominal value when the effects of applying amortised cost are presumed to be immaterial and therefore when transaction costs, fees and other differences between initial value and maturity are not significant and also when the interest rates applied are not significantly different from market rates. Security deposits recorded as financial fixed assets are stated at nominal value. There are also shares in closed-end investment funds recorded at purchase cost, written down if necessary, in the event of permanent impairment in value.

Inventories

These consist of raw materials, ancillary and maintenance materials and finished goods. The valuation is carried out at the lower of weighted average purchase cost and

market value for raw materials, ancillary materials and maintenance, and at the lower of production cost and market value for finished products.

Receivables

Receivables are recognised in the financial statements according to the amortised cost method, taking into account the time factor, and the estimated realisable value. Specifically, the initial recognition value is represented by the nominal value of the receivable, net of all premiums, discounts and allowances, and including any costs directly attributable to the transaction that generated the receivable. Any transaction costs, commission income and/or expenses and any difference between initial value and nominal value at maturity are included in the calculation of amortised cost using the effective interest method. A specific provision for doubtful accounts is established to cover possible risks of insolvency, the adequacy of which is verified periodically and, in any case, at the end of each financial year, taking into consideration both the write-off situations that have already arisen or are considered probable, and the general economic, sector and country risk conditions. For short-term receivables (i.e. with a maturity of less than 12 months), the effects of potential divergence between the amortised cost valuation and the nominal value of the same receivables are assumed to be irrelevant, pursuant to Article 2423, paragraph 4 of the Italian Civil Code, always having regard to the actual estimated realisable value.

Derivative financial instruments

Derivative financial instruments are recognised from the date the contract is signed, from when the Company is subject to the related rights and obligations. Pursuant to Article 2426, paragraph 1, number 11-bis of the Italian Civil Code and Italian Accounting Body - OIC 32, derivative financial instruments, even if embedded in other financial instruments, are measured at fair value both at initial recognition and at each subsequent the end of the financial statements reporting period. The change in fair value with respect to the previous year

is recognised in the financial statements in a different manner depending on whether or not the derivative transaction qualifies as (and is effectively designated as) a financial risk hedge.

#### Transactions not qualifying (or not designated) as hedges

If the transaction does not qualify (or is not designated) as a hedge, changes in fair value are recognised on the income statement in Section D) "Value adjustments to financial assets and liabilities." Pursuant to Article 2426, paragraph 1, number 11-bis of the Italian Civil Code, profits arising from the valuation of derivative financial instruments not designated as hedges are set aside in non-distributable equity reserves.

#### Transactions qualifying (and designated) as hedges

The derivative is designated as a hedge if it meets all the requirements of Italian Accounting Body - OIC 32. The type of hedge adopted is intended to limit exposure to the risk of variability in cash flows attributable to a recognised asset or liability in the financial statements, firm commitments, or highly probable forecast transactions. The company initially recognises the cash flow hedging instrument, linked to a recognised asset or liability, an irrevocable commitment or a highly probable forecast transaction, in the balance sheet at fair value; changes in fair value are recognised with an offsetting entry in item A) VII "Reserve for expected cash flow hedges," in the latter case, for the hedging component considered effective, while for the ineffectiveness component, calculated for hedging relationships that do not qualify as simple, section D) of the income statement. The economic component is recognised during the term of the hedge and charged to revenues/expenses or financial income/expenses, depending on the risk hedged, for the share attributable to the financial year. At each financial year-end, the fair value attributed to the subscription is adjusted to the presumed realisable value.

#### Financial assets not constituting fixed assets

The financial receivables arising from the cash pooling relationship with subsidiaries were classified under item "C.III.7 Financial assets for centralised treasury

management" under Financial assets not constituting fixed assets in line with Italian Accounting Body - OIC 14.

#### Securities included in current assets

This category includes securities not intended to be held permanently by the Company.

Securities are stated at purchase or subscription cost, plus directly attributable ancillary costs or, if lower, at realisable value based on market trends. This lower value, if any, will not be maintained in subsequent financial statements if the relevant conditions are no longer met. Year-end valuation is carried out on a security-by-security basis.

#### Cash and cash equivalents

The item liquid assets includes only cash and cash equivalents, current accounts and short-term deposits readily convertible into cash for a known amount. These are recorded in the financial statements at their nominal value.

#### Accrued income and prepaid expenses

Accrued income and prepaid expenses include income pertaining to the financial year but payable in subsequent years and costs incurred before the end of the reporting period but pertaining to subsequent years. The valuation is carried out according to the accrual principle.

#### Provisions for risks and charges

These provisions include provisions not included in those adjusting asset items.

These consist of the Provision for Supplementary Agents' and Sales Representatives' Indemnity, determined in accordance with the law and current contracts, the Provision for deferred taxes, derivative Financial Instruments payable and other provisions detailed below. These are liabilities of certain or probable existence for which the amount and date of occurrence could not be determined at the date of the financial statements, formulated on estimates of contingencies based on the information available. The allocations reflect the best estimate that can be made on the basis of the available elements.

Risks for which the occurrence of a liability is only possible are disclosed in the explanatory notes, without making an allocation to a provision for risks and charges.

#### Employee severance indemnity

The item severance indemnity includes the amount employees would be entitled to receive in the event of termination of employment at the end of the financial statements reporting period.

The seniority indemnities constituting the aforementioned item, i.e., the accrual for the year and the annual revaluation of the pre-existing provision, are determined in accordance with the regulations in force. The severance indemnity is entered under item C of the liabilities and the related provision under item B9 of the income statement.

The amendments made to the TFR regulations by Law No. 296 of 27 December 2006 ("2007 Budget Law") and subsequent implementing Decrees and Regulations, modified the accounting criteria applied to the severance indemnities (TFR) accrued as at 31 December 2006, and those accruing as at 1 January 2007, inasmuch as with the establishment of the "Fund for the disbursement of severance indemnity to private sector employees pursuant to Article 2120 of the Italian Civil Code" (Treasury Fund managed by INPS on behalf of the State), employers with at least 50 employees are obliged to pay to said Treasury Fund the severance indemnity (TFR) accrued in respect of those employees who have not chosen to contribute their severance pay to a supplementary pension fund.

#### Payables

Payables are recognised in the financial statements according to the amortised cost method, taking into account the time factor, and the estimated realisable value. Specifically, the initial recognition value is the nominal value of the payable debt, net of transaction costs and all premiums, discounts and allowances directly resulting from the transaction that generated the debt. Any transaction costs, commission income and/or expenses and any difference between initial value and nominal value at maturity are included in the calculation of amortised cost using the effective interest

method.

For short-term payable debts (i.e. with a maturity of less than 12 months), as well as in any case for those in which transaction costs, commissions paid between the parties and any other difference between initial value and maturity value are insignificant, the effects of potential divergence between the amortised cost valuation and the nominal value of said debts are considered irrelevant, pursuant to Article 2423, paragraph 4 of the Italian Civil Code.

#### Accrued expenses and deferred income

The item accrued expenses and deferred income includes costs pertaining to the financial year that are payable in subsequent years and income incurred before the end of the reporting period but pertaining to subsequent years.

The valuation is carried out according to the accrual principle.

#### Criteria for conversion of values expressed in foreign currencies

During the year, monetary items denominated in foreign currencies were converted by applying the exchange rate of the day on which the receivable or payable arose. Exchange differences realised on the collection of receivables and the payment of payables in foreign currencies are recognised in the Income Statement. Assets and liabilities in foreign currencies, with the exception of financial assets, are converted at the exchange rate at the end of the reporting period, and the related exchange rate gains and losses are recognised in the Income Statement. Any net profit is set aside at the time of approval of the Financial Statements, for the portion not absorbed by any loss for the year, in a special reserve that cannot be distributed until the subsequent realisation.



Financial fixed assets, consisting of equity investments, which are recognised at cost in foreign currency, are recorded at the exchange rate at the time of their acquisition or at the lower rate at the end of the reporting period if the reduction is deemed to be permanent.

The table below shows the exchange rates used to translate balance sheet items in foreign currencies at year-end compared to the previous year.

Current year		Previous year
Currency	Actual exchange rate	Actual exchange rate
US dollar	1.03890	1.10500
Swiss franc	0.94120	0.92600
Pound sterling	0.82918	0.86905

Income Statement items

As mentioned above, it should be noted that, as at these financial statements, the company has applied accounting standard Italian Accounting Body - OIC 34 concerning the recognition and measurement of revenues. Positive and negative income components comply with the principles of prudence and accrual-based accounting in accordance with legal provisions. Revenue from sales of products is recognised at the time of transfer of ownership, which is normally identified with the transfer of risks or the delivery and shipment of goods. Revenue from services is recognised when the service is rendered, while revenue of a financial nature is recognised on an accrual basis. Similarly, purchase costs are recognised on the date of transfer of ownership, which for materials is normally identified with the transfer of risk or receipt of the goods. For services, this refers to their completion. Revenues and income, expenses and charges are shown net of returns, discounts and rebates.

Income Taxes

Income taxes have been determined on the basis of a prudent application of current legislation. Prepaid taxes are shown under item C II 4 ter “Credit for prepaid taxes” and deferred tax liabilities are shown under item B2 “Provision for taxes, including deferred taxes.” In the Income Statement, prepaid taxes and deferred taxes are shown under item “Income Taxes.” The company participates in the national tax consolidation scheme as a consolidated company. This regime allows IRES (Italian Corporate Income Tax) to be determined on a taxable basis corresponding to the algebraic sum of the positive and negative taxable amounts of the individual participating companies, jointly with the company Parsid S.p.A., the latter as consolidating company. The economic relations, as well as the mutual responsibilities and obligations, between the consolidating company and the subsidiary are defined in the specific Consolidation Rules for Parsid S.p.A. Group Companies.

Taxes payable are recognised under “Payables to parent companies” net of advances paid, withholding taxes incurred and, in general, tax credits. The item "Receivables from Parent Company" includes the receivable for compensation of the IRES (Italian Corporate Income Tax) loss or surplus that the consolidating company must pay to the company pursuant to the provisions of the consolidation agreement. During 2024, the tax consolidation was carried out by the Holding Company Parsid S.p.A. with the following companies: Acciaierie Venete S.p.A., Padana Rottami S.r.l., Centro Italiano Acciai S.r.l., Fin Steel S.r.l., Maltauro Rottami S.r.l., Esti S.r.l., Acciaierie Venete Energia S.r.l. and Valle Zignago S.r.l.

Our Company, as provided for by Italian Legislative Decree 209/2023, issued to implement the EU Directive No. 2523/2022, as from the tax period 2024, falls within the scope of application of the “Global Minimum Tax,” i.e. a global minimum taxation regime applicable to companies located in Italy that are part of a multinational or national group with annual revenues equal to or greater than €750 million, in order to guarantee a minimum tax level for large multinational or national groups of companies. The minimum level of taxation is achieved by the application of a supplementary tax (“Pillar Two OECD”) if the effective tax rate in each jurisdiction does not reach 15%. The necessary evaluations for the implementation of the procedures for the application of the regulations are underway. However, it should be noted that, based on the estimates made, the Group is not required to pay a supplementary tax for the year 2024.

Commitments, risks and guarantees  
Risks relating to guarantees granted, whether personal or collateral, for the debts of other parties have been disclosed in a specific section of the explanatory notes to the financial statements in an amount equal to the amount of the guarantee given. The criteria applied in the valuation of financial statement items are in accordance with Art. 2426 of the Italian Civil Code.

Other information

The specific sections of the explanatory notes to the financial statements illustrate the criteria used to implement Art. 2423, paragraph 4, in the event of non-compliance with detection, evaluation, submission and disclosure requirements, when such non-compliance would have an immaterial effect on the true and fair representation. The principles and recommendations published by the Organismo Italiano di Contabilità - Italian Accounting Body (OIC) have been observed in order to give a true and fair view of the financial position and results of operations for the year.

Other information

The Company, as required by Italian Legislative Decree No. 14/2019 (Corporate Crisis and Insolvency Code), adopts an organisational, administrative and accounting structure appropriate to the nature of the business also based on the timely detection of any business crisis and the taking of appropriate initiatives.



# EXPLANATORY NOTES, ASSETS

Fixed assets	82
Current assets	88
Accrued income and prepaid expenses	92



Fixed assets

Intangible fixed assets

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
1,897,047	1,536,877	360,170

Movements of intangible fixed assets  
(Ref. Art. 2427, first paragraph, No. 2, Italian Civil Code)

“**Start-up and expansion costs**” did not change in the financial year 2024 and are fully amortised.  
“**Industrial patents and use of intellectual property rights**” amount to €1,508,404. Increases amounted to €1,049,974, of which €816,658 related to investments for the year. These investments mainly concern developments on management information systems.  
“**Concessions, licences and trademarks**” amounted to €90,626. Increases amounted to €37,240.

The item “**Goodwill**,” is fully amortised and resulted from the merger by incorporation of BVS S.r.l. in 2019 (which included this accounting item originated from the acquisition of a business unit by BVS in 2018).  
“**Intangible fixed assets in progress and advances**” amounted to €155,592. In the financial year 2024, there were increases in the amount of €155,592 and transfers to other items for entry into service in the amount of €227,873.  
“**Other intangible fixed assets**” amounted to €142,425. In the financial year 2024, the increases amounted to €120,783, of which €118,079 related to investments in the financial year.

	Start-up and expansion costs	Industrial patents and use of intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Intangible fixed assets in progress and advances	Other	INTANGIBLE FIXED ASSETS
Initial historical cost	221,626	9,568,114	353,302	482,611	227,873	4,692,214	15,545,740
Provision for initial depreciation	(221,626)	(8,407,031)	(240,294)	(482,611)	-	(4,657,301)	(14,008,863)
Value at start of year	-	1,161,083	113,008	-	227,873	34,913	1,536,877
Acquisitions	-	816,658	37,240	-	155,592	118,079	1,127,569
Transfers from (a) other item (historical cost)	-	233,316	-	-	(227,873)	2,704	8,147
Retirements (historical cost)	(221,626)	(2,464,964)	(72,214)	-	-	(4,604,818)	(7,363,622)
Retirements (depreciation provision)	221,626	2,464,964	72,214	-	-	4,604,818	7,363,622
Depreciation	-	(702,653)	(59,622)	-	-	(13,272)	(775,547)
Final historical cost	-	8,153,124	318,328	482,611	155,592	208,179	9,317,834
Provision for final depreciation	-	(6,644,720)	(227,702)	(482,611)	-	(65,754)	(7,420,787)
Year-end value	-	1,508,404	90,626	-	155,592	142,425	1,897,047

Tangible fixed assets

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
273,927,359	247,088,765	26,838,594

Movements of intangible fixed assets

	Land and buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Intangible fixed assets in progress and advances	TANGIBLE FIXED ASSETS
Initial historical cost	164,041,191	472,957,823	10,685,385	10,207,848	30,334,219	688,226,466
Revaluations	29,111,975	117,902,179	-	5,531	-	147,019,685
Provision for initial depreciation	(109,843,319)	(461,582,516)	(8,775,222)	(7,956,329)	-	(588,157,386)
Value at start of year	83,309,847	129,277,486	1,910,163	2,257,050	30,334,219	247,088,765
Acquisitions	5,803,205	27,904,251	970,549	1,011,925	43,849,759	79,539,689
Transfers from (a) other item (historical cost)	5,909,963	13,455,500	92,102	202,097	(19,667,809)	(8,147)
Retirements (historical cost)	(319,899)	(8,564,241)	(97,781)	(556,218)	-	(9,538,139)
Retirements (revaluations)	-	(407,462)	-	-	-	(407,462)
Retirements (depreciation provision)	313,770	8,647,804	97,386	460,761	-	9,519,721
Depreciation	(7,004,592)	(43,694,638)	(966,601)	(601,237)	-	(52,267,068)
Final historical cost	175,434,460	505,753,333	11,650,255	10,865,652	54,516,169	758,219,869
Revaluations	29,111,975	117,494,717	-	5,531	-	146,612,223
Provision for final depreciation	(116,534,141)	(496,629,350)	(9,644,437)	(8,096,805)	-	(630,904,733)
Year-end value	88,012,294	126,618,700	2,005,818	2,774,378	54,516,169	273,927,359

“**Land and buildings**” are equal to €88,012,294. Total investments for the year under this item amounted to €11,713,168, of which €5,803,205 related to new acquisitions, and €5,909,963 related to the entry into service of assets classified as “Fixed assets under construction” in the previous year.

There were also disposals of almost fully depreciated assets with a historical cost of €319,899. “**Plant and equipment**” amounted to €126,618,700.

During the year, there was a total capital expenditure of €41,359,751, of which €27,904,251 related to new acquisitions and €13,455,500 related to transfers from fixed assets in progress existing in the previous year. New acquisitions (€27.9 million) mainly related to spare parts and improvements on the rolling mills

(€11.8 million), the three steel mills (€7.4 million) and new lifting equipment (€3.4 million). There were also disposals of almost fully depreciated assets with a historical cost of €8,564,241, assets that had been revalued by €407,462.



“**Industrial and Commercial Equipment**” amounted to €2,005,818.  
Total investments in this category amounted to €1,062,651, of which €970,549 related to new acquisitions and €92,102 related to transfers from fixed assets in progress in the previous year.  
Furthermore, there were also disposals of almost fully depreciated assets with a historical cost of €97,781.

The item “**Other Assets**” amounted to €2,774,378.  
Total increases in this category amounted to €1,214,022 for the year, of which €1,011,925 related to new acquisitions and €202,097 related to transfers from fixed assets in progress in the previous year.  
In the financial year 2024, there were also disposals of assets with a historical cost of €556,218.

“**Fixed assets in progress and advances**” amounted to €54,516,169.  
This item refers to amounts paid as advances for the supply of equipment.  
Increases for the financial year included in this category amount to €43,849,759 and refer to payments on account and advances on investments in progress, mainly related to the expansion of the Sarezzo rolling mill for the production of wire rods (€33.3 million).  
The item decreased by €19,667,809 due to the entry into operation of assets under the items “Buildings,” “Plant and Equipment,” “Industrial and Commercial Equipment” and “Other Assets.”  
For further details on the investments made, please refer to the section “Investments” in the Management Report.

[Total revaluations of tangible fixed assets at year-end](#)  
(Ref. Art. 2427, first paragraph, No. 2, Italian Civil Code)  
Pursuant to Article 10 of Law No. 72/1983, listed below are the tangible fixed assets recorded in the company's financial statements as at 31/12/2024 on which monetary revaluations and departures from civil law valuation criteria have been made.  
As already highlighted in the introduction to these explanatory notes, tangible fixed assets were revalued on the basis of laws (special, general or sector laws) and no discretionary or voluntary revaluations were carried out, with the revaluations carried out being limited to the objectively determined value in use of said fixed asset. Amounts are shown in thousands of euros.

Values in thousands of euros	Law 576/1975	Law 72/1983	Law 413/1991	Italian Legislative Decree 185/ 2008	Law 126/2020	Reallocation of merger deficit 1990	Reallocation of merger deficit 2009	Total revaluations made
Land and buildings	121	360	3,466	17,843	-	7,322	-	29,112
Plant and equipment	-	1,169	-	-	104,813	11,358	155	117,495
Other assets	6	-	-	-	-	-	-	6
Total	127	1,529	3,466	17,843	104,813	18,680	155	146,612

Assets still in the balance sheet are recorded at a net value not exceeding their year-end value, taking into account their economic usefulness for the company's operations.

Financial fixed assets

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
98,979,324	86,686,418	12,292,906

Changes in equity investments, other securities and derivative financial instruments assets

	Equity investments in subsidiaries	Equity investments in other companies	Total equity investments	Other securities
Value at start of year				
Cost	56,300,352	10,518,286	66,818,638	4,997,404
Provision for write-downs	-	(2,501,368)	(2,501,368)	-
Balance sheet value	56,300,352	8,016,918	64,317,270	4,997,404
Changes during the year				
Increases for acquisitions	10,000	-	10,000	3,268,873
Decreases due to disposals (at book value)	-	-	-	(1,909,768)
Write-downs during the year	-	(32,825)	(32,825)	-
Other changes	100,000	-	100,000	-
Total changes	110,000	(32,825)	77,175	1,359,105
Year-end value				
Cost	56,410,352	10,485,461	66,895,813	6,356,509
Provision for write-downs	-	(2,501,368)	(2,501,368)	-
Balance sheet value	56,410,352	7,984,093	64,394,445	6,356,509

Equity investments in subsidiaries

Changes in this item during 2024, summarised in the table, relate to:

- non-repayable payments of €100,000 to Acciaierie Venete Energia S.r.l. (the 100% share is now recognised in the financial statements for €200,000);
- the incorporation of the French company Ascoven Sas by paying €10,000 for 100% of the share capital. The company started its activity in 2024.

Shareholdings in other subsidiaries remained unchanged compared to the previous year.

Equity investments in other companies

The changes in this item in 2024, summarised in the table, refer entirely to the write-down of the entire stake held (€32,825) in Fari Intrapresa S.p.A.

Changes and maturity of non-current receivables

	Value at start of year	Changes during the year	Year-end value	Share due within the financial year	Share due beyond the financial year	Of which with residual maturity over 5 years
Non-current receivables from subsidiaries	5,000,000	1,250,000	6,250,000	5,125,000	1,125,000	-
Non-current receivables from others	12,371,744	9,606,626	21,978,370	9,052,000	12,926,370	-
Total non-current receivables	17,371,744	10,856,626	28,228,370	14,177,000	14,051,370	-



Non-current receivables refer to:

- €5,000,000 to an interest-bearing loan granted to the subsidiary Maltauro Rottami S.r.l.;
- €1,250,000 to an interest-bearing loan granted to the subsidiary Acciaierie Venete Energia Srl, of which €125,000 due within one year and €1,125,000 due after one year;
- €9,052,000, with expected maturity within 12 months, related to payments made in connection with ongoing negotiations for the acquisition of two companies. Reference may be made to the section

“Information on significant events occurring after the end of the financial year” for further details;

- €12,926,370, with a presumable duration of more than 12 months, consisting of deposits receivable on supply and service contracts for €114,909, receivables from Terna for advances on the Interconnector contract for €725,868, receivables from Terna for the Guarantee Fund for €6,787,358 and receivables from Metal Interconnector S.c.p.a. for non-interest-bearing loans for €5,298,235.

[Details of long-term equity investments in subsidiaries](#)

The following are details on equity investments in subsidiaries, pursuant to Art. 2427, paragraph 1, No. 5, Italian Civil Code, and on the basis of the relevant financial statements approved by the Board of Directors and/or Shareholders' Meetings, referring to the financial year ending 31 December 2024.

The purchase cost of the 60% shareholding in Setrans Srl (€12,510 thousand) is higher than the corresponding fraction of book net equity; the higher valuation of the shareholding is not considered representative of an impairment loss in consideration of the results achieved and expected results of the company.

	City, if in Italy, or foreign country	Tax Code (for Italian companies)	Capital in euros	Profit (Loss) for the last financial year in euros	Shareholders' equity in euros	Share held in euros	Share held in %	Book value or corresponding credit
A.V.E. - Acciaierie Venete Energia Srl	Padua - Riviera Francia 9	05455190289	100,000	(12,759)	180,184	180,184	100.00%	200,000
Centro Italiano Acciai Srl	Modena - Via P. Cavalli 35	01321520288	1,350,000	118,183	22,002,646	22,002,646	100.00%	697,994
Esti Srl	Idro (BS) - Via Baicc 5	01903150983	1,500,000	3,422,357	20,058,756	20,058,756	100.00%	9,112,075
Fin. Steel Srl	Padua - Riviera Francia 9	02006990283	10,000,000	125,407	34,011,760	34,011,760	100.00%	29,530,757
Maltauro Rottami Srl	Zanè (VI) - Via M. Pasubio 71	01873860249	500,000	1,260,842	11,237,427	9,102,316	81.00%	3,538,244
Padana Rottami Srl	Castelfranco Veneto (TV) - Via per S. Floriano 13	01348930262	3,500,000	3,675,312	42,916,680	42,916,680	100.00%	697,568
Setrans Srl	Brescia - Via S. Zeno 406	03026070171	1,000,000	876,634	15,554,156	9,332,494	60.00%	12,510,142
Ascoven Sas	Paris (FR) - Avenue Victor Hugo 71	-	10,000	-	10,000	10,000	100.00%	10,000
Venete Siderprodukte AG	Schlieren (CH) - Zürcherstrasse 39d	-	186,695	61,029	554,423	332,654	60.00%	113,572
Total								56,410,352

Details of equity investments in other companies

Shareholdings in other companies are shown below:

	Value at start of year	Increases	Decreases	Year-end value
C.E.I.P. Consortium Scarl	50,000	-	-	50,000
Conai Consortium	5	-	-	5
Geostorage Consortium	4,075	-	-	4,075
RFX Consortium	10,329	-	-	10,329
Tera Consortium	23,417	-	-	23,417
Fari Intrapresa Sociale SpA	32,825	-	(32,825)	-
Metal Interconnector ScpA	6,896,667	-	-	6,896,667
SBE Varvit SpA	999,600	-	-	999,600
Total	8,016,918	-	(32,825)	7,984,093

Value of financial assets

Other securities

The amount of €6,356,509 refers for €1,152 thousand to the subscription of an Italian closed-end investment fund called FSI Mid-Market Growth Equity Fund. The Fund's investment objective is to invest in Italian companies, mainly with an annual turnover between €100 and €1,000 million, with the aim of promoting and strengthening the growth of these companies, both through internal lines and through acquisitions. The Fund has a duration of 10 years, and Acciaierie Venete has committed to pay a total of €10 million, which will be requested by the manager according to the investment needs that will gradually accrue. During 2024, payments of €70 thousand were requested and a partial refund of €1,082 thousand was made. Another Italian closed-end investment fund named FSI Mid-Market Growth Equity Fund II was subscribed in 2022. During 2024, payments of €2,525 thousand were requested and a partial refund of €828 thousand was made. The remaining amount, equal to €1,758 thousand, refers to a further Italian closed-end investment fund, named Alcedo V. For this fund, Acciaierie Venete is committed to pay a total of €3 million; payments of €674 thousand were requested during 2024.

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
6,356,509	4,997,404	1,359,105



Current assets

Inventories

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
279,056,214	285,826,344	(6,770,130)

The valuation criteria adopted are unchanged from the previous year and explained in the first part of these Explanatory Notes.

The inventories as at 31/12/2024 were verified by means of a physical inventory under the supervision of the department heads. Inventories, valued at the lower of cost and market value, are valued using the weighted average cost method. The decrease is mainly due to the reduction in production compared to the previous year. It should be noted that the tests performed on product rotation did not reveal any obsolete materials.

	Value at start of year	Changes during the year	Year-end value
Raw, ancillary and consumable materials	62,047,483	(7,651,402)	54,396,081
Finished goods and merchandise	223,778,861	881,272	224,660,133
Total	285,826,344	(6,770,130)	279,056,214

Receivables recorded as current assets

Changes and maturity of receivables recorded as current assets

	Value at start of year	Changes during the year	Year-end value	Share due within the financial year	Share due beyond the financial year
Receivables from customers recorded as current assets	282,452,884	(34,317,627)	248,135,257	248,135,257	-
Receivables from subsidiaries recorded as current assets	42,942,927	(4,006,533)	38,936,394	38,936,394	-
Receivables from parent companies recorded as current assets	9,008,736	7,371,831	16,380,567	16,380,567	-
Tax credits recorded as current assets	7,809,702	6,532,993	14,342,695	12,823,995	1,518,700
Prepaid taxes recorded as current assets	1,687,955	793,516	2,481,471	-	-
Receivables from others recorded as current assets	54,098,319	(9,499,745)	44,598,574	44,598,574	-
Total receivables recorded as current assets	398,000,523	(33,125,565)	364,874,958	360,874,787	1,518,700

**Receivables from customers** amount to €248,135,257 and are stated at their estimated realisable value net of an adjustment provision. In the financial year 2024, €268,878 was utilised for doubtful accounts and no further provision for write-downs was set aside as the existing provision is sufficient. The decrease in receivables compared to the previous year is closely related to the decrease in revenue recorded in the year 2024. The provision for write-downs as at 31 December 2024 therefore amounts to €6,611,845.

	Value at start of year	Changes during the year	Year-end value
Receivables from customers	289,333,606	(34,586,504)	254,747,102
Provision for write-downs	(6,880,722)	268,877	(6,611,845)
<b>Total receivables from customers</b>	<b>282,452,884</b>	<b>(34,317,627)</b>	<b>248,135,257</b>

**Receivables from subsidiaries**, amounting to €38,936,394, consist of trade receivables for €30,822,643, interest accrued in the centralised treasury management system from Padana Rottami S.r.l. for €62,847 and from Centro Italiano Acciai S.r.l. for €19.603, from interest income accrued on the interest-bearing loan to the company Maltauro Rottami

for €3,695 and to the company Acciaierie Venete Energia S.r.l. for €27,395, from the receivables from the company Esti S.r.l. for uncollected dividends for €8,000,000, from the receivables for group VAT from the company Fin Steel S.r.l. for €211. They are broken down as follows:

	Trade receivables	Financial and other receivables	Total
Acciaierie Venete Energia Srl	-	27,395	27,395
Centro Italiano Acciai Srl	7,386,023	19,603	7,405,626
Esti Srl	5,538,344	8,000,000	13,538,344
Fin. Steel Srl	4,000	211	4,211
Maltauro Srl	48,823	3,695	52,518
Padana Rottami Srl	2,396,592	62,847	2,459,439
Setrans Srl	100,677	-	100,677
Venete Siderprodukte AG	15,348,184	-	15,348,184
<b>Total receivables from subsidiaries</b>	<b>30,822,643</b>	<b>8,113,751</b>	<b>38,936,394</b>

**Receivables from the parent company**, in the amount of €16,380,567, refer to trade receivables in the amount of €4,000 and the net receivable for IRES 2024 accrued in the context of the tax consolidation in the amount of €16,376,567. This receivable increased compared to the previous year mainly as a consequence of the remuneration of the 2024 tax loss as reported in the tax section below.

	Trade receivables	Other receivables	Total
Parsid SpA	4,000	16,376,567	16,380,567
<b>Total receivables from parent companies</b>	<b>4,000</b>	<b>16,376,567</b>	<b>16,380,567</b>



**Tax credits**, amounting to €14,342,695, are broken down as follows:

	Value at start of year	Changes during the year	Year-end value
Credits from the Italian Customs Agency for defiscalisation of diesel fuel	248,575	(87,713)	160,862
Credits from tax authorities for self-assessment of IRES (Italian Corporate Income Tax) by foreign subsidiaries	29,181	1,582	30,763
Credits from tax authorities for Ecobonus tax credits	-	7,920,000	7,920,000
Credits from tax authorities for investments in capital goods	1,743,653	1,398,455	3,142,108
Credits from tax authorities for energy savings	-	3,613	3,613
Credits from tax authorities for IRAP (Italian Regional Production Tax)	1,532,551	-	1,532,551
Credits from tax authorities for group VAT	1,199,056	(1,199,056)	-
Other tax credits	63,979	(29,881)	34,098
<b>Total tax credits within 12 months</b>	<b>4,816,995</b>	<b>8,007,000</b>	<b>12,823,995</b>
Credits from tax authorities for investments in capital goods	1,577,846	(1,398,455)	179,391
Credits from tax authorities for provisional registration on assessment	1,394,634	(71,939)	1,322,695
Credits from tax authorities for energy savings	20,227	(3,613)	16,614
<b>Total tax credits beyond 12 months</b>	<b>2,992,707</b>	<b>(1,474,007)</b>	<b>1,518,700</b>
<b>Total tax credits</b>	<b>7,809,702</b>	<b>6,532,993</b>	<b>14,342,695</b>

Credits for investments in capital goods are broken down as follows:

- 1) credit for investments in ordinary assets provided for by Law 160/2019 and accounted for in 2020, with a residual amount of €48,000, an amount that can be fully offset within the next financial year);
- 2) credit for 4.0 assets provided for by Law 160/2019 and accounted for in 2021, with a residual amount of €538,173 (of which €358,782 can be offset within the next financial year, and €179,391 can be offset beyond the next financial year);
- 3) credit for ordinary assets provided for by Law 178/2020 and accounted for in 2022, with a total and residual amount of €40,000, an amount that can be fully offset within the next financial year;
- 4) credit for 4.0 assets provided for by Law 178/2020 and accounted for in 2023, with a total and residual amount of €2,695,326, amount that can be fully offset within the next financial year.

The IRAP (Italian Regional Production Tax) credit of €1,532,551 refers to the residual IRAP 2023 credit as at 31/12/2024.

Credits from the tax authorities of €1,322,695 refer to payments made in 2023 for provisional registration on contested assessments relating to 2013 and 2014 (litigation pending in the Court of Cassation); in 2024, the amount of €71,939 was reversed due to the settlement of the 2016 VAT litigation.

The credit from the tax authorities for Ecobonus tax credits of €7,920,000 refers to tax credits acquired in 2024 from Banca Intesa to be used in 2025.

Other tax credits refer to tax credits of various types. The **credit from prepaid taxes**, amounting to €2,481,471 refers to taxes calculated on the following items deductible in future years starting from 2025:

	Taxable income at the beginning of the year	Prepaid taxes at the beginning year	Effect on Income Statement	Taxable income at year-end	Prepaid taxes at year-end
Provision for Supplementary Agents' and Sales Representatives' Indemnity	95,971	26,776	-	95,971	26,776
Amortisation of goodwill	321,741	89,766	(7,481)	294,929	82,285
Amortisation on revaluation deductible in future years	3,554,206	991,623	-	3,554,206	991,623
Provision for environmental risks and charges	433,690	121,000	(121,000)	-	-
Provision for risks from claims	507,500	141,593	(13,950)	457,500	127,643
Provisions for risks on receivables - taxed	918,293	220,390	921,154	4,756,434	1,141,544
Provision for legal fees	328,990	91,788	19,812	400,000	111,600
Net foreign exchange conversion losses	20,909	5,019	(5,019)	-	-
<b>Total</b>		<b>1,687,955</b>	<b>793,516</b>		<b>2,481,471</b>

Receivables from others, amounting to €44,598,574, are broken down as follows:

	Value at start of year	Changes during the year	Year-end value
Advances to suppliers	808,778	(492,646)	316,132
Amounts due from employees	64,985	3,107	68,092
Receivables from social security institutions	848,220	177,986	1,026,206
Receivables from insurance companies for reimbursements on claims	-	4,155,303	4,155,303
Receivables from third parties for dividends	-	16,900	16,900
Certificates of Deposit	52,350,000	(13,350,000)	39,000,000
Other receivables	26,335	(10,394)	15,941
Other receivables within 12 months	54,098,318	(9,499,744)	44,598,574
Total other receivables	54,098,318	(9,499,744)	44,598,574

As at 31/12/2024, the company held bank deposit certificates in the amount of €39,000,000, reduced in comparison with the previous year, which are entered under “receivables from others,” in compliance with the requirement of Italian Accounting Body - OIC 14.

Breakdown of receivables recorded as current assets by geographical area  
The breakdown of receivables as at 31/12/2024 by geographical area is shown in the table below (Article 2427, paragraph 1, No. 6, Italian Civil Code).

	Value at start of year	Changes during the year	Year-end value
Italy	269,617,554	(31,743,722)	237,873,832
EU	14,211,086	(1,162,133)	13,048,953
Non-EU	5,504,967	(1,680,650)	3,824,317
Total receivables from customers	289,333,607	(34,586,505)	254,747,102
Italy	21,310,293	2,277,917	23,588,210
Non-EU	21,632,634	(6,284,450)	15,348,184
Total receivables from subsidiaries	42,942,927	(4,006,533)	38,936,394
Italy	9,008,736	7,371,831	16,380,567
Total receivables from parent companies	9,008,736	7,371,831	16,380,567

Financial assets not constituting fixed assets

Changes in financial assets not constituting fixed assets

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
165,268,145	158,186,200	7,081,945

	Value at start of year	Changes during the year	Year-end value
Financial derivative assets	2,054,460	(741,430)	1,313,030
Other non-current securities	131,648,699	15,686,458	147,335,157
Financial assets for centralised treasury management	24,483,041	(7,863,083)	16,619,958
Total	158,186,200	7,081,945	165,268,145

Financial derivative assets

The item “Derivative financial instruments assets” includes the full amount of €1,313,030 for the fair value of the hedging contract on the purchase of electricity. The fair value is calculated based on the forward prices recorded at the end of 2024 for electricity, with an offsetting entry in the equity item “Reserve for expected cash flow hedging transactions,” net of tax effect. The information on derivative financial instruments is reported below in the appropriate paragraph.

Other securities

The amount as at **31/12/2024** is €147,335,157. The company maintained the diversification of treasury investments in this financial year as well. As at 31/12/2024, total financial instruments amounted to €150 million, of which €55 million in a bond portfolio of 35 securities with an average maturity of 4.71 years and a BBB average rating; €59.3 million in investment fund units, €24.9 million in Credit Linked Certificates, €2.5 million in Certificates with underlying shares, €7.7 million in insurance policies, and €601 thousand in other types of investments. As at 31 December 2024, there was an improvement in prices and this allowed for a reduction of €1,966,583 in the provision for write-down of securities based on a comparison between the carrying value and the market value at the end of the financial year; as at 31/12/2024, a provision for write-down of securities of €2,695,851 was in place to cover the lower market value of securities at year-end compared to their purchase cost.



Financial assets for centralised treasury management

As at 31/12/2024, the following amounts were recorded for receivables from subsidiaries related to centralised treasury management:

	Value at start of year	Changes during the year	Year-end value
Receivables from Padana Rottami Srl for cash pooling	19,392,393	(7,363,277)	12,029,116
Receivables from Centro Italiano Acciai Srl for cash pooling	5,090,647	(499,805)	4,590,842
<b>Financial assets for centralised treasury management</b>	<b>24,483,040</b>	<b>(7,863,082)</b>	<b>16,619,958</b>

The change from the previous year is closely related to the financial needs of the various group companies.

Cash and cash equivalents

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
173,326,315	170,771,284	2,555,031

	Value at start of year	Changes during the year	Year-end value
Bank and postal deposits	170,766,348	2,553,023	173,319,371
Cash and cash equivalents	4,935	2,009	6,944
<b>Total liquid assets</b>	<b>170,771,283</b>	<b>2,555,032</b>	<b>173,326,315</b>

Bank deposits include short-term deposit accounts for €67.5 million, readily releasable at the company's request, with the only penalty being the rate.

Reference may be made to the cash flow statement for further information on changes in cash and cash equivalents.

Accrued income and prepaid expenses

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
4,542,253	4,303,398	238,855

The composition and changes in the individual items are shown below:

	Value at start of year	Changes during the year	Year-end value
Accrued income	3,438,357	228,463	3,666,820
Prepaid expenses	865,041	10,392	875,433
<b>Total accrued income and prepaid expenses</b>	<b>4,303,398</b>	<b>238,855</b>	<b>4,542,253</b>

Accrued income and prepaid expenses are broken down as follows

	Value at start of year	Changes during the year	Year-end value
Interest income on current accounts, securities and time deposits	3,396,036	269,695	3,665,731
Other accrued income	42,321	(41,232)	1,089
<b>Total accrued income</b>	<b>3,438,357</b>	<b>228,463</b>	<b>3,666,820</b>
Service fees and leases	353,938	38,360	392,298
Fees on bank and insurance guarantees	65,317	(12,555)	52,762
Insurance premiums	114,915	(114,915)	-
EUA emission allowances for subsequent years	274,521	76,270	350,791
Other prepaid expenses	56,350	23,232	79,582
<b>Total prepaid expenses</b>	<b>865,041</b>	<b>10,392</b>	<b>875,433</b>
<b>Total accrued income and prepaid expenses</b>	<b>4,303,398</b>	<b>238,855</b>	<b>4,542,253</b>

All of the above-stated amounts are expected to be due within twelve months, with the exception of prepayments on guarantees in the amount of €39 thousand and

others of various kinds in the amount of €14 thousand. No amount has a duration greater than five years.

# EXPLANATORY NOTES, LIABILITIES AND SHAREHOLDERS' EQUITY

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Shareholders' equity

Changes in equity items

Shareholders' equity at year-end was €1,001,367,548. The shareholders' meeting of 10 January 2024 approved the distribution of reserves (retained earnings) in the amount of €14,175,000.

The shareholders' meeting of 21 June 2024 resolved to allocate the profit for the financial year 2023 of €92,407,308 as follows:

- €4,625,000 to increase the Legal Reserve,
- €70,142,308 to retained earnings,
- €17,640,000 to Dividends.

In addition, the amount of the Reserve for Expected Cash Flow Hedging Transactions, which amounted to €946,695 as at 31/12/2024, was adjusted in the equity reserves. The reserve represents the fair value, net of related deferred taxes, of the hedging derivative contract on the purchase of electricity. The fair value is calculated based on the forward prices recorded at the end of 2024 for electricity, with an offsetting entry in Current Assets item C III 5) Derivative financial instruments assets.

Changes in the reserve, as required by Article 2427-bis, paragraph 1 of the Italian Civil Code, as well as Italian Accounting Body - OIC 32, are shown below.

Reserve for expected cash flow hedging transactions	
Value at start of year	1,481,265
Changes during the year	
Increase due to change in fair value	-
Decrease due to change in fair value	(741,430)
Deferred tax effect	206,860
Year-end value	946,695

The detailed description of the derivatives is highlighted in the specific paragraph below.

The following tables show the changes in the individual items making up the Shareholders' Equity during the year:

	Value at start of year	Allocation of operating result for the previous year		Other changes			Operating result	Year-end value
		Allocation of dividends	Other destinations	Increases	Decreases	Reclassifications		
Capital	126,000,000	-	-	-	-	-		126,000,000
Revaluation reserves	39,131,300	-	-	-	-	-		39,131,300
Legal reserve	12,600,000	-	4,625,000	-	-	-		17,225,000
<b>Other reserves</b>								
Extraordinary reserve	-	-	-	-	-	(1)		(1)
Merger surplus reserve	13,336,256	-	-	-	-	-		13,336,256
<b>Total other reserves</b>	13,336,256	-	-	-	-	(1)		13,336,255
Reserve for expected cash flow hedging transactions	1,481,265	-	-	-	(534,570)	-		946,695
Profits (losses) carried forward	742,563,273	-	70,142,308	-	(14,175,000)	-		798,530,581
Profit (loss) for the year	92,407,308	(17,640,000)	(74,767,308)	-	-	-	6,197,717	6,197,717
<b>Total</b>	<b>1,027,519,402</b>	<b>(17,640,000)</b>	<b>-</b>	<b>-</b>	<b>(14,709,570)</b>	<b>(1)</b>	<b>6,197,717</b>	<b>1,001,367,548</b>



For the purpose of a better understanding of the changes in shareholders' equity, the changes in the previous year of the shareholders' equity items are shown below:

	Value at start of year	Allocation of operating result for the previous year		Other changes			Operating result	Year-end value
		Allocation of dividends	Other destinations	Increases	Decreases	Reclassifications		
Capital	63,000,000	-	-	63,000,000	-	-		126,000,000
Revaluation reserves	102,131,300	-	-	-	(63,000,000)	-		39,131,300
Legal reserve	12,600,000	-	-	-	-	-		12,600,000
Other reserves								
Extraordinary reserve	(1)	-	-	-	-	1		-
Merger surplus reserve	13,336,256	-	-	-	-	-		13,336,256
Reserve for foreign exchange gains	65,696	-	(65,696)	-	-	-		-
Total other reserves	13,401,951	-	(65,696)	-	-	1		13,336,256
Reserve for expected cash flow hedging transactions	5,906,865	-	-	-	(4,425,600)	-		1,481,265
Profits (losses) carried forward	543,747,517	-	198,815,756	-	-	-		742,563,273
Profit (loss) for the year	213,555,060	(14,805,000)	(198,750,060)	-	-	-	92,407,308	92,407,308
Total	954,342,693	(14,805,000)	-	63,000,000	(67,425,600)	1	92,407,308	1,027,519,402

Availability and use of shareholders' equity

Shareholders' equity items are broken down as follows according to their origin, possibility of use, distributability and use in the previous three financial years (Article 2427, first paragraph, No. 7-bis, Italian Civil Code)

	Amount	Origin/ nature	Possibility of use	Available quota	Summary of uses in the three previous years	
					to cover losses	for other reasons
Capital	126,000,000	Capital	B	-	-	-
Share premium reserve	-			-	-	-
Revaluation reserves	39,131,300	Capital	A-B-C	39,131,300	-	63,000,000
Legal reserve	17,225,000	Profits	B	17,225,000	-	-
Statutory reserves	-			-	-	-
Other reserves						
Extraordinary reserve	(1)			-	-	-
Merger surplus reserve	13,336,256	Profits	A-B-C	13,336,256	-	-
Reserve for foreign exchange gains	-		A-B	-	-	-
Total other reserves	13,336,255			13,336,256	-	-
Reserve for expected cash flow hedging transactions	946,695	Capital		-	-	-

	Amount	Origin/ nature	Possibility of use	Available quota	Summary of uses in the three previous years	
					to cover losses	for other reasons
Profits (losses) carried forward	798,530,581	Profits	A-B-C	798,530,581	-	65,079,000
Loss replenished during the year	-			-	-	-
Negative reserve for treasury shares in portfolio	-			-	-	-
Total	995,169,831			868,223,137	-	128,079,000
Non- distributable quota				17,225,000		
Residual distributable quota				850,998,137		

Legend: A: for capital increase B: to cover losses C: for distribution to shareholders D: for other statutory restrictions E: other

The residual revaluation reserve under Law 126/2020, totalling €39,131,300, may be distributed to shareholders in accordance with the provisions of the second and third paragraphs of Article 2445 of the Italian Civil Code. With regard to the possible utilisation of the revaluation reserve to cover losses, no distribution of profits may be made in the financial years following such utilisation until the revaluation reserve has been reinstated or reduced by a corresponding amount by

resolution of the extraordinary shareholders' meeting. If allocated to shareholders, this reserve contributes to the company's taxable income pursuant to Article 13, paragraph 3, of Law 342/2000. Please note that the above-stated restrictions also apply to the amount of €63,000,000 of revaluation reserve under Law 126/2020 charged to a share capital increase in 2023.



Provisions for risks and charges

(Ref. Art. 2427, first paragraph, No. 4, Italian Civil Code)

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
3,755,053	4,955,947	(1,200,894)

	Provision for pensions and similar obligations	Provision for taxes, including deferred taxes	Derivative financial instruments liabilities	Other funds	Total provisions for risks and charges
Value at start of year	647,268	2,744,033	294,466	1,270,180	4,955,947
Changes during the year					
Provision during the year	275,534	-	-	214,705	490,239
Use during the year	(486,005)	(283,277)	(294,466)	(627,385)	(1,691,133)
Total changes	(210,471)	(283,277)	(294,466)	(412,680)	(1,200,894)
Year-end value	436,797	2,460,756	-	857,500	3,755,053

**B1) Provision for pensions and similar obligations**  
The amount of €436,797 includes only the Provision for Supplementary Agents' and Sales Representatives' Indemnity, as provided for by law and by the current Contract for Agents and Sales Representatives. In the financial year 2024, there was a provision of €275,534 and a utilisation of €486,005.

**B2) Provision for taxes, including deferred taxes**  
The amount of €2,460,756 refers to:  
**B2-1) Provision for taxes on disputes €1,826,033**  
In the financial year 2024, this provision was utilised in the amount of €80,441 for the settlement of the 2016 VAT dispute.

The residual provision is allocated to cover risks arising from a 2013/2014 IRES/IRAP dispute for which the company has filed an appeal with the Court of Cassation against an unfavourable ruling by the Court of Justice of Second Instance of Venice.  
It should be noted that on the assets side, tax credits include payments made for the provisional registration of this litigation for a total amount of €1.322.695.  
**B2-2) Deferred taxes €634,722**  
The provision is related to deferred taxes on capital gains instalments from 2021 to 2022, the taxable portion related to dividends not collected in 2024, and the fair value related to hedging derivatives, to be taxed in future years. As at 31/12/2024, the provision for deferred taxes was made up as follows:

	Taxable income at the beginning of the year	Deferred taxes at the beginning year	Effect on Income Statement	Effect to Sharehold-ers' equity	Taxable income at year-end	Deferred taxes at year-end
Capital gains to be taxed	1,101,517	264,364	(92,180)	-	717,432	172,184
Unclaimed dividends	-	-	96,203	-	400,845	96,203
Fair value of cash flow hedging derivatives	2,054,460	573,195	-	(206,860)	1,313,030	366,335
Total		837,559	4,023	(206,860)		634,722

**B3) Derivative financial instruments liabilities**  
The item "Derivative financial instruments liabilities" relating to the fair value of Euro/Dollar exchange rate derivatives was written off in the financial year 2024 as the related derivative was settled in early 2024.

**B4) Provisions for future risks and charges**  
The amount of €857,500 includes:  
- a provision for litigation risks of €400,000 set aside for charges arising from pending lawsuits or penalties for which an outlay is expected. During 2024, the provision was utilised for €143,695 and a further provision of €214,705 was set aside;

- a provision for risks from claims of €457,500 set aside against possible charges related to claims borne by the Company, for the portion not covered by insurance policies. During the course of 2024, the provision was utilised in the amount of €50,000 while no further provision was set aside.  
  
It should be noted thatthe provision for environmental risks and charges allocated in previous years for the expected costs of disposal and screening of ferrous and non-ferrous material was fully utilised (for €433,690) in the financial year 2024, and no further provision was allocated.

## Employee severance indemnity

(Ref. Art. 2427, first paragraph, No. 4, Italian Civil Code)

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
4,003,271	4,397,117	(393,846)

The provision for severance indemnities existing at year-end, as a result of the implementation of the reform of the supplementary pension schemes provided for by Italian Legislative Decree No. 252/2005, and subsequent amendments introduced by Law No. 296/2006, represents the entire liability accrued as at 31/12/2006 towards employees in accordance with current legislation and collective labour and supplementary

company agreements, revalued until 31/12/2024 in accordance with the law and shown net of the substitute tax on revaluations, pursuant to Art. 11, paragraph 3 and 4, Italian Legislative Decree No. 47/2000. In the financial year 2024, the company paid the amount of €4,371,082 to the supplementary pension schemes and the Treasury Fund. The composition and changes in the individual items are shown below:

Employee severance indemnity	
Value at start of year	4,397,117
Changes during the year	
Provision during the year	408,136
Use during the year	(801,982)
Total changes	(393,846)
Year-end value	4,003,271

## Payables

(Ref. Art. 2427, first paragraph, No. 4, Italian Civil Code)

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
349,142,303	311,127,093	38,015,210

### Changes and maturity of payables

	Value at start of year	Changes during the year	Year-end value
Payables to banks	54,368,049	22,025,688	76,393,737
Advances	1,173,326	(295,860)	877,466
Payables to suppliers	136,897,138	18,525,634	155,422,772
Payables to subsidiaries	90,479,216	(4,245,179)	86,234,037
Payables to parent companies	1,405,850	(955,050)	450,800
Tax liabilities	3,918,355	484,938	4,403,293
Payables to social security and welfare institutions	7,848,185	386,248	8,234,433
Other payables	15,036,974	2,088,791	17,125,765
Total	311,127,093	38,015,210	349,142,303



**Payables to banks**, amounting to €76,393,737, are broken down as follows:  
**Payables to banks within 12 months:** €37,940,052 comprising €37,937,404 for the portion due by 31/12/2025 of loans and €3 thousand for credit card debt.

	Value at start of year	Changes during the year	Year-end value
Payables to banks for credit cards	9,238	(6,590)	2,648
<b>Payables to banks for current accounts</b>	<b>9,238</b>	<b>(6,590)</b>	<b>2,648</b>
Credito Emiliano	69,907	(69,907)	-
Monte dei Paschi di Siena	-	20,000,000	20,000,000
<b>Short-term loans</b>	<b>69,907</b>	<b>19,930,093</b>	<b>20,000,000</b>
Cassa Depositi e Prestiti	11,428,571	-	11,428,571
Credito Emiliano	-	2,346,043	2,346,043
Deutsche Bank	4,161,549	1,241	4,162,790
Mediocredito Italiano	2,307,692	(2,307,692)	-
<b>Medium/long-term loans due within 12 months</b>	<b>17,897,812</b>	<b>39,592</b>	<b>17,937,404</b>
<b>Total payables to banks within 12 months</b>	<b>17,976,957</b>	<b>19,963,095</b>	<b>37,940,052</b>

**Payables to banks beyond 12 months:** €38,453,685  
Bank payables due beyond 12 months relate to the medium/long-term portion of loans with credit institutions described in the table below; it should be noted that the interest applied is variable and linked to 3/6-month Euribor.

	Activation date	Maturity date	Original debt	Residual debt	Portion due within 12 months	Portion due beyond 12 months
Cassa Depositi e Prestiti	22/09/2022	22/09/2026	40,000,000	22,857,142	11,428,571	11,428,571
Credem	15/04/2024	15/04/2029	20,000,000	20,000,000	2,346,043	17,653,957
Deutsche Bank	24/03/2022	22/03/2028	25,000,000	13,533,947	4,162,790	9,371,157
<b>Total</b>			<b>85,000,000</b>	<b>56,391,089</b>	<b>17,937,404</b>	<b>38,453,685</b>

The Deutsche Bank loan activated in 2022 and with a term of 6 years, has a residual debt as at 31/12/2024 of €13,533,947, of which €4,162,790 matures by 2025 and €9,371,157 matures between 2026 and 2028. The Cassa Depositi e Prestiti loan activated in 2022 and with a term of 4 years, has a residual debt as at 31/12/2024 of €22,857,142, of which €11,428,571 matures by 2025 and €11,428,571 matures in 2026. The Credem loan activated in 2024 and with a term of 5 years, has an original and residual debt as at

31/12/2024 of €20,000,000, of which €2,346,043 matures by 2025 and €17,653,957 matures between 2026 and 2029. Payables due to banks increased overall compared to the previous year as a result of the financial dynamics of the company and the entire group in the context of the centralised treasury management relationship previously commented. It should be noted, however, that the company's financial position remains positive and therefore extremely solid.

**Payables to suppliers** amounted to €155,422,772, an increase over the previous year due to normal industry dynamics.

**Payables to subsidiaries**, in the amount of €86,234,037, include €72,234,182 trade payables and €13,742,102 financial payables. The breakdown by company is as follows:

	Trade payables	Financial payables	Other payables	Total
Acciaierie Venete Energia Srl	26,974	-	-	26,974
Centro Italiano Acciai Srl	94	-	133,769	133,863
Esti Srl	4,028	13,737,020	-	13,741,048
Fin. Steel Srl	125,000	-	-	125,000
Maltauro Rottami Srl	17,984,283	-	-	17,984,283
Padana Rottami Srl	47,878,638	5,082	121,119	48,004,839
Setrans Srl	6,194,494	-	-	6,194,494
Valle Zignago Srl	-	-	2,865	2,865
Venete Siderprodukte AG	20,671	-	-	20,671
<b>Total payables to subsidiaries</b>	<b>72,234,182</b>	<b>13,742,102</b>	<b>257,753</b>	<b>86,234,037</b>

Other payables to subsidiaries refer entirely to group VAT payables.

**Payables to parent companies**, amounting to €450,800 are broken down as follows:

	Trade payables	Other payables	Total
Parsid SpA	-	450,800	450,800
<b>Total payables to parent companies</b>	<b>-</b>	<b>450,800</b>	<b>450,800</b>

Payables to the parent company Parsid S.p.a. refer entirely to the payables for dividends approved by resolution but not yet paid as at 31/12/2024.

**Tax liabilities**, of €4,403,293 are broken down as follows:

	Value at start of year	Changes during the year	Year-end value
Payables to tax authorities for group VAT	-	390,450	390,450
Payables to tax authorities for withholding tax	3,913,701	92,328	4,006,029
Other tax liabilities	4,654	2,160	6,814
<b>Total tax liabilities</b>	<b>3,918,355</b>	<b>484,938</b>	<b>4,403,293</b>

**Payables to social security and welfare institutions**, amounting to €8,234,433 consist of:

	Value at start of year	Changes during the year	Year-end value
Payables to social security institutions for contributions	7,170,453	324,880	7,495,333
Payables to INAIL	126,772	(126,772)	-
Payables to INPS for employee severance pay	-	75,683	75,683
Other payables to social security institutions	550,960	112,457	663,417
<b>Total payables to social security institutions</b>	<b>7,848,185</b>	<b>386,248</b>	<b>8,234,433</b>

The **other payables**, amounting to €17,125,765 consist of:

	Value at start of year	Changes during the year	Year-end value
Amounts due to employees for wages and salaries	3,571,401	(35,673)	3,535,728
Amounts due to employees for deferred wages and salaries	11,115,599	910,346	12,025,945
Payables to INPS and other institutions	229,318	(38,367)	190,951
Payables to Board of Directors and Board of Statutory Auditors	65,520	-	65,520
Other payables	55,138	1,252,483	1,307,621
<b>Total other payables</b>	<b>15,036,976</b>	<b>2,088,789</b>	<b>17,125,765</b>

**Payables - Distinguished by maturity**

The following is a breakdown of payables by due date, pursuant to Art. 2427, paragraph 1, No. 6, Italian Civil Code

	Value at start of year	Changes during the year	Year-end value	Share due within the financial year	Share due beyond the financial year	Of which with residual maturity over 5 years
Payables to banks	54,368,049	22,025,688	76,393,737	37,940,052	38,453,685	-
Advances	1,173,326	(295,860)	877,466	877,466	-	-
Payables to suppliers	136,897,138	18,525,634	155,422,772	155,422,772	-	-
Payables to subsidiaries	90,479,216	(4,245,179)	86,234,037	86,234,037	-	-
Payables to parent company	1,405,850	(955,050)	450,800	450,800	-	-
Tax liabilities	3,918,355	484,938	4,403,293	4,403,293	-	-
Payables to social security and welfare institutions	7,848,185	386,248	8,234,433	8,234,433	-	-
Other payables	15,036,974	2,088,791	17,125,765	17,125,765	-	-
<b>Total payables</b>	<b>311,127,093</b>	<b>38,015,210</b>	<b>349,142,303</b>	<b>310,688,618</b>	<b>38,453,685</b>	<b>-</b>

All payables shown on the liability side of the balance sheet are short-term, with the exception of the long-term portion of bank payables. There are no payables with maturity exceeding five years.



Breakdown of payables by geographical area

The breakdown of payables to suppliers, to subsidiaries and to the parent company as at 31/12/2024 by geographical area is shown in the table below (Article 2427, paragraph 1, No. 6, Italian Civil Code).

	Value at start of year	Changes during the year	Year-end value
Italy	123,275,116	20,626,632	143,901,748
EU	10,742,103	(1,764,638)	8,977,465
Non-EU	2,879,919	(336,360)	2,543,559
<b>Total payables to suppliers</b>	<b>136,897,138</b>	<b>18,525,634</b>	<b>155,422,772</b>
Italy	90,460,807	(4,247,441)	86,213,366
Non-EU	18,409	2,262	20,671
<b>Total payables to subsidiaries</b>	<b>90,479,216</b>	<b>(4,245,179)</b>	<b>86,234,037</b>
Italy	1,405,850	(955,050)	450,800
<b>Total payables to parent companies</b>	<b>1,405,850</b>	<b>(955,050)</b>	<b>450,800</b>

Payables secured by collateral on corporate assets

No payables are secured by collateral on corporate assets.

Accrued expenses and deferred income

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
3,603,440	4,400,249	(796,809)

	Value at start of year	Changes during the year	Year-end value
Accrued expenses	106,781	111,266	218,047
Deferred income	4,293,468	(908,075)	3,385,393
<b>Total accrued expenses and deferred income</b>	<b>4,400,249</b>	<b>(796,809)</b>	<b>3,603,440</b>

This item is broken down as follows (Article 2427, first paragraph, No. 7, Italian Civil Code)

	Value at start of year	Changes during the year	Year-end value
Interest payable and bank fees	82,744	129,507	212,251
Other accrued expenses	24,037	(18,241)	5,796
<b>Total accrued expenses</b>	<b>106,781</b>	<b>111,266</b>	<b>218,047</b>
Tax credit for capital expenditure in future financial years	4,293,468	(908,075)	3,385,393
<b>Total deferred income</b>	<b>4,293,468</b>	<b>(908,075)</b>	<b>3,385,393</b>
<b>Total accrued expenses and deferred income</b>	<b>4,400,249</b>	<b>(796,809)</b>	<b>3,603,440</b>

The presumed duration of accrued expenses and deferred income is greater than twelve months for €2,502,318, of which €9,444 has a duration greater than five years.

# EXPLANATORY NOTES, INCOME STATEMENT

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Value of production

Before analysing the individual items, please note that comments and additional information concerning the nature of the economic activity carried out, the economic performance for the year, events subsequent to the date of the financial statements, relations with subsidiary, associated, parent and affiliated companies, and the outlook for operations, are set forth in the Management report, prepared pursuant to Art. 2428 of the Italian Civil Code.

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
1,157,586,344	1,324,809,664	(167,223,320)

	Current financial year	Previous financial year	Change	Change %
1) Revenues from sales and services	1,094,139,598	1,306,410,012	(212,270,414)	-16.25%
2) Change in inventories of work in progress, semi-finished and finished products	881,272	(42,237,843)	43,119,115	-102.09%
3) Change in contract work in progress	-	-	-	-
4) Increases in fixed assets for internal work	20,402	154,366	(133,964)	-86.78%
5) Other revenues and income	62,545,072	60,483,129	2,061,943	3.41%
Total Value of Production	1,157,586,344	1,324,809,664	(167,223,320)	-12.62%

Breakdown of revenues from sales and services by category of activity

(Ref. Art. 2427, first paragraph, No. 10, Italian Civil Code)  
Revenues from sales and services (item A1), amounting to €1,094,139,598, are broken down as follows:

	Current financial year	Previous financial year	Change	Change %
Gross sales revenue from steel	1,085,748,551	1,300,411,537	(214,662,986)	-16.51%
Gross sales revenue from processing waste and scrap sales	10,443,738	10,116,975	326,763	3.23%
Variable fees	(2,052,691)	(4,118,500)	2,065,809	-50.16%
Total revenues from sales and services	1,094,139,598	1,306,410,012	(212,270,414)	-16.25%



Breakdown of revenues from sales and services by geographical area

(Ref. Art. 2427, first paragraph, No. 10, Italian Civil Code)  
The geographical breakdown of the turnover in 2024 is as follows:

	Current financial year	Ratio	Previous financial year	Ratio	Change	Change %
Italy	813,971,864	74.39%	979,963,557	75.01%	(165,991,693)	-16.94%
EU	252,055,398	23.04%	292,170,050	22.36%	(40,114,652)	-13.73%
Germany (DE)	118,849,526	10.86%	151,467,739	11.59%	(32,618,213)	-21.53%
Spain (ES)	27,538,521	2.52%	23,568,325	1.80%	3,970,196	16.85%
France (FR)	25,397,914	2.32%	30,772,475	2.36%	(5,374,561)	-17.47%
Austria (AT)	21,734,059	1.99%	27,286,072	2.09%	(5,552,013)	-20.35%
Hungary (HU)	16,444,181	1.50%	18,799,079	1.44%	(2,354,898)	-12.53%
Croatia (HR)	12,799,494	1.17%	10,856,785	0.83%	1,942,709	17.89%
Poland (PL)	11,327,707	1.04%	7,367,103	0.56%	3,960,604	53.76%
Slovenia (SI)	5,001,002	0.46%	5,884,189	0.45%	(883,187)	-15.01%
Czech Republic (CZ)	4,482,734	0.41%	4,001,317	0.31%	481,417	12.03%
Denmark (DK)	1,692,993	0.15%	1,863,930	0.14%	(170,937)	-9.17%
Romania (RO)	1,615,822	0.15%	3,863,790	0.30%	(2,247,968)	-58.18%
Greece (GR)	1,571,700	0.14%	2,502,620	0.19%	(930,920)	-37.20%
Netherlands (NL)	1,270,754	0.12%	884,960	0.07%	385,794	43.59%
Other EU countries	2,328,991	0.21%	3,051,666	0.23%	(722,675)	-23.68%
Non-EU	28,112,336	2.57%	34,276,405	2.63%	(6,164,069)	-17.98%
United Kingdom (GB)	10,942,744	1.00%	12,947,946	0.99%	(2,005,202)	-15.49%
Turkey (TR)	10,334,382	0.94%	13,339,132	1.02%	(3,004,750)	-22.53%
Algeria (DZ)	2,017,595	0.18%	2,226,763	0.17%	(209,168)	-9.39%
Bosnia and Herzegovina (BA)	1,645,142	0.15%	1,175,913	0.09%	469,229	39.90%
South Africa (ZA)	1,007,447	0.09%	105,498	0.01%	901,949	854.94%
Other non-EU countries	2,165,026	0.21%	4,481,153	0.35%	(2,316,127)	-51.69%
Total revenues from sales and services	1,094,139,598	100.00%	1,306,410,012	100.00%	(212,270,414)	-16.25%

The item “**Other revenues and income,**” of €62,545,072 includes

	Current financial year	Previous financial year	Change	Change %
Contributions	12,632,222	42,211,659	(29,579,437)	-70.07%
Rental income	9,467	12,164	(2,697)	-22.17%
Capital gains on disposal of assets	645,752	323,091	322,661	99.87%
Revenue from insurance reimbursements	4,703,227	251,426	4,451,801	1770.62%
Revenue from sale of electricity	20,532,633	-	20,532,633	-
Revenue from the allocation Energy Efficiency Certificates	2,040,487	2,854,216	(813,729)	-28.51%
Revenue from training course reimbursements	168,987	147,402	21,585	14.64%
Revenue related to electricity and natural gas interruptibility contract	18,679,420	13,270,178	5,409,242	40.76%
Extraordinary income	786,102	246,674	539,428	218.68%
Income from third-party processing	139,051	240,504	(101,453)	-42.18%
Income from equipment leasing	42,000	42,000	-	0.00%
Sale of miscellaneous materials	610,086	568,965	41,121	7.23%
Other revenues and income	1,555,638	314,851	1,240,787	394.09%
<b>Total other revenues and income</b>	<b>62,545,072</b>	<b>60,483,130</b>	<b>2,061,942</b>	<b>3.41%</b>

There was a significant reduction in contributions as there were no tax credits for energy and gas consumption in 2024 as in 2023.  
On the other hand, the recognition in income related to the interruptibility contract for electricity and natural gas and for the sale of electricity is noted.

## Costs of production

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
1,180,450,195	1,231,161,904	(50,711,709)

For the analysis of the financial performance for the financial year, please see the Management Report.

Description	31/12/2024	31/12/2023	Changes
Raw, ancillary and consumable materials and goods	910,895,913	968,297,527	(57,401,614)
Services	95,382,391	96,589,506	(1,207,115)
Use of leased assets	6,733,544	6,345,524	388,020
Wages and salaries	69,929,494	67,197,119	2,732,375
Social security expenses	22,601,449	22,344,170	257,279
Employee severance indemnity	4,777,431	4,503,908	273,523
Other personnel costs	566,609	1,220,805	(654,196)
Amortisation of intangible fixed assets	775,547	608,276	167,271
Depreciation of tangible fixed assets	52,267,068	48,763,063	3,504,005
Change in raw material inventories	7,651,402	7,934,804	(283,402)
Provisions for risks and charges	214,705	-	214,705
Other provisions	-	-	-
Other operating expenses	8,654,642	7,357,202	1,297,440
<b>Total</b>	<b>1,180,450,195</b>	<b>1,231,161,904</b>	<b>(50,711,709)</b>

The **costs of raw, ancillary, consumable materials and goods**, amounting to €910,895,913, include:

	Current financial year	Previous financial year	Change	Change %
Raw materials	634,404,364	700,787,480	(66,383,116)	-9.47%
Electricity, methane	173,237,088	180,704,212	(7,467,124)	-4.13%
Ancillary and refractory materials	55,970,191	63,750,014	(7,779,823)	-12.20%
Finished products	27,373,928	3,313,206	24,060,722	726.21%
Maintenance and consumables	19,910,342	19,742,615	167,727	0.85%
<b>Total cost of raw, ancillary, consumable materials and goods</b>	<b>910,895,913</b>	<b>968,297,527</b>	<b>(57,401,614)</b>	<b>-5.93%</b>

Costs of services, amounting to €95,382,391, include:

	Current financial year	Previous financial year	Change	Change %
Other utilities	510,187	483,591	26,596	5.50%
Bank, insurance and postal fees and charges	248,662	127,237	121,425	95.43%
Personnel costs	2,167,380	2,101,722	65,658	3.12%
Temporary employment cost	260,579	153,947	106,632	69.27%
Directors' and statutory auditors' fees	977,467	717,520	259,947	36.23%
External processing	1,968,298	1,468,247	500,051	34.06%
General and industrial maintenance	28,981,995	26,431,593	2,550,402	9.65%
Insurance premiums	3,410,105	3,008,323	401,782	13.36%
Third-party services	17,231,013	17,393,574	(162,561)	-0.93%
Commissions and related contributions	1,748,348	1,842,701	(94,353)	-5.12%
Industrial waste disposal	11,765,911	12,948,525	(1,182,614)	-9.13%
Transport	25,896,396	29,732,850	(3,836,454)	-12.90%
Other costs for services	216,050	179,676	36,374	20.24%
<b>Total costs for services</b>	<b>95,382,391</b>	<b>96,589,506</b>	<b>(1,207,115)</b>	<b>-1.25%</b>

The **costs for use of leased assets**, amounting to €6,733,544, include:

	Current financial year	Previous financial year	Change	Change %
Lease payments	-	14,246	(14,246)	-100.00%
Lease payments	6,733,544	6,331,278	402,266	6.35%
<b>Total costs for use of leased assets</b>	<b>6,733,544</b>	<b>6,345,524</b>	<b>388,020</b>	<b>6.11%</b>

**Personnel costs** amounted to €97,874,983.

This item includes the total expenditure for employees including category upgrades, merit improvements, contingency bonuses, the cost of untaken leave, provisions by law and collective agreements, supplementary company agreements and performance bonuses. Below are the details of the items and their changes:

	Current financial year	Previous financial year	Change	Change %
Wages and salaries	69,929,494	67,197,119	2,732,375	4.07%
Social security expenses	22,601,449	22,344,170	257,279	1.15%
Employee severance indemnity	4,777,431	4,503,908	273,523	6.07%
Other costs	566,609	1,220,805	(654,196)	-53.59%
<b>Total personnel costs</b>	<b>97,874,983</b>	<b>95,266,002</b>	<b>2,608,981</b>	<b>2.74%</b>



The average number of personnel in 2024 was 1,457 compared to 1,421 in 2023.  
For all other information on personnel, reference may be made to the “Other Information” section and the Management Report.

**Other operating expenses**, amounting to €8,654,642, consist of:

	Current financial year	Previous financial year	Change	Change %
Purchase of greenhouse gas emission allowances	1,236,999	972,056	264,943	27.26%
Single Municipal Tax	1,313,297	1,315,481	(2,184)	-0.17%
Manufacturing tax and energy surtax	631,583	635,745	(4,162)	-0.65%
Taxes, dues, fees, and contributions	1,345,960	1,171,902	174,058	14.85%
Capital losses on disposal of assets	160,818	392,364	(231,546)	-59.01%
Extraordinary expenses	103,830	38,569	65,261	169.21%
Miscellaneous costs	3,862,155	2,831,085	1,031,070	36.42%
<b>Total other operating expenses</b>	<b>8,654,642</b>	<b>7,357,202</b>	<b>1,297,440</b>	<b>17.63%</b>

## Financial income and expenses

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
21,561,015	11,033,253	10,527,762

The item **Financial income**, is broken down as follows:

	Current financial year	Previous financial year	Change	Change %
Dividends from equity investments in subsidiaries	11,120,717	1,901,059	9,219,658	484.97%
Dividends from equity investments in other companies	32,100	10,511	21,589	205.39%
<b>Income from equity investments</b>	<b>11,152,817</b>	<b>1,911,570</b>	<b>9,241,247</b>	<b>483.44%</b>
Coupons and interest on securities	5,299,616	4,408,605	891,011	20.21%
Capital gains on securities transactions	528,553	1,415,097	(886,544)	-62.65%
<b>Financial income from securities recorded as current assets</b>	<b>5,828,169</b>	<b>5,823,702</b>	<b>4,467</b>	<b>0.08%</b>
Interest income from cash pooling and loans	668,119	564,128	103,991	18.43%
Other financial income from subsidiaries	74,108	108,286	(34,178)	-31.56%
<b>Financial income from subsidiaries</b>	<b>742,227</b>	<b>672,414</b>	<b>69,813</b>	<b>10.38%</b>
Interest income on bank current accounts	5,693,114	5,016,812	676,302	13.48%
Financial income on purchase of Ecobonus tax credits	867,000	116,170	750,830	646.32%
Financial income on fixed-term securities	11,503	-	11,503	-
Other financial income	410,224	351,844	58,380	16.59%
Rebates and discounts	1,187	1,427	(240)	-16.82%
<b>Other financial income</b>	<b>6,983,028</b>	<b>5,486,253</b>	<b>1,496,775</b>	<b>27.28%</b>
<b>Total financial income</b>	<b>13,553,424</b>	<b>11,982,369</b>	<b>1,571,055</b>	<b>13.11%</b>

Income from equity investments in subsidiaries of €11,120,717 refers, for €115,717 to dividends paid by the subsidiary Venete Siderprodukte AG, for €10,000,000 to dividends approved by resolution and partly paid by the subsidiary Esti S.r.l., for €600,000 to dividends paid by the subsidiary Setrans S.r.l., and for €405,000 to dividends paid by the subsidiary Maltauro Rottami S.r.l.

Breakdown of interest and other financial expenses by debt type

The item **Financial expenses**, is broken down as follows:

	Current financial year	Previous financial year	Change	Change %
Cash pooling interest expense	285,900	159,430	126,470	79.33%
<b>Financial expenses from subsidiaries</b>	<b>285,900</b>	<b>159,430</b>	<b>126,470</b>	<b>79.33%</b>
Interest expenses on bank current accounts	5,738	14,458	(8,720)	-60.31%
Interest expenses on loans	2,733,972	2,595,491	138,481	5.34%
Capital Loss on disposal of equity investments	6,559	38,948	(32,389)	-83.16%
Payable Rebates and discounts	40	21	19	90.48%
Other interest expenses	49,438	14,898	34,540	231.84%
<b>Other financial expenses</b>	<b>2,795,747</b>	<b>2,663,816</b>	<b>131,931</b>	<b>4.95%</b>
<b>Total financial expenses</b>	<b>3,081,647</b>	<b>2,823,246</b>	<b>258,401</b>	<b>9.15%</b>

Foreign exchange gains and losses

Foreign exchange gains and losses are detailed below:

	Valuation part	Realised part	Total
Foreign exchange gains	50,285	275,778	326,063
Foreign exchange losses	15,114	374,528	389,642

The amounts compared with those of the previous financial year are as follows:

	Current financial year	Previous financial year	Change	Change %
Foreign exchange gains	3©26,063	174,915	151,148	86.41%
Foreign exchange losses	(389,642)	(212,355)	(177,287)	83.49%
<b>Total foreign exchange gains and losses</b>	<b>(63,579)</b>	<b>(37,440)</b>	<b>(26,139)</b>	<b>69.82%</b>

Value adjustments on financial assets and liabilities

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
1,838,342	2,234,838	(396,496)

Revaluations

Revaluation of securities recorded as current assets €1,710,578  
Revaluations from securities held as current assets that are not equity investments.  
Revaluation of derivative financial instruments €294,466  
The revaluation relates to the positive change in fair value of Euro/Dollar exchange rate derivatives not designated as hedges.

Write-downs

Write-down of equity investments €32,825  
The write-down refers to the investment in Fari Intrapresa Spa, which was written off in the financial year 2024.  
Revaluation of securities recorded as current assets €133,877  
The write-down relates to securities held as current assets that are not equity investments.

Amount and nature of individual revenue/expense items of exceptional magnitude or impact

Revenues of exceptional magnitude or impact

(Ref. Art. 2427, first paragraph, No. 13, Italian Civil Code)

In relation to the provisions of Art. 2427, paragraph 1, number 13 of the Italian Civil Code, it is noted that no revenues and/or expenses of exceptional magnitude or impact were realised in the financial year 2024.

Current, Deferred and Prepaid Income Taxes for the year

Balance as at 31/12/2024	Balance as at 31/12/2023	Changes
(5,662,211)	14,508,543	(20,170,754)

	Current taxes	Taxes relating to previous financial years	Deferred taxes	Prepaid taxes	(Income) expenses from joining the tax consolidation/ tax transparency scheme	Total
IRES (Italian Corporate Income Tax)	-	837,101	4,023	(810,657)	(5,709,819)	(5,679,352)
IRAP (Regional Tax on Production)	-	-	-	17,141	-	17,141
Total income tax	-	837,101	4,023	(793,516)	(5,709,819)	(5,662,211)

The prepaid and deferred taxes schedules, showing the information required by Art. 2427, paragraph 1, number 14, letters a) and b) of the Italian Civil Code, are shown in the description of prepaid and deferred taxes.

The item “taxes relating to previous financial years” of €837,101 refers to higher IRES, related to previous financial years, recognised in 2024.

Revenue from joining the tax consolidation refers to the remuneration of tax losses related to 2024 that were included in the tax consolidation of the Parsid Group.

According to Italian Accounting Body - OIC 25, the provision for taxes for the year can be reconciled with the result shown in the financial statements as follows:

IRES (Italian Corporate Income Tax)	Current year	%	Previous year	%
Earnings before taxes	535,506		106,915,851	
Theoretical tax 24%	128,521	24.00%	25,659,804	24.00%
Non-deductible costs	226,456	42.29%	211,854	0.20%
Non-taxable income	(2,764,633)	-516.27%	(9,081,501)	-8.49%
Taxes relating to previous financial years	837,101	156.32%	4,512	0.00%
Increased deductibility of depreciation	(2,776,759)	-518.53%	(2,876,622)	-2.69%
ACE (Aid for Economic Growth) incentive	-	0.00%	(1,364,959)	-1.28%
Other effects	(1,330,038)	-248.37%	(540,458)	-0.51%
Tax at effective rate	(5,679,352)	-1060.56%	12,012,630	11.24%

IRAP (Regional Tax on Production)	Current year	%	Previous year	%
Earnings before taxes	535,506		106,915,851	
Theoretical tax 3.9%	20,885	3.90%	4,169,718	3.90%
Income/expenses not relevant for IRAP purposes	2,912,922	543.96%	3,211,149	3.00%
Non-deductible costs	136,092	25.41%	115,430	0.11%
Non-taxable income	(35,460)	-6.62%	(1,404,481)	-1.31%
Deductible labour costs	(3,631,536)	-678.15%	(3,536,978)	-3.31%
Other effects	614,238	114.70%	(58,925)	-0.06%
Tax at effective rate	17,141	3.20%	2,495,913	2.33%



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Employment data

Below, is information concerning personnel, pursuant to Art. 2427, paragraph 1, No. 15, Italian Civil Code:

	Average current year number	Average previous year number	Change	Change %
Executives	18	17	1	5.88%
Managers	32	30	2	6.67%
White-collar workers	326	314	12	3.82%
Blue-collar workers	1,044	1,036	8	0.77%
Temporary workers	37	21	16	76.19%
Total for personnel	1,457	1,418	39	2.75%

Fees, advances and credits granted to directors and statutory auditors and commitments undertaken on their behalf

Remuneration to corporate bodies

The following is the information concerning the remuneration due to the Directors and members of the Board of Statutory Auditors, pursuant to Art. 2427, paragraph 1, No. 16, Italian Civil Code:

	Directors	Statutory Auditors
Remuneration	845,000	63,000

Fees to statutory auditor or auditing firm

The following is the information concerning fees to the auditing firm, pursuant to Art. 2427, paragraph 1, No. 16 bis, Italian Civil Code:

Current financial year	
Statutory audit of annual accounts	85,000
Other services	319,595
Total	404,595

The fee contractually defined and approved by resolution by the Shareholders' Meeting payable to the statutory auditing firm for the audit of Acciaierie Venete S.p.A. amounts to €85,000 net of the ISTAT adjustment provided for in the contract and the reimbursement of expenses incurred recognised within a contractually established limit. The amount includes fees for the audit of both the statutory and consolidated financial statements.

Other services include all assistance in the transition to International Financial Reporting Standards (IFRS) carried out for all companies of the Acciaierie Venete Group for the purpose of preparing the consolidated financial statements in accordance with IFRS, as well as the limited audit of the sustainability financial statements.

Details on other financial instruments issued by the company

Financial instruments

The company has not issued any financial instruments.



## Commitments, guarantees and contingent liabilities not disclosed in the balance sheet

In accordance with the provisions of Art. 2427, paragraph 1, No. 9) of the Italian Civil Code, the following information is provided on commitments, guarantees and contingent liabilities not stated in the balance sheet.

### Guarantees and collateral

Description	Current financial year	Previous financial year
Comfort letters in the interest of Padana Rottami Srl	21,217,280	21,120,615
Comfort letters in the interest of Maltauro Rottami Srl	500,000	500,000
Co-surety issued for VAT credit reimbursement of subsidiary Centro Italiano Acciai Srl	13,422,098	13,469,932
Co-surety issued for VAT credit reimbursement of subsidiary Padana Rottami Srl	10,108,796	8,955,066
Co-surety issued for VAT credit reimbursement of subsidiary Valle Zignago Srl	404,163	221,944
Co-surety issued for VAT credit reimbursement of Acciaierie Venete SpA	7,243,643	2,400,890
Other guarantees issued to third parties related to business relations	1,676,172	2,337,942
Other guarantees issued to Public Administration bodies	2,631,849	2,621,235
Total	57,204,002	51,627,623

### Commitments

As at 31/12/2024, a cash pooling agreement was in place with Banca Intesa between the Holding Company Acciaierie Venete and the subsidiaries Centro Italiano Acciai S.r.l., Padana Rottami S.r.l. and Esti S.r.l.; the agreement provides for the provision of certain overdraft facilities and the daily clearing of the positive or negative balances arising in the subsidiaries with the consequent transfer of funds to the Holding Company. A 10-year Italian closed-end investment fund called FSI Mid-Market Growth Equity Fund is also in place, to which the company is committed to pay a total of €10 million, which will be requested by the manager according to investment needs as they accrue. As at 31/12/2024, a commitment of €1,001 thousand remained.

In addition, in 2021, the company subscribed to an additional Italian closed-end investment fund called Alcedo V, to which the company committed to pay a total of €3 million. As at 31/12/2024, a commitment of €1,242 thousand remained.

In 2022, the company subscribed to a third Italian closed-end investment fund called FSI Mid-Market Growth Equity Fund II, for which the total commitment amounts to €15 million. As at 31/12/2024, a commitment of €11,553 thousand remained.

### Contingent liabilities

The Company has not assumed any contingent liabilities that have not been recognised in the financial statements.



Disclosure of transactions with related parties

The following is information on transactions with related parties, pursuant to Art. 2427, paragraph 1, No. 22-bis of the Italian Civil Code, which refer to transactions with the parent/consolidating company Parsid S.p.a. and with directly or indirectly controlled companies.

Transactions between companies belonging to the Acciaierie Venete group and with other related parties, both of a commercial and financial nature, are carried out at normal market conditions.

The Group to which Acciaierie Venete S.p.A. belongs, falls within the scope of application of the so-called “Pillar Two” regulations, which aim to guarantee a minimum level of taxation (“Global Minimum Tax”) for groups that meet certain predefined parameters. The application of the Global Minimum Tax, envisaged by Directive No. 2022/2523 of 15 December 2022 (implementing the OECD/G20 Pillar Two proposal), was implemented in Italy by Italian Legislative Decree No. 209 of 27 December 2023, with effect from the financial years starting from 31 December 2023 (from 2024 for “entities” whose financial year begins before the effective date of the Pillar Two rules but whose financial statements are closed after that date). All related obligations are the responsibility of the consolidating company Parsid S.p.A. Reference to the Explanatory Notes to the Financial Statements may be made for further details.

Related party	Nature of relationship	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables
Parsid SpA	Parent company	-	-	16,380,567	-	450,800	-
Fin.Steel Srl	Subsidiary	4,000	-	211	125,000	-	-
Centro Italiano Acciai Srl	Subsidiary	7,386,022	4,610,444	-	94	-	133,769
A.V.E. - Acciaierie Venete Energia Srl	Subsidiary	-	1,277,395	-	26,974	-	-
Esti Srl	Subsidiary	5,538,344	8,000,000	-	4,028	13,737,020	-
Maltauro Rottami Srl	Subsidiary	48,823	5,003,695	-	17,984,283	-	-
Olmo Immobiliare Srl	Subsidiary	-	-	-	-	-	-
Padana Rottami Srl	Subsidiary	2,396,592	12,091,963	-	47,878,640	5,082	121,119
Setrans Srl	Subsidiary	100,678	-	-	6,194,494	-	-
Valle Zignago Srl	Subsidiary	-	-	-	-	-	2,865
Venete Siderprodukte AG	Subsidiary	15,348,184	-	-	20,671	-	-
TOTAL		30,822,643	30,983,498	16,380,778	72,234,183	14,192,902	257,753

Related party	Nature of relationship	Revenues from sales and services	Cost of raw materials, goods, etc.	Cost for services	Cost for use of leased assets	Financial Income/ (Expenses)	Other Income/ (Expenses)
Parsid SpA	Parent company	-	-	-	-	-	4,000
Fin.Steel Srl	Subsidiary	-	-	-	500,000	-	1,500
Centro Italiano Acciai Srl	Subsidiary	25,300,142	1,454	-	-	56,849	39,786
A.V.E. - Acciaierie Venete Energia Srl	Subsidiary	-	26,974	-	-	27,395	-
Esti Srl	Subsidiary	40,115,669	1,035	51,569	-	9,722,443	61,246
Maltauro Rottami Srl	Subsidiary	-	61,852,781	-	-	692,048	3,310
Olmo Immobiliare Srl	Subsidiary	-	-	-	-	-	(80,000)
Padana Rottami Srl	Subsidiary	11,201,604	250,678,027	90,997	1,200	362,592	1,179,165
Setrans Srl	Subsidiary	21,122	-	18,118,925	-	600,000	176,478
Valle Zignago Srl	Subsidiary	-	-	-	-	-	-
Venete Siderprodukte AG	Subsidiary	136,704,626	-	400	-	115,717	-
TOTAL		213,343,163	312,560,271	18,261,890	501,200	11,577,044	1,385,485

## Information on agreements not reflected in the Balance Sheet

(Ref. Art. 2427, first paragraph, No. 22-ter, Italian Civil Code)

The disclosure provisions of Article 38 number o-sexies of Italian Legislative Decree 127/91 concern so-called off-balance sheet agreements, i.e. agreements that do not appear in the Balance Sheet, nor are they likely to result in entries in the Balance Sheet classes or among the Memorandum Accounts. These agreements specify the following:

- (i) Nature/type;
- (ii) Economic objectives;
- (iii) Equity, financial and economic effects, provided that the risks and/or benefits arising therefrom are significant and the information provided is functional and/or necessary for a more reliable assessment of the Group's equity, financial and economic situation in the reporting period.

In light of the requirements of the aforementioned article, it is hereby certified that the Company has not entered into any off-balance sheet agreements during the financial year, nor does it have any in place as at 31 December 2024.

## Information on significant events occurring after the end of the financial year

### Acquisition of Euro Sider Scalo S.r.l.

On 22 January 2025, following the authorisation issued by the Antitrust Authority, the Company finalised the acquisition of 60% of the share capital of Euro Sider Scalo S.r.l., a company active in the trading of special steel bars with operations in the province of Brescia. The remaining 40% remains under the ownership of the Pastorelli family, which will continue to exercise management functions through the Managing Director. The operation allows the Group to expand its commercial offer, accessing markets that are not directly served by production, in terms of type of specifications and purchase volumes. In addition, the integration with Euro Sider Scalo S.r.l., a company that has long been active in synergy with the Group, will contribute to the strengthening of the offer and the consolidation of customer relations through more flexible commercial and technical solutions. The transaction is consistent with the Group's strategy aimed at strengthening its commercial presence in high value-added outlet sectors.

### Acquisition of Trafilerie San Paolo S.r.l.

On 6 March 2025, the Company signed a binding agreement to acquire 100% of the share capital of Trafilerie San Paolo S.r.l., a company specialising in steel wire drawing and recognised in the market for its high quality standards. The transaction was finalised on 18 April 2025, subject to authorisation by the Antitrust Authority. This acquisition is part of the Group's broader strategic path of verticalisation, aimed at strengthening its presence in the high quality steel wire drawing segment, favouring the integration of the production chain and the expansion of the product portfolio. The transaction is in line with the investments recently made, including the new rolling mill at the Sarezzo plant, which allows for the production of a complete range of wire rod for wire drawing. Once the transaction is finalised, Trafilerie San Paolo S.r.l. will continue to operate while maintaining its quality standards, benefiting from the Group's technical, industrial and commercial synergies.

### Customs tariffs

During the financial year 2025, new customs tariffs were introduced on certain steel products by the United States. Although the Company's and Group's sales to the North American market are currently marginal and therefore the direct impact of these measures is limited, there is a potential indirect effect on the European market. In particular, the introduction of tariffs could lead to a redistribution of global trade flows, increasing competitive pressure in Europe from international operators who, finding obstacles in accessing the US market, could divert their supply to the European Union. The Group carefully monitors the evolution of the macroeconomic and commercial scenario, constantly evaluating market protection strategies aimed at maintaining its competitiveness and margins in the European context.

Reference may be made to the Management Report for an in-depth analysis of the trend of the sector in which the company operates for the financial year 2025.

## Companies that prepare the financial statements of the largest/smallest set of companies of which they are part as subsidiaries

According to law, the information pursuant to Article 2427, first paragraph, No. 22 quinquies and sexies) of the Italian Civil Code is provided.

	Larger set	Smaller set
Company name	PARSID SPA	
City (if in Italy) or foreign country	Padua	
Tax Code (for Italian companies)	04125140287	
Place of Filing of Consolidated Financial Statements	at the registered office	

## Information on derivative financial instruments pursuant to Art. 2427-bis of the Italian Civil Code

### Derivative financial instruments

Pursuant to Art. 2427-bis of the Italian Civil Code, which requires the disclosure of the fair value and information on the extent and nature of each category of derivative financial instruments entered into by the company, broken down by class taking into consideration aspects such as the characteristics of the instruments themselves and the purpose of their use. The data of the instruments in place is highlighted below.

In early 2024, the non-designated hedging derivatives that were outstanding were extinguished. As a result, the corresponding items in the Balance Sheet Liabilities B 3) and the offsetting entries in the Income Statement D) Value Adjustments on Financial Assets were zeroed out. In addition, the company has a contract in place to hedge the company's purchased power requirements to protect itself against price risk. The contract partially covers the amount of energy usually purchased to meet its needs. The above-stated contract, which is linked to the purchase of energy produced and fed into the grid from a photovoltaic source plant, provides for the

regulation of the differential between the fixed price recognised by the company and the variable price collected equal to the hourly value of the PUN (Single National Price). This contract allows the price to be set, for the agreed quantity, hedging the company against the risk of an increase in the price of energy, and was therefore consistently treated as a hedging derivative.

The fair value is calculated on the basis of the forward prices recorded at the end of 2024 for electricity, recording the value, as positive, under Current Assets item C III 5) Derivative financial instruments assets, with an offsetting entry in the Reserve for hedging transactions of expected cash flows, recorded net of deferred taxation, and amounting as at 31 December 2024 to €946,695 (gross value of €1,313,030), a reserve that decreased during the financial year by €534,570 (equal to the net effect of the fair value revaluation of €741,430). Relevant information concerning derivative financial instruments is reported below.

	Value at start of year	Changes during the year	Year-end value
Financial derivative assets	2,054,460	(741,430)	1,313,030
Derivative financial instruments liabilities	(294,466)	294,466	-
Total	1,759,994	(446,964)	1,313,030



	Fair value at beginning of the financial year	Change during the financial year recognised in the income statement	Change during the financial year recognised in the shareholders' equity	Fair value at end of the financial year	Maturity
Derivative financial instruments of cash flow hedging					
DXT Commodities SA Electricity price hedging swap Quantity 3MW Baseload	2,054,460	-	(741,430)	1,313,030	31/10/2025
Derivative financial instruments not designated as hedging					
Intesa SanPaolo Forward purchase USD no. 411414002 Notional value USD 5,200,000	(159,994)	159,994		-	10/01/2024
Intesa SanPaolo Forward purchase USD no. 411414334 Notional value USD 3,460,000	(106,457)	106,457		-	10/01/2024
Intesa SanPaolo Forward purchase USD no. 411425157 Notional value USD 5,500,000	(28,015)	28,015		-	28/02/2024
Total	1,759,994	294,466	(741,430)	1,313,030	

## Information pursuant to Art. 1(125) of Law No. 124 of 4 August 2017

With reference to Art.1, paragraph 125, Law no. 124 of 2017, we expressly refer to the data resulting for our company from the “National Register of State Aid.” It should be noted, however, that the Company has benefited from the following aid for 2024:

- defiscalisation of diesel fuel granted by the Italian Customs Agency for €194,520;
- a grant received for energy transition in the industrial sector for €11,597,718;

## Proposed allocation of profits or coverage of losses

It is proposed to the Shareholders' Meeting that the operating result for the financial year be allocated as follows:

Operating result as at 31/12/2024	€	6,197,717
5% to Legal reserve	€	310,000
to Reserve for unrealised exchange gains	€	35,171
to Reserve for gains on fair value measurement of non-hedging derivatives	€	294,466
to Retained earnings	€	5,558,080

These explanatory notes have been prepared in accordance with the Italian Civil Code and accounting standards. In order to comply with the obligations of publication in the Companies Register, once approved, it will be converted to XBRL format; therefore, some formal changes may be made to make this note compatible with the filing format.

These financial statements, consisting of the Balance Sheet, Income Statement, Explanatory Notes to the Financial Statements and Cash Flow Statement, give a true and fair view of the financial position and results of operations for the year and correspond to the accounting records.

Padua, 22 May 2025  
For the Board of Directors

Alessandro Banzato





# CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

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Consolidated Statement of Financial Position

(In thousands of euros)	Explanatory notes	As at 31 December		As at 1 January
		2024	2023	2023
NON-CURRENT ASSETS				
Property, plant and equipment	8.1	288,586	242,609	211,555
Right-of-use assets	8.2	8,286	10,221	7,054
Investment properties	8.3	11,824	11,813	11,665
Intangible assets	8.4	14,673	15,639	15,796
Non-current financial assets	8.5	28,352	26,010	19,504
Deferred tax assets	8.6	10,507	15,318	18,787
Other non-current assets	8.7	575	2,633	1,500
Total non-current assets		362,803	324,243	285,861
CURRENT ASSETS				
Inventories	8.8	329,138	331,862	384,824
Trade receivables	8.9	288,662	327,922	484,840
Current financial assets	8.5	204,545	189,482	154,816
Current tax receivables	8.10	18,966	12,182	2,115
Cash and cash equivalents	8.11	183,679	183,136	129,043
Other Current Assets	8.7	20,615	9,492	22,036
Total current assets		1,045,605	1,054,076	1,177,674
TOTAL ASSETS		1,408,408	1,378,319	1,463,535
SHAREHOLDERS' EQUITY				
Share Capital	8.12	126,000	126,000	63,000
Reserves and retained earnings/(losses)	8.12	913,922	835,970	916,887
Group share of net profit for the year	8.12	18,500	109,801	-
Total shareholders' equity attributable to the Group	8.12	1,058,422	1,071,771	979,887
Shareholders' equity attributable to non-controlling interests	8.12	8,559	8,433	3,517
TOTAL SHAREHOLDERS' EQUITY	8.12	1,066,981	1,080,204	983,404

(In thousands of euros)	Explanatory notes	As at 31 December		As at 1 January
		2024	2023	2023
<b>NON-CURRENT LIABILITIES</b>				
Non-current financial payables	8.13	45,701	42,494	62,065
Non-current lease liabilities	8.2	3,331	5,570	2,711
Employee benefits obligations	8.14	6,266	6,462	6,386
Provisions for risks and charges	8.15	2,397	2,743	7,121
Deferred tax liabilities	8.6	1,675	1,489	1,489
Other non-current liabilities	8.16	3,905	5,157	1,595
<b>Total non-current liabilities</b>		<b>63,275</b>	<b>63,915</b>	<b>81,367</b>
<b>CURRENT LIABILITIES</b>				
Current financial payables	8.13	48,851	22,891	75,307
Current lease liabilities	8.2	4,197	3,874	2,640
Trade payables	8.17	185,914	169,794	230,979
Current tax liabilities	8.10	2,223	624	33,570
Other current liabilities	8.16	36,967	37,017	56,268
<b>Total current liabilities</b>		<b>278,152</b>	<b>234,200</b>	<b>398,764</b>
<b>TOTAL LIABILITIES</b>		<b>341,427</b>	<b>298,115</b>	<b>480,131</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,408,408</b>	<b>1,378,319</b>	<b>1,463,535</b>



Consolidated Income Statement

(In thousands of euros)	Explanatory notes	Year ended 31 December	
		2024	2023
Revenues	9.1	1,163,824	1,381,081
Other income	9.2	50,643	65,073
Change in inventories of finished goods, semi-finished goods and work in progress		1,549	(43,012)
Costs of raw, ancillary, consumable materials and goods	9.3	(766,961)	(817,524)
Cost for services	9.4	(275,054)	(302,898)
Personnel costs	9.5	(110,859)	(106,642)
Other operating costs	9.6	(9,962)	(8,426)
Increases in fixed assets for internal work		40	604
Net impairment financial assets	9.7	1,339	(378)
Amortisation and write-downs of tangible and intangible assets	9.8	(47,921)	(46,018)
Operating Profit		6,638	121,860
Financial income	9.9	12,884	10,337
Financial expenses	9.10	(4,200)	(3,579)
Income/(expenses) from fair value changes and disposal of financial assets	9.11	7,039	4,658
Earnings before taxes - EBT		22,361	133,276
Income Taxes	9.12	(3,166)	(22,742)
Net profit for the year		19,195	110,534
Of which:			
- Group share of net profit for the year		18,500	109,801
- Net profit for the year attributable to non-controlling interests		695	733

Consolidated Statement of Comprehensive Income

(In thousands of euros)	Explanatory notes	Year ended 31 December	
		2024	2023
Net profit for the year (A)		19,195	110,534
a) Other comprehensive income items that will not be subsequently reclassified to income statement:			
- Actuarial gains and losses on employee benefits obligations	8.14	60	25
- Gains and losses on equity investments measured at fair value with changes in other comprehensive income items	8.5	(4)	6
- Tax effect on other comprehensive income items that will not be subsequently reclassified to income statement	8.6	(16)	(9)
Total other comprehensive income items that will not be subsequently reclassified to income statement		40	22
b) Other comprehensive income items that will be subsequently reclassified to income statement:			
- Gains and losses on financial assets (other than equity investments) measured at fair value through other comprehensive income items	8.5	637	1,112
- Gains and losses on cash flow hedges	8.5	(741)	(6,139)
- Tax effect on other comprehensive income items that will be subsequently reclassified to income statement	8.6	29	1,403
Total other comprehensive income items that will be subsequently reclassified to income statement		(75)	(3,624)
Total other comprehensive income items, net of tax effect (B)		(35)	(3,602)
Total comprehensive net profit for the year (A)+(B)		19,160	106,932
Of which:			
- Group share of comprehensive net profit for the year		18,466	106,200
- Non-controlling interests share of comprehensive net profit for the year		694	732

Statement of changes in Consolidated Shareholders' Equity

(In thousands of euros)	Explanatory notes	Share Capital	Reserves and retained earnings/ (losses)	Group share of net profit for the year	Total shareholders' equity attributable to the Group	Shareholders' equity attributable to non-controlling interests	TOTAL SHAREHOLDERS' EQUITY
Balance as at 1 January 2023	8.12	63,000	916,887	-	979,887	3,517	983,404
Free capital increase of the Holding Company	8.12	63,000	(63,000)	-	-	-	-
Distribution of dividends	8.12	-	(14,805)	-	(14,805)	(248)	(15,053)
Recognition of non-controlling interests from acquisition of Setrans Srl	7	-	-	-	-	6,072	6,072
Acquisition of non-controlling interests in Maltauro Rottami Srl	8.12	-	489	-	489	(1,640)	(1,151)
Total transactions with shareholders		63,000	(77,316)	-	(14,316)	4,184	(10,132)
Net profit for the year		-	-	109,801	109,801	733	110,534
Other comprehensive income items		-	(3,601)	-	(3,601)	(1)	(3,602)
Total comprehensive net profit for the year		-	(3,601)	109,801	106,200	732	106,932
Balance as at 31/12/2023	8.12	126,000	835,970	109,801	1,071,771	8,433	1,080,204
Allocation of net profit for the previous year			109,801	(109,801)	-	-	-
Distribution of dividends	8.12	-	(31,815)	-	(31,815)	(568)	(32,383)
Total transactions with shareholders		-	(31,815)	-	(31,815)	(568)	(32,383)
Net profit for the year		-		18,500	18,500	695	19,195
Other comprehensive income items		-	(34)	-	(34)	(1)	(35)
Total comprehensive net profit for the year		-	(34)	18,500	18,466	694	19,160
Balance as at 31/12/2024	8.12	126,000	913,922	18,500	1,058,422	8,559	1,066,981

Consolidated Cash Flow Statement

(In thousands of euros)	Explanatory notes	Year ended 31 December	
		2024	2023
Earnings before taxes - EBT		22,361	133,276
- Adjustments for:			
Amortisation and write-downs of tangible and intangible assets	9.8	47,921	46,018
Losses/(gains) on disposal		(271)	71
Financial income/(expenses)	9.9 - 9.10	(8,684)	(6,758)
Net impairment financial assets	9.7	(1,339)	378
Income/(expenses) from fair value changes and disposal of financial assets	9.11	(7,039)	(4,658)
Net allocations to provisions	8.14 - 8.15	2,087	1,680
<b>Cash flow from operating activities before changes in net working capital</b>		<b>55,036</b>	<b>170,007</b>
Change in inventories	8.8	2,724	52,962
Change in trade receivables	8.9	40,471	162,861
Change in trade payables	8.17	16,070	(64,959)
Change in other assets and liabilities		(13,422)	4,544
Use of provisions for risks and charges and employee benefits obligations	8.14 - 8.15	(1,285)	(991)
Income taxes paid	9.12	(805)	(57,897)
<b>Net cash flow generated/(absorbed) by operating activities [A]</b>		<b>98,789</b>	<b>266,527</b>
Investments in property, plant and equipment	8.1	(87,728)	(58,066)
Disposal of property, plant and equipment	8.1	768	290
Investments in intangible assets	8.4	(2,360)	(4,046)
Disposal of intangible assets	8.4	972	2,343
Investments in investment properties	8.3	(11)	(148)
Investments in financial assets	8.5	(101,594)	(80,704)
Disposal of financial assets	8.5	91,115	41,414
Cash flow for acquisitions of subsidiaries, net of cash acquired	7	-	(7,466)
Dividends received	9.9	32	11
Interest received	9.9	12,176	8,027

(In thousands of euros)	Explanatory notes	Year ended 31 December	
		2024	2023
<b>Net cash flow generated/(absorbed) by investing activities [B]</b>		<b>(86,630)</b>	<b>(98,345)</b>
Activation of financial payables	8.13	46,592	-
Repayment of financial payables	8.13	(17,137)	(72,198)
Repayment of lease liabilities	8.2	(4,294)	(3,849)
Interest paid	9.10	(3,438)	(3,084)
Transactions with non-controlling shareholders	8.12	-	(1,151)
Dividends paid to shareholders of the Holding Company	8.12	(32,770)	(33,559)
Dividends paid to non-controlling interests in subsidiaries	8.12	(568)	(248)
<b>Net cash flow generated/(absorbed) by financing activities [C]</b>		<b>(11,615)</b>	<b>(114,089)</b>
<b>Total net cash flow generated/(absorbed) [A]+[B]+[C]</b>		<b>543</b>	<b>54,093</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>8.11</b>	<b>183,136</b>	<b>129,043</b>
Total change in cash and cash equivalents		543	54,093
<b>Cash and cash equivalents at the end of the year</b>	<b>8.11</b>	<b>183,679</b>	<b>183,136</b>





# EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024



# 1. GENERAL INFORMATION

Acciaierie Venete S.p.A. (hereinafter, referred to as **"Acciaierie Venete,"** the **"Company"** or the **"Holding Company"**) and its subsidiaries (hereinafter, referred to as **"Acciaierie Venete Group"** or the **"Group"**) operate primarily in the steel sector. More in detail, the Group's activities are carried out through the following main companies:

- Acciaierie Venete S.p.A., the Holding Company that deals with the production of raw or semi-finished steel, which it distributes directly to customers or through its own distribution companies;
- Centro Italiano Acciai S.r.l., a company that markets the Group's products to customers that require smaller batches and faster delivery times than a steel company can normally provide. The company also performs some machining operations (cutting to size and end milling) that allow it to express further added value compared to a traditional steel sales warehouse.
- Venete Siderprodukte AG, a company that markets the Group's products mainly in Central European markets, offering sales support services such as marketing, credit management and quality control.
- Esti S.r.l., a company that produces wear-resistant steel parts, including blades for shovel and excavator buckets and for snowploughs.
- Padana Rottami S.r.l., a company that trades and processes ferrous and non-ferrous scrap in its production units in Castelfranco Veneto (TV) and Padua.
- Maltauro Rottami S.r.l., a company engaged in trading and processing ferrous and non-ferrous scrap.
- Setrans S.r.l., logistics company operating in the field of road transport and rail logistics services.
- A.V.E. - Acciaierie Venete Energia S.r.l., a company established in March 2022 whose main corporate purpose is the design, construction and management of plants for the production of electricity from renewable sources.
- Fin. Steel S.r.l., a company that owns an industrial building currently leased to Acciaierie Venete S.p.A., the entire shareholding in the company Valle Zignago S.r.l. Società Agricola and Olmo Immobiliare S.r.l. and a minority interest in Nord Est Multimedia S.p.A.

- Valle Zignago S.r.l. Società Agricola, a company holding a vast estate of over 800 hectares, half of which consists of a hunting and fishing valley and the other half of land used for agriculture.

- Olmo Immobiliare S.r.l., a company holding some buildings mainly for representative functions.

Acciaierie Venete is a company incorporated and domiciled in Italy, with registered office in Borgo Valsugana (TN), Via Puisle 4, and organised according to the legal system of the Italian Republic.



## 2. SUMMARY OF ACCOUNTING STANDARDS ADOPTED

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2.1. Basis for preparation

These consolidated financial statements of the Company for the year ended 31 December 2024 (hereinafter, referred to as “**Consolidated Financial Statements**”) have been prepared in compliance with the International Financial Reporting Standards, issued by the International Accounting Standards Board, and adopted by the European Union (hereinafter, referred to as the “**International Financial Reporting Standards**” or “**EU-IFRS**”).

It should be noted that the Group availed itself of the option provided for by Italian Legislative Decree No. 38 of 28 February 2005, as subsequently amended, which regulates the exercise of the options provided for by Article 5 of European Regulation No. 1606/2002 on international accounting standards, and voluntarily adopted the EU-IFRS. Therefore, these Consolidated Financial Statements represent the Company's first consolidated financial statements prepared in accordance with the EU-IFRS. Previously, the Company prepared its consolidated financial statements in accordance with the criteria set forth in Italian Legislative Decree No. 127/91 and in accordance with the accounting standards issued by the Italian National Council of Certified Public Accountants and Accounting Experts, as amended by the Italian Accounting Body (hereinafter, referred to as the “**Italian Accounting Standards**”).

It was therefore necessary to carry out a transition process from the Italian Accounting Standards to the EU-IFRS in compliance with the provisions of IFRS1 – First-time adoption of the International Financial Reporting Standards; to this end, 1 January 2023 (the “**Transition Date**”) was identified as the date of transitions to EU-IFRS. Disclosure on the transition process required by IFRS 1 is provided in Note 17 “First-time Application of EU-IFRS.”

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards endorsed by the European Commission and in force as at 31 December 2024.

EU-IFRS means all “International Financial Reporting Standards,” all “International Accounting Standards” (IAS) and all interpretations of the “IFRS Interpretations Committee” (IFRIC), formerly known as the “Standing Interpretations Committee” (SIC).

The application of International Accounting Standards was also made with reference to the: “Framework for the preparation and submission of financial statements” and no exceptions were made to the application of EU-IFRS.

The Consolidated Financial Statements were approved by the Company's Board of Directors on 22 May 2025.

These Consolidated Financial Statements are audited by PricewaterhouseCoopers S.p.A., the Company's statutory auditor.

The main accounting policies and standards applied in the preparation of the Consolidated Financial Statements are shown below.

2.2. General standards of preparation

These Consolidated Financial Statements consist of the mandatory financial statements required by IAS 1, namely the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity and the Consolidated Statement Cash Flow Statement, as well as the related explanatory notes.

The Group has chosen to present the consolidated income statement by nature of expense, while assets and liabilities in the consolidated statement of financial position are divided into current and non-current.

An asset is classified as current when:

- that asset is expected to be realised, or held for sale or consumption, during the normal course of business;
- it is held primarily for the purpose of trading;
- it is assumed to be realised within twelve months from the reporting period;
- It consists of cash or cash equivalents (unless it cannot be exchanged or used to settle a liability for at least twelve months after the reporting period).

All other assets are classified as non-current. In particular, IAS 1 includes tangible assets, intangible assets and financial assets of a long-term nature among non-current assets.

A liability is classified as current when:

- it is expected to be extinguished in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it will be extinguished within twelve months from the reporting period;
- there is no unconditional right to defer its settlement for at least twelve months after the reporting period.

The terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for the production process and their realisation in cash or cash equivalents. When the normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

The consolidated cash flow statement is prepared using the indirect method.

These Consolidated Financial Statements have been prepared in euros, the Company's functional currency. The financial statements and related explanatory notes are expressed in thousands of euros, unless otherwise noted.

These Consolidated Financial Statements have also been prepared:

- on a going concern basis;
- on an accrual basis, in accordance with the principle of relevance and materiality of information, the prevalence of substance over form, and with a view to fostering consistency with future submissions. Assets and liabilities, as well as income and expenses, are not offset against each other, unless permitted or required by the International Accounting Standards;
- based on the historical cost criterion, except for the valuation of financial assets and liabilities (such as derivative financial instruments, the securities portfolio and investments in equity instruments) where the application of the fair value criterion is mandatory.

2.3. Consolidation Criteria and Methodologies

Scope of Consolidation

The Consolidated Financial Statements include the balance sheet and profit and loss account results of the Holding Company and the companies over which it directly or indirectly exercises control.

The following table lists the companies included in the scope of consolidation as at 31 December 2024, 2023 and 1 January 2023, indicating the registered office, functional currency and percentage of ownership:

Company name	Registered office	Functional currency	Percentage of (direct and indirect) ownership of the Holding Company		
			As at 31 December 2024	As at 31 December 2023	As at 1January 2023
Holding Company:					
Acciaierie Venete S.p.A.	Borgo Valsugana (TN)	EUR	N/A	N/A	N/A
Subsidiaries directly controlled by the Holding Company - consolidated on a line-by-line basis:					
A.V.E. - Acciaierie Venete Energia Srl	Padua	EUR	100%	100%	100%
Fin.Steel Srl (formerly Acciaierie Fonderie Venete Srl)	Padua	EUR	100%	100%	100%
Centro Italiano Acciai Srl	Modena	EUR	100%	100%	100%
Esti Srl	Idro (BS)	EUR	100%	100%	100%
Maltauro Rottami Srl	Zanè (VI)	EUR	81%	81%	65%
Padana Rottami Srl	Castelfranco Veneto (TV)	EUR	100%	100%	100%
Setrans Srl	Brescia	EUR	60%	60%	N/A
Venete Siderprodukte AG	Schlieren (CH)	EUR	60%	60%	60%
Ascoven SAS	Paris (FR)	EUR	100%	N/A	N/A
Subsidiaries indirectly controlled by the Holding Company - consolidated on a line-by-line basis:					
Olmo Immobiliare Srl	Concordia Sagittaria (VE)	EUR	100%	100%	100%
Valle Zignago Srl - Società Agricola	Concordia Sagittaria (VE)	€	100%	100%	100%

The following table summarises the main financial statement data of the companies included in the Group's scope of consolidation:

Company name	(In thousands of euros)		
	Share Capital as at 31 December 2024	Shareholders' equity as per latest approved financial statements	Net profit for the year as per latest approved financial statements
A.V.E. - Acciaierie Venete Energia Srl	100	180	(13)
Fin.Steel Srl (formerly Acciaierie Fonderie Venete Srl)	10,000	34,012	125
Ascoven SAS	10	10	-
Centro Italiano Acciai Srl	1,350	22,003	118
Esti Srl	1,500	20,059	3,422
Maltauro Rottami Srl	500	11,237	1,261
Padana Rottami Srl	3,500	42,917	3,675
Setrans Srl	1,000	15,554	877
Venete Siderprodukte AG	187	554	61
Olmo Immobiliare Srl	2,958	3,103	17
Valle Zignago Srl - Società Agricola	394	6,106	(335)

The closing date of the financial statements date of the companies belonging to the scope of consolidation is 31 December, which coincides with the reporting date of the Holding Company's financial statements.

During the year ended 31 December 2024, the only change in the Group's scope of consolidation was related to the incorporation by the Holding Company of the French company Ascoven SAS.

During the year ended 31 December 2023, the following changes occurred in the Group's scope of consolidation:

- acquisition by the Holding Company of an additional 16.5% stake in the company Maltauro Rottami S.r.l.; and
- acquisition by the Holding Company of a 60% stake in the company Setrans S.r.l., engaged in transport and logistics activities.

Consolidation methodologies – for subsidiaries

Subsidiaries are consolidated on a line-by-line basis. Subsidiaries are companies over which the Holding Company has control. The Holding Company controls a company when it is exposed to variability in the company's results and has the power to influence those results through its power over the company. Specifically, the Holding Company controls an investee if, and only if, the Holding Company has:

- power over the investee (i.e. holds valid rights that give it the current ability to direct the relevant business activities of the investee entity);
- exposure or rights to variable returns arising from the relationship with the investee entity;
- the ability to exercise its power over the investee entity to affect the amount of its returns.

Generally, control is presumed to exist when the Holding Company holds, whether directly or indirectly, more than half of the voting rights, also taking into account potential voting rights that are exercisable or convertible.

Control is obtained when the Holding Company is exposed to or entitled to variable returns. The Holding Company considers all relevant facts and circumstances in determining whether it controls the investee entity, including any:

- contractual agreements with other holders of voting rights;
- rights arising from contractual agreements;
- voting rights and potential voting rights of the Holding Company.

The Holding Company reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to determining control.

Consolidation of a subsidiary begins when the Holding Company obtains control and ceases when the Holding Company loses control. The assets, liabilities, revenues and expenses of the subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Holding Company obtains control until the date the Holding Company no longer exercises control over the company.

The profit (loss) for the year and each of the other components of the income statement are allocated to the shareholders of the parent company and the non-controlling interests, even if this means that the non-controlling interests have a negative balance. When necessary, appropriate adjustments are made to the financial statements of subsidiaries to ensure compliance with the group's accounting policies.

Changes in shareholdings in a subsidiary that do not result in a loss of control are accounted for in shareholders' equity.

The financial statements of subsidiaries used for consolidation purposes are prepared with reference to the same accounting period and using the same accounting standards as the parent company.

All intercompany balances and transactions, including any unrealised gains and losses arising from transactions between Group companies, and dividends are fully eliminated. The comprehensive income of a subsidiary is allocated to non-controlling interests, even if this implies that the non-controlling interests have a negative balance.

If the Holding Company loses control of a subsidiary, said Holding Company:

- eliminates the assets (including any goodwill) and liabilities of the subsidiary;
- eliminates the carrying amounts of any non-controlling interests in the former subsidiary;
- eliminates cumulative exchange differences recognised in shareholders' equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any retained interest in the former subsidiary;
- recognises any gain or loss in the income statement;
- reclassifies the parent company's share of items previously recognised in the comprehensive income statement to income statement or retained earnings, as appropriate.



2.4. Accounting standards and valuation criteria

The standards adopted with reference to the classification, recognition, measurement and derecognition of the various asset and liability items, as well as the criteria for recognising income components, are explained below.

Property, plant and equipment

Property, plant and equipment is only recognised when the following conditions occur simultaneously:

- it is probable that the future economic benefits attributable to the asset will be enjoyed by the enterprise;
- the cost can be reliably determined.

Property, plant and equipment are initially measured at cost, defined as the cash or cash equivalent paid or the fair value of other consideration given to acquire an asset at the time of purchase or replacement. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost includes charges directly incurred to make possible their use, as well as any dismantling and removal charges that will be incurred as a result of contractual obligations requiring the asset to be restored to its original condition.

Charges incurred for maintenance and repairs of an ordinary and/or cyclical nature are charged directly to the income statement when incurred. Costs related to the

expansion, modernisation or improvement of structural elements owned or used by others are capitalised to the extent that they meet the requirements to be classified separately as an asset or part of an asset.

The depreciation criteria used for property, plant and equipment is the straight-line method, over the useful life of the assets. The annual depreciation rates applied by the Group for the various categories of property, plant and equipment are shown below:

Groups	Assets	Annual depreciation rates
PLANTS	Industrial land and buildings	3.0% - 5.0%
	Developed land	3.0%
	Light construction	10.0%
THERMAL POWER PLANTS	Power plant buildings	3.0% - 4.0%
GENERAL INSTALLATIONS	General installations	6.0% - 7.5% - 10.0% - 12.0% - 15.0%
	Purification plants	15.0%
	General canteen installations	8.0%
SPECIFIC INSTALLATIONS	Large specific installations	17.5%
	Machinery	10.0% - 15.0% - 30.0%
	Production equipment	12.5% - 25.0%
	Specific power plant installations	9.0%
FURNACES	Alarm system	30.0%
	Furnaces	15.0%
EQUIPMENT	Power plant equipment	10.0%
	Plant equipment	25.0%
	Miscellaneous equipment	15.0% - 20.0% - 30.0% - 100.0%
VEHICLES	Internal transport vehicles	20.0%
	Vehicles	12.0% - 20.0%
	Cars	25.0%
FURNITURE AND FURNISHINGS	Canteen furniture and furnishings	10.0%
	Office furniture and furnishings	12.0% - 15.0%
ELECTRONIC MACHINES	Electronic machines	20.0%

Leasehold improvements are classified under "Property, plant and equipment". Their depreciation period corresponds to the lower of the residual useful life of the tangible fixed asset and the residual term of the lease contract, taking into account the renewal period, if any, dependent on the tenant.

At the end of each reporting period, the Group verifies whether there have been significant changes in the expected characteristics of the economic benefits deriving from capitalised property, plant and equipment and if so, it changes the depreciation criteria, which is considered as a change of estimate in accordance with IAS 8, and is consequently accounted for prospectively, with recognition of the impact of the change on the financial year in which the change takes place and on future financial years.

The value of property, plant and equipment is derecognised when they are disposed of or when the enterprise expects that no economic benefit will flow from their disposal.

#### Right-of-use assets

In accordance with IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control, for a specified period of time and in exchange for consideration, the use of an identified asset. In order to assess whether the contract confers the right to control the use of an identified asset for a certain period of time, over the period of use, it is necessary to assess whether the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset and has the right to direct the use of the identified asset. The contract is reassessed to see whether it is, or contains, a lease only if the terms and conditions of the contract are changed.

For a contract that is, or contains, a lease, each lease component is separated from the non-lease components unless the Group applies the practical expedient in paragraph 15 of IFRS 16. Said practical expedient allows the Group to choose, for each class of underlying asset, not to separate the non-lease components from

the lease components and to account for each lease component and the associated non-lease components as a single lease component. It should be noted that the Group has chosen not to apply the practical expedient, and has therefore chosen to separate the non-lease components from the lease components.

The lease term is determined as the non-voidable period of the lease, to which both of the following periods are added:

- periods covered by an option to extend the lease if the Group is reasonably certain to exercise the option; and
- periods covered by the lease termination option if the Group has reasonable certainty that it will not exercise the option.

In assessing whether the Group has reasonable certainty to exercise the lease extension option or not to exercise the lease termination option, all relevant facts and circumstances that create an economic incentive for the Group to exercise the lease extension option or not to exercise the lease termination option are considered. The Group redetermines the lease term in the event of a change in the non-voidable period of the lease.

In particular, with respect to the lease term, the Group has adopted the following approach:

- for real estate leases, only the first renewal period is considered as reasonably certain, unless there are particular contractual clauses, facts or circumstances, which would lead to additional renewals being considered or determine the end of the lease; for leases already renewed at least once, only the remaining period of the current renewal is considered; and
- for the lease of cars and industrial equipment, only the original term is considered.

On the effective date of the contract, the Group recognises the right-of-use asset and the related lease liability.

On the effective date of the contract, the right-of-use asset is measured at cost. The cost of the right-of-use activity includes:

- a) the amount of the initial valuation of the lease liability;
- b) the lease payments made on or before the effective date net of lease incentives received;
- c) initial direct costs incurred by the Group; and
- d) the estimated costs to be incurred by the Group in decommissioning and removing the underlying asset and restoring the site where it is located or restoring the underlying asset under the terms and conditions of the lease, unless such costs are incurred in producing inventories.

At the effective date of the contract, the Group assesses the lease liability at the current value of unpaid lease payments at that date. Lease payments due include the following amounts:

- a) fixed payments, net of any leasing incentives to be received;
- b) variable lease payments that depend on an index or rate, measured initially using an index or rate at the effective date;
- c) the amounts that the Group is expected to pay by way of residual value guarantees;
- d) the exercise price of the call option, if the Group is reasonably certain to exercise the option; and
- e) lease termination penalty payments, if the lease term takes into account the lessee's exercise of the lease termination option.

Lease payments are discounted using the lease's implied interest rate if it can be readily determined. If this is not possible, the Group uses its marginal financing rate, which is the incremental interest rate the Group would have to pay to obtain a loan with the same term and for the amount as the lease.

Specifically, with regard to the discount rate, the Group used as the marginal financing rate a single interest rate representative of the cost that the Group would incur to finance the purchase of the assets over a period of time consistent with the contractual term.

Subsequent to initial recognition, the right-of-use asset is measured at cost:

- a) net of accumulated depreciation and accumulated impairment losses; and
- b) adjusted for any restatement of the lease liability.

The right-of-use asset is depreciated over the lease term or, if the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if it is reasonably certain that the option to purchase the underlying asset will be exercised at the end of the lease term, over the useful life of the underlying asset.

Subsequent to initial recognition, the lease liability is assessed:

- a) increasing the carrying amount to account for interest on the lease liability;
- b) decreasing the carrying amount to reflect lease payments made; and
- c) restating the carrying amount to reflect any new or revised lease valuations or review of lease payments due for fixed leasing in substance.

For lease amendments that do not qualify as a separate lease, the right-of-use asset is restated (upward or downward), consistent with the change in the lease liability at the date of the amendment. The lease liability is restated in accordance with the new terms of the lease contract using the discount rate at the date of the amendment.

It should be noted that the Group avails itself of two exemptions provided by IFRS 16, with reference to short-term leases (i.e. leases with a term of 12 months or less from the effective date) and leases of low-value assets (i.e. if the value of the underlying asset, when new, is indicatively less than USD 5,000). In such cases, the right-of-use asset and the related lease liability are not recognised and the lease payments are recognised in the income statement under "Cost of services" on a straight-line basis over the lease term or on another systematic basis if more representative of how the lessee receives the benefits.

Investment properties

Real estate (land or building - or part of a building - or both) held for the purpose of earning rental income or for capital appreciation or for both reasons is classified in a special financial statement item called “Investment properties” in accordance with IAS 40.

Investment properties are initially measured at cost and are stated net of accumulated depreciation and any impairment losses.

Business combinations and goodwill

A business combination is a transaction, or other event, whereby an acquirer gains control of one or more businesses. According to the provisions of IFRS 3, all business combinations are accounted for by applying the acquisition method, which considers a business combination from the perspective of the acquirer and, consequently, assumes that an acquirer must be identified in every business combination. The acquisition date is the date on which the acquirer obtained control of the other combined companies or businesses. A balance sheet of the acquiree must be available at the acquisition date for the consolidation of the results in the consolidated income statement and the assessment of the fair value of the assets and liabilities acquired, including goodwill. The Group uses the acquisition method of accounting for business combinations. According to this method:

i) The consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair values of the assets transferred and liabilities assumed by the Group at the acquisition date and the equity instruments issued in exchange for control of the acquiree business. Incidental transaction costs are recognised in the income statement as they are incurred;

ii) at the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at fair value at the acquisition date, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefits obligations and assets held for sale which are recognised in accordance with the relevant accounting standards;

goodwill is determined as the excess of the sum of the consideration transferred in the business combination, the value of any non-controlling interest in equity and the fair value of any previously held equity interest in the acquiree over the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the consideration transferred, the value of any minority interest in shareholders' equity and the fair value of any previously held equity interest in the acquiree, said excess is recognised immediately in the income statement as income arising from the completed transaction; iii) any contingent consideration under the business combination agreement is measured at fair value at the acquisition date and included in the value of the consideration transferred in the business combination for the purpose of determining goodwill.

In the case of business combinations that occur in stages, the previously held equity interest in the acquiree is remeasured at fair value at the date control is acquired and any resulting gain or loss is recognised in the income statement.

If the initial values of a business combination are incomplete at the end of the reporting period at which the business combination is effected, the Group reports in its consolidated financial statements the provisional values of items for which recognition cannot be completed. These provisional values are adjusted during the assessment period to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the value of the recognised assets and liabilities at that date.

Goodwill acquired in a business combination is not amortised. The Group verifies annually, and whenever there is an indication that the value of the asset may be impaired, that goodwill arising in the consolidated financial statements as a result of the line-by-line consolidation of direct and indirect investments is not impaired (so-called impairment test).

Intangible assets

An intangible asset is an asset that simultaneously meets the following conditions:

- is identifiable;
- is non-monetary;
- it lacks physical consistency;
- is under the control of the reporting business;
- is expected to produce future economic benefits for the business.

If an asset does not meet the above-stated requirements to qualify as an intangible asset, expenditure incurred to acquire the asset or to generate it internally is recognised as an expense when it is incurred.

Intangible assets are initially recognised at cost. The cost of externally acquired intangible assets includes the purchase price and any directly attributable costs.

Internally generated goodwill is not recognised as an asset in the same way as intangible assets arising from research (or the research phase of an internal project).

An intangible asset arising from the development or the development phase of an internal project is recognised only if the following conditions are met:

- the technical feasibility of completing the intangible asset so that it is available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the intangible asset;
- the way in which the intangible asset is capable of generating future economic benefits and, in particular, the existence of a market for the product of the intangible asset or for the intangible asset itself or, if it is to be used for internal purposes, its usefulness;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset;
- the ability to reliably assess the cost attributable to the intangible asset during its development.

Intangible assets are measured using the cost method. The cost model requires that after initial recognition an intangible asset should be carried at cost less accumulated depreciation and any accumulated impairment losses.

The amortisation criterion used for intangible assets is the straight-line method, over their useful life. The annual amortisation rates applied by the Group for the various categories of intangible assets are shown below:



Assets	Annual depreciation rates
Intellectual property rights	20% - 33.33%
Concessions, licences and trademarks	16.66% - 20.0% - 25.0% - 33.33%
Multi-year charges Metal Interconnector consortium	10.0%

**Intangible Assets - Environmental Certificates**  
The Holding Company Acciaierie Venete S.p.A. receives greenhouse gas emission rights free of charge, in line with the provisions of the European Emission Trading System. Allowances are received on an annual basis and must be surrendered to the relevant national authority based on actual emissions during the year. If the allowances received free of charge are not sufficient to cover the actual emissions produced, the missing allowances are purchased and recognised at acquisition cost within the item "Intangible Assets." Costs related to greenhouse gas emissions are recognised on an accrual basis, in proportion to the emissions produced during the financial year, and are recognised within the item "Other operating costs" with an offsetting entry in a provision for risks and charges. The intangible assets, corresponding to the certificates purchased, are eliminated as an offsetting entry to the reduction of the provision for risks and charges at the time the certificates are delivered to the competent authority.

**Impairment of assets with a finite useful life and goodwill**  
In the presence of specific indicators of impairment, and at least on an annual basis with regard to goodwill, assets with a finite useful life (property, plant and equipment, intangible assets and right-of-use assets) and goodwill are subject to an impairment test. The test consists of estimating the recoverable amount of the asset and comparing it with the relevant net book value. The recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use, the latter being the present value of the estimated future cash flows for said asset.

For the purpose of assessing impairment, assets are aggregated at the lowest level for which independent cash flows are separately identifiable ("cash generating

unit" or "CGU"). An impairment loss is recognised in the income statement if the carrying amount of the asset, or of the CGU to which it is allocated, is greater than its recoverable amount. Impairments of a CGU are recognised first as a reduction in the carrying amount of any goodwill allocated to it and then as a reduction in the carrying amount of other assets, in proportion to their carrying amount and within the limits of their relative recoverable amount.

If the conditions for a previously recognised impairment loss are no longer met, except for goodwill, the carrying amount of the finite useful life assets is reinstated through the income statements, to the extent of the net carrying amount that the assets in question would have had if the impairment loss had not been recognised and the related amortisation had been recognised. Conversely, an impairment loss recognised for goodwill cannot be reversed in subsequent periods.

**Financial assets**  
Upon initial recognition, financial assets are recognised at fair value and are subsequently classified in one of the following categories:

- (a) Financial assets measured at amortised cost;
- (b) financial assets measured at fair value with an impact on comprehensive income (and therefore with an impact in a specific reserve within shareholders' equity);
- (c) financial assets measured at fair value with impact on the income statement.

a) Financial assets measured at amortised cost  
Financial assets that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved through the collection of contractually agreed cash flows ("Hold to Collect" business model); and
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (so-called "SPPI test" passed).

Upon initial recognition, these assets are recognised at fair value, including transaction costs or income directly attributable to the instrument. Subsequent to initial recognition, financial assets are measured at amortised cost, using the effective interest rate method.

b) Financial assets measured at fair value with impact on comprehensive income

Financial assets that meet both of the following conditions are included in this category:

- the financial asset is held in accordance with a business model whose objective is achieved either through the receipt of the contractually agreed cash flows or through the sale of the financial asset ("Hold to Collect and Sell" business model); and
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (so-called "SPPI test" passed).

Also included in this category are shareholdings, not qualifying as control, associate and joint control, that are not held for trading purposes, for which the option to designate at fair value with impact on comprehensive income has been exercised. In accordance with the provisions of IFRS 9, with regard to these shareholdings, the amounts recognised with a offsetting entry in shareholders' equity are not subsequently transferred to the income statement, even in the event of disposal. The only component attributable to the equity securities in question that is recognised in profit or loss is the related dividends. For equity securities included in this category that are not quoted in an active market, cost is used as

an estimate of fair value only on a residual basis and limited to a few circumstances, i.e. when the most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value in said range.

c) Financial assets measured at fair value with impact on the income statement.

This category includes financial assets other than those classified as "Financial assets measured at amortised cost" and "Financial assets measured at fair value with impact on the comprehensive income."

**Derecognition of financial assets**  
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised in the first instance (e.g. removed from the Group statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished; or
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay, and
- a) transferred substantially all risks and benefits of ownership of the financial asset; or
- b) has neither transferred nor retained substantially all the risks and benefits of the asset, but has transferred control thereof.

In cases where the Group has transferred the rights to receive the cash flows from an asset or has entered into an agreement under which it retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), it assesses whether and to what extent it has retained the risks and benefits of ownership. If it has neither transferred nor retained substantially all of the risks and benefits or has not lost control thereof, the asset continues to

be recognised in the Group's financial statements to the extent of its continuing involvement in said asset. In this case, the Group also recognises an associated liability. The transferred asset and associated liability are measured to reflect the rights and obligations that remain with the Group.

Derivative financial instruments

Derivative financial instruments are accounted for in accordance with IFRS 9.

At the contract date, derivative financial instruments are initially recognised at fair value, either as financial assets measured at fair value with impact on the income statement when the fair value is positive or as financial liabilities measured at fair value with impact on the income statement when the fair value is negative.

If financial instruments are not accounted for as hedging instruments, changes in fair value recognised after initial recognition are treated as income statement items for the period. If, on the other hand, the derivative instruments meet the requirements to be classified as hedging instruments, subsequent changes in fair value are accounted for according to specific criteria, specified below.

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the strategy for undertaking the hedge and the methods that will be used to verify its prospective and retrospective effectiveness. The effectiveness of each hedge is verified both at the inception of each derivative instrument and during its life, and in particular at each financial instruments reporting period or interim reporting date. Generally, a hedge is considered highly “effective” if, either at inception or during its life, changes in the fair value, in the case of a fair value hedge, or in the expected future cash flows, in the case of a cash flow hedge, of the hedged item are substantially offset by changes in the fair value of the hedging instrument.

IFRS 9 provides for the possibility of designating the following three hedging relationships:

- a) fair value hedge: when the hedge relates to changes in the fair value of recognised assets and liabilities, both changes in the fair value of the hedging instrument and changes in the hedged item are recognised in the income statement;
- b) cash flow hedge: in the case of cash flow hedges designed to neutralise the risk of changes in cash flows arising from the future performance of contractually defined obligations at the balance sheet date, changes in the fair value of the derivative instrument recorded subsequent to initial recognition are recognised, limited to only the effective portion, in the statement of comprehensive income and therefore in a shareholders' equity reserve. When the economic effects of the hedged item occur, the portion recognised in other comprehensive income is transferred the income statement. If the hedge is not perfectly effective, the change in fair value of the hedging instrument attributable to the ineffective portion of the hedge is recognised immediately in the income statement;
- c) hedging a net investment in a foreign operation (net investment hedge).

If the tests do not confirm the effectiveness of the hedge, from that time the accounting is discontinued and the hedging derivative contract is reclassified to either financial assets measured at fair value with impact on the income statement or financial liabilities measured at fair value with impact on the income statement. The hedging relationship also ceases when:

- the derivative expires, is sold, terminated or exercised;
- the hedged item is sold, expires or is redeemed;
- it is no longer highly probable that the hedged future transaction will occur.

Trade receivables

Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost, taking into account the time factor. Specifically, the initial

recognition value is represented by the nominal value of the receivable, net of all premiums, discounts and allowances, and including any costs directly attributable to the transaction that generated the receivable. Any transaction costs, commission income and/or expenses and any difference between initial value and nominal value at maturity are included in the calculation of amortised cost using the effective interest method.

For short-term receivables (i.e. with a maturity of less than 12 months), the effects of potential divergence between the amortised cost valuation and the nominal value of said receivables are assumed to be irrelevant.

Impairment of financial assets

The Group recognises an impairment loss (“expected credit loss” or “ECL”) for all financial assets represented by debt instruments not measured at fair value through the income statement. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows will include cash flows arising from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual terms.

Expected losses are recognised in two steps. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, credit losses arising from estimated default events that are possible within the next 12 months (“12-month ECL”) must be recognised. For credit exposures for which there has been a significant increase in credit risk since initial recognition, expected losses must be recognised in full over the remaining life of the exposure, regardless of when the event of default is expected to occur (“Lifetime ECL”).

For trade receivables, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but recognises the expected loss in full at each reporting date.

Inventories

Inventories are goods:

- held for sale during the normal course of business;
- used in production processes for sale;
- in the form of materials or supplies of goods to be used in the production process or in the provision of services.

The Group's inventories consist of raw, ancillary and maintenance materials and finished products. The valuation is carried out at the lower of weighted average purchase cost and net realisable value for raw, ancillary and maintenance materials, and at the lower of production cost and net realisable value for finished products.

When the net realisable value is less than the cost, the surplus is immediately written off in the income statement.

Inventories - Biological assets

The subsidiary Valle Zignago S.r.l. Società Agricola, carries out agricultural activities and applies IAS 41 “Agriculture” to biological assets and agricultural products up to harvest time.

The item “Biological assets,” included under “Inventories,” includes the value at the end of each period of crops that will be harvested in subsequent periods. Biological assets are measured at fair value less estimated point-of-sale costs. In some cases, fair value may be approximated by the costs incurred up to the balance sheet date to prepare fields for cultivation or ripen produce, particularly when only minor biological transformation has occurred since the initial cost was incurred or when biological transformation is not expected to have a material impact on price.

Cash and cash equivalents

Cash and cash equivalents are recorded at either nominal value or amortised cost, depending on their nature. Other cash equivalents represent short-term,

highly liquid financial assets that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value, with an original maturity or at the time of purchase not exceeding 3 months.

Trade payables and other financial liabilities

Trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost, taking into account the time factor. Specifically, the initial recognition value is the nominal value of the payable debt, net of transaction costs and all premiums, discounts and allowances directly resulting from the transaction that generated the debt. Any transaction costs, commission income and/or expenses and any difference between initial value and nominal value at maturity are included in the calculation of amortised cost using the effective interest method.

For short-term payables (i.e. with a maturity of less than 12 months), as well as in any case for those in which transaction costs, commissions paid between the parties and any other difference between the initial value and the value at maturity are insignificant, the effects of potential divergence between the amortised cost valuation and the nominal value of said payables are assumed to be irrelevant.

Trade payables and other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer their payment for at least twelve months after the relevant financial statements date.

Trade payables and other financial liabilities are removed from the financial statements when they are extinguished and when the Group has transferred all risks and charges relating to the instrument.

Employee benefits obligations

a) Short-term benefits

Short-term benefits include benefits that are expected to be settled in full within twelve months after the end of the period in which the employees render the related

services. Short-term benefits mainly include wages, salaries and social security contributions, holiday and sick leave benefits, and any incentive plans.

Short-term benefits are not discounted to present value and the amount not yet paid at the financial statements reporting date is recognised within "Other current liabilities."

b) Post-employment benefits

Post-employment benefits include pension benefits (e.g., pensions and lump-sum payments upon retirement), benefits payable upon termination of employment based on applicable regulations (e.g., severance indemnity for the Group's Italian companies) and other post-employment benefits such as life insurance and medical care.

Post-employment employee benefits obligations are divided between those based on defined contribution plans and those based on defined benefit plans, depending on the benefits provided:

- in defined contribution plans, the Group's legal or constructive obligation is limited to the amount of contributions to be paid to the provision based on the agreement. The amount of post-employment benefits received by the employee is determined, therefore, by the amount of contributions paid by the Group (and sometimes by the employee) to a post-employment benefit plan or to an insurance company, together with the returns from the investment of the contributions. Consequently, the actuarial risk (that benefits are lower than expected) and the investment risk (that the invested assets are insufficient to meet expected benefits) fall, in substance, on the employee;
- in defined benefit plans, on the other hand, the Group's obligation is to provide the agreed benefits for current and former employees and the actuarial risk (that the benefits will be more expensive than expected) and investment risk fall, in substance, on the Group.

With reference to the Group's Italian companies, pursuant to Law No. 296 of 27 December 2006 (2007 Finance Act), the following is noted:

- the TFR (severance indemnity) provision, limited to the amounts accruing from 1 January 2007 for companies with more than 50 employees, regardless of the destination option chosen by the employee, represents a defined contribution plan that does not require actuarial calculation;
- TFR severance indemnity benefits accrued since 1 January 2007 and allocated to supplementary pensions, in the case of companies with fewer than 50 employees, represent a defined contribution plan that does not require actuarial calculation;
- the TFR (severance indemnity) provision, limited to the portion accrued up to 31 December 2006 for all companies, as well as the portions accrued from 1 January 2007 and not allocated to supplementary pensions for companies with less than 50 employees, represent a defined benefit plan that requires actuarial calculation.

The accounting for defined benefit plans is characterised by the use of actuarial assumptions to determine the value of the obligation. Said valuation is entrusted to an external actuary and is carried out annually. For discounting purposes, the Group uses the projected unit credit method, which involves the projection of future disbursements on the basis of historical statistical analyses and the demographic curve and the financial discounting of these flows on the basis of a market interest rate. Specifically, programme service costs are accounted for under "Personnel costs," while interest expense accrued on the obligation is accounted for under "Financial expenses." Actuarial gains and losses, arising from changes in actuarial assumptions, are recognised with an offsetting entry to shareholders' equity (in the item: "Reserve for actuarial gains/losses on employee benefits obligations") as required by IAS 19. The liability for defined benefit plans is recognised within the item "Employee benefits obligations."

c) Employee termination benefits

Benefits payable to employees for termination of employment result from the Group's decision to terminate employment or from an employee's decision to accept an offer, by the Group, of benefits in exchange for termination of employment.

The Group recognises the cost of these benefits as a liability on the financial statements at the earliest date between:

- the time at which the Group can no longer withdraw the offer of such benefits;
- the time at which the Group recognises the costs of a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits due.

d) Other long-term benefits

Other long-term benefits are employee benefits obligations that are not payable in full within 12 months after the end of the period in which the employees rendered their services. Other long-term benefits, if any, are discounted to present value (but without recognising any revaluation in other comprehensive income) and the amount not yet paid at the financial statements reporting date is recognised within "Other non-current liabilities."

Provisions for risks and charges

In accordance with IAS 37, provisions for risks and charges are recognised for losses and charges of a given nature, whose existence is certain or probable, but whose amount and/or date of occurrence cannot be determined.

Provisions are recognised only when a current obligation (legal or constructive) exists for a future outflow of economic resources as a result of past events and it is probable that such an outflow will be required to settle the obligation. This amount represents the best estimate of the expenditure to settle the obligation. The rate used in determining the present value of the liability reflects current market values and takes into account



the specific risk associated with each liability.

When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provisions are measured at the present value of the expected outlay using a rate that reflects market conditions, the change in the cost of money over time and the specific risk associated with the obligation. The increase in the value of the provision caused by changes in the cost of money over time is recognised as a financial expense.

Risks, for which the occurrence of a liability is only possible, are disclosed in the appropriate disclosure section on contingent liabilities and no provision is made for them.

#### Revenues

Revenue is recognised when the following conditions of IFRS 15 are met:

- the contract with the customer has been identified;
- the contractual obligations ("performance obligations") contained in the contract were identified;
- the price was determined;
- the price was allocated to the individual contractual obligations contained in the contract;
- the contractual obligation contained in the contract has been fulfilled.

In particular, revenue is recognised when control of the goods is transferred to the customer, taking into account Incoterms and other contractual clauses. Generally, the transfer of control occurs upon shipment or delivery of the goods. Revenue is recognised in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group considers whether there are other promises in the contract that represent contractual obligations on which a portion of the transaction consideration is to be allocated. In determining the price of the transaction for the sale of products, the Group considers the possible effects of variable consideration and significant financial components.

#### Recognition of government grant contributions

Government grant contributions are recognised on an accrual basis in relation to costs incurred when there is a reasonable certainty that the Group will comply with the conditions for obtaining the grant and that the grant will be received, and if the value of the grant contribution can be reliably determined.

Government grant contributions are recognised as deferred income within "Other non-current liabilities" and "Other current liabilities" for the long-term and short-term portion of these grant contributions, respectively. Deferred income is then recognised within "Other income" in the income statement on a straight-line basis over the useful life of the assets to which the grant relates.

Government operating grants are recognised in the income statement under "Other income."

#### Recognition of costs

Costs are recognised in the income statement on an accrual basis.

#### Dividends

Dividends distributed are shown as a movement in shareholders' equity in the financial year in which they are approved by the shareholders' meeting.

Dividends received are recognised in the financial statements on an accrual basis in the financial year in which, as a result of the resolution passed by the shareholders' meeting of the investee company to distribute the profit or any reserves, the Group's right to collect them arises.

#### Income Taxes

Current taxes are calculated on the basis of taxable income for the year, applying the tax rates in force at the financial statements reporting date. Current taxes for the year and prior years, to the extent that they have not been paid, are recognised as a liability. Current tax receivables and payables, for the current and prior

periods, are determined based on the amount expected to be recovered from or paid to the tax authorities, respectively, by applying tax rates and tax laws that have been enacted or substantively enacted by the financial statements reporting date.

Deferred tax assets and liabilities are distinguished into:

- deferred tax assets, which are the amounts of income taxes recoverable in future years related to deductible temporary differences, unused tax loss carryforwards and unused tax credit carryforwards; and
- deferred tax liabilities, i.e., the amounts of income taxes payable in future periods in reference to taxable temporary differences.

To calculate the amount of deferred tax assets and deferred tax liabilities, the tax rate is applied to identified taxable or deductible temporary differences, i.e. unused tax losses and unused tax credits.

At each financial statements date, both deferred tax assets not recognised in the financial statements and deferred tax assets recognised in the financial statements are remeasured in order to verify the existence of the assumption of the probability of recovery of such items.

Deferred tax assets and deferred tax liabilities are offset if, and only if:

- there is a legally enforceable right to set off current tax receivables against current tax liabilities; and
- deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either: (i) the same taxable entity; or (ii) different taxable entities that intend to settle current tax liabilities and current tax assets on a net basis, or realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

Furthermore, in the presence of uncertainties in the application of tax regulations, the Group: (i) in cases

where it considers it probable that the tax authority will accept the uncertain tax treatment, determines the income taxes (current and/or deferred) to be recognised in the financial statements in accordance with the tax treatment applied or expected to be applied in the tax return; (ii) in cases where it considers it unlikely that the tax authority will accept the uncertain tax treatment, reflects this uncertainty in determining the income taxes (current and/or deferred) to be recognised in the financial statements.



### 3. RECENTLY ISSUED ACCOUNTING STANDARDS



Standards issued but not yet in force

Standards and interpretations that had already been issued but not yet in force at the date of preparation of these Consolidated Financial Statements are shown below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

Accounting standard/ amendment	Description
Amendments to IAS 21 - “The effects of amendments in foreign exchange rates: lack of exchangeability.”	The IASB's amendments to IAS 21 “The effects of amendments in foreign exchange rates: lack of exchangeability,” specify how to assess whether a currency is exchangeable, how to determine a spot rate if it is not, and require disclosures that enable users of financial statements to understand the impact of a non-exchangeable currency. These amendments will be effective for annual periods beginning on or after 1 January 2025 and early application is permitted. No significant impact on the Group's consolidated financial statements is expected.
Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	The IASB amended IFRS 9 “Financial instruments” following the post-implementation review of classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with potential characteristics, and specifically address requirements that have arisen for the classification of certain financial assets related to ESG issues. The IASB also amended IFRS 7 “Financial Instruments: Disclosures,” requiring entities to provide additional disclosures about financial assets and financial liabilities with certain contingent features. These amendments will be effective for annual periods beginning on or after 1 January 2026 and early application is permitted. No significant impact on the Group's consolidated financial statements is expected.
IFRS 18 Submission and disclosure of financial statements	In April 2024, the IASB issued IFRS 18, which replaces IAS 1 “Submission of financial statements.” IFRS 18 introduces new requirements for the submission within the statement of profit or loss, including specific totals and subtotals. In addition, entities are required to classify revenues and expenses included in the statement of profit or loss in one of the following five categories: operating, financial, income tax and discontinued operations. The standard also requires disclosure of new performance measurement indicators defined by management, based on the subtotal of revenues or expenses, and includes new requirements for the aggregation and disaggregation of financial information based on identified items in the financial statements and explanatory notes. IFRS 18 will be effective from 1 January 2027 and early application is permitted. The Group is currently assessing the impact on its consolidated financial statements.

Accounting standard/ amendment	Description
IFRS 19 Non-Publicly owned subsidiaries: Submission	In May 2024, the IASB issued IFRS 19, which allows certain entities defined by the standard as “eligible” to elect to apply reduced disclosure requirements within the financial statements, while still meeting the recognition, measurement and submission requirements of other IFRSs. To be eligible, at the end of its reporting period, an entity must be a subsidiary as defined in IFRS 10, may not have public accountability and must have a parent company (ultimate or intermediate) that prepares consolidated financial statements that are available to the public and comply with IFRSs. IFRS 19 will be effective from 1 January 2027 and early application is permitted. The Holding Company is considering whether to apply this standard for the purpose of preparing its consolidated financial statements.
Annual improvements to IFRS accounting standards – Volume 11	<p>On 18 July 2024, the IASB issued annual improvements to IFRS accounting standards - Volume 11. It contains amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.</p> <p>The IASB's annual improvements are either limited changes to the text of an IFRS standard or correct minor unintended outcomes, oversights or conflicts between the requirements of the standards. The changes contained in the annual improvements to IFRS – Accounting Standards Volume 11 concern:</p> <ul style="list-style-type: none"><li>- IFRS 1 “First-time Adoption of International Financial Reporting Standards - Hedge Accounting at the date of first-time adoption”;</li><li>- IFRS 7 “Financial Instruments: Disclosures.”<ul style="list-style-type: none"><li>- Income or loss on disposals</li></ul></li><li>- Disclosure of differences between fair value and transaction price<ul style="list-style-type: none"><li>- Details on credit risks</li></ul></li><li>- IFRS 9 “Financial Instruments”:<ul style="list-style-type: none"><li>- Derecognition of lease liabilities</li><li>- Transaction price</li></ul></li><li>- IFRS 10 “Consolidated financial statements - Determination of a ‘de facto’ agent”</li><li>- IAS 7 “Statement of cash flows - Cost method.”</li></ul> <p>These amendments will be effective from 1 January 2026 and early application is permitted. No significant impact on the Group's consolidated financial statements is expected.</p>
Renewable energy contracts - Amendments to IFRS 9 and IFRS 7	<p>The IASB has made the following amendments to allow electricity contracts dependent on renewable energy sources to be recognised correctly in the financial statements:</p> <ul style="list-style-type: none"><li>- clarification on the application of “own use” requirements;</li><li>- amendment to hedge accounting requirements where these contracts are used as hedging instruments if certain conditions are met;</li><li>- introduction of additional disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and future cash flows. These changes will be effective from 1 January 2026 and early application is permitted. The Group is currently assessing the impact on its consolidated financial statements.</li></ul>



## 4. ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the directors to apply accounting standards and methodologies that, in certain circumstances, are based on difficult and subjective valuations and estimates based on historical experience and assumptions that are from time to time considered reasonable and realistic under the circumstances.

The application of these estimates and assumptions affects the amounts reported in the financial statements, such as the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, as well as the disclosures provided. The final results of items in the financial statements for which the above estimates and assumptions have been used could differ, even significantly, from those reported in the financial statements that reflect the effects of the occurrence of the event being estimated, due to the uncertainty that characterises the assumptions and conditions on which the estimates are based.

The areas that require greater subjectivity on the part of the directors in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the Group's financial results are set out below.

**a) Impairment of assets with a finite useful life:** property, plant and equipment, right-of-use assets, investment properties and other intangible assets with a finite useful life are tested for a reduction in value, which must be recognised through impairment, when there are indicators that it will be difficult to recover their net carrying amount through use. Verification of the existence of the above-stated indicators requires the directors to exercise subjective valuations based on information available within the Group and in the market, as well as historical experience. In addition, if it is determined that a potential impairment may have occurred, the Group proceeds to determine the impairment using valuation techniques deemed appropriate. The correct identification of elements indicating the existence of a potential impairment of property, plant and equipment, right-of-use assets, investment properties and other intangible assets, as well as the estimates used to determine the latter, depend on factors that may vary over time, influencing the valuations and estimates made by the directors.

**b) Allowance for doubtful accounts:** the determination of this provision reflects management's estimates related to the historical and expected solvency of receivables, the ageing of receivables, expected losses and losses recognised in previous financial years.

**c) Provision for risks and charges:** the identification of the existence or non-existence of a current obligation (legal or implicit) is the result of a complex process based on the probability of loss. The directors assess such phenomena on a case-by-case basis in conjunction with an estimate of the amount of economic resources required to fulfil the obligation. When the directors consider that the occurrence of a liability is only possible, the risks are disclosed in the disclosure section on commitments and risks, without giving rise to any provision.

**d) Useful life of assets with a finite useful life:** the useful life is determined when the asset is recognised in the financial statements. Useful life assessments are based on historical experience, market conditions and expectations of future events that could affect useful life, including changes in technology. As a result, it is possible that the actual useful life may differ from the estimated useful life.

**e) Deferred tax assets:** deferred tax assets are recognised to the extent that it is probable that there will be adequate future taxable profit against which temporary differences or tax losses, if any, can be utilised.

**f) Leases:** the amount of the lease liability and consequently of the related right-of-use assets depends on the determination of the lease term. This determination is subject to management's assessment, particularly with regard to the inclusion or non-inclusion of the periods covered by the lease renewal and termination options in the lease agreements. These assessments will be reviewed upon the occurrence of a significant event or significant change in circumstances affecting management's reasonable certainty of exercising an option not previously considered in determining the lease term or not exercising an option previously considered in determining the lease term.

**g) Defined benefit plans:** the cost of defined benefit plans and the present value of the defined benefit obligation are determined using actuarial valuations. Actuarial valuations require the development of various assumptions, such as mortality and disability rates, the rate of inflation, the rate of benefit increases and the rate of salary increases, which may differ from actual future developments. Due to the complexity of the valuation and its long-term nature, these estimates are extremely sensitive to changes in assumptions.

**h) Climate change:** climate change is a factor of increasing importance also for the steel sector, with potential direct and indirect impacts on the Group's business. In particular, the increase in the frequency of extreme weather events (heat waves, floods, droughts) may affect the operational continuity of plants and logistics, leading to possible interruptions in the supply chain or in the distribution of finished products. In addition, the gradual transition to a low-carbon economy could lead to regulatory and fiscal changes, with significant effects on energy costs and investments required for plant upgrades, energy efficiency and a reduction in CO<sub>2</sub> emissions. The Group is closely monitoring these developments, also from an ESG perspective, in order to prepare appropriate and sustainable industrial and environmental strategies in the medium to long term.



# 5. FINANCIAL RISK MANAGEMENT

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The Group's activities are potentially exposed to the following risks: credit risk, liquidity risk and market risk. The following section provides qualitative and quantitative reference information on the incidence of these risks on the Group.

5.1. Credit risk

Credit risk represents the Group's exposure to the risk of potential losses arising from the failure of counterparties to meet their obligations. Trade receivables recognised in the financial statements are all due within 12 months and are related to the Group's normal operations. The breakdown of receivables by geographical area, including subsidiaries, shows a concentration of 97% of the total in the European Union area at 31 December 2024 (93% at 31 December 2023 and 1 January 2023). The credit risk arising from the Group's normal business operations with commercial counterparties is managed and controlled as part of the procedures for lending and monitoring the credit standing of customers. The Group's policy is aimed at selecting solid and reliable customers, creating consolidated historical relationships with them. The risk of a customer failing to fulfil a financial obligation on time is systematically analysed, assigning the counterparty a credit line that is constantly monitored; with some counterparties and for particular risk conditions, secured forms of payment are required from customers. The soundness of the Group's customer base and credit management procedures is evidenced by the very limited credit losses recorded in recent years.

It should also be noted that a Credit Risk coverage policy has been in place for some time with a leading international company, which largely covers all credit allowances granted to the Holding Company's customers. Similar policies were taken out for Esti S.r.l. and Centro Italiano Acciai S.r.l. For certain customers of Padana Rottami S.r.l. and Maltauro Rottami S.r.l., credit is guaranteed by assigning the credit without recourse to primary factoring companies. Credit management activities consist of articulated and frequent reporting as well as periodic meetings with the sales force, the broker and the credit insurance company. The following table provides a breakdown of trade receivables as at 31 December 2024, 2023 and 1 January 2023, grouped by due date, before allowance for doubtful accounts:

(In thousands of euros)	Outstanding	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue over 121 days	Total
As at 31 December 2024:					
Gross trade receivables	281,614	13,211	962	711	296,498
Allowance for doubtful trade receivables	(5,069)	(1,094)	(962)	(711)	(7,836)
Total trade receivables	276,545	12,117	-	-	288,662
As at 31 December 2023:					
Gross trade receivables	324,395	11,960	158	867	337,380
Allowance for doubtful trade receivables	(6,488)	(1,945)	(158)	(867)	(9,458)
Total trade receivables	317,907	10,015	-	-	327,922
As at 1 January 2023:					
Gross trade receivables	475,470	16,202	897	1,413	493,982
Allowance for doubtful trade receivables	(4,755)	(2,077)	(897)	(1,413)	(9,142)
Total trade receivables	470,715	14,125	-	-	484,840

5.2. Liquidity risk

Liquidity risk may arise from the difficulty in obtaining the financial resources necessary for the Group's operations in a timely manner and on satisfactory economic terms.

With reference to this risk, considering the nature of the business in which it operates and the operating cash flows historically generated, the Group has no difficulty in raising the funds necessary to meet the commitments deriving from its liabilities according to the envisaged time-frame. The management of liquidity, funding requirements and cash flows are monitored on a daily basis; it should be noted that a Group Centralised Treasury has been in operation for some time in order to manage the available resources more efficiently.

In general, the Group shows an appropriate correlation between short-term assets and liabilities and medium to long-term assets and liabilities. The cash flows from operations and excellent capitalisation allow the Group to meet maturing financing needs and to maintain current credit allowances in the short and medium to long term.

The breakdown of payables and other financial liabilities by maturity at 31 December 2024, 2023 and 1 January 2023 based on expected cash flows, is shown in the tables below:

As at 31 December 2024						
(In thousands of euros)	Maturity of cash flows					Book value
	Within 1 year	From 1 to 2 years	From 3 to 5 years	Over 5 years	Total expected cash flows	
Financial payables (non-current and current)	51,225	23,950	23,820	332	99,327	94,552
Lease liabilities (non-current and current)	4,386	1,773	1,649	62	7,870	7,528
Trade payables	185,914	-	-	-	185,914	185,914
Other liabilities (non-current and current)	34,138	-	-	-	34,138	40,872
Total	275,663	25,723	25,469	394	327,249	328,866

As at 31 December 2023						
(In thousands of euros)	Maturity of cash flows					Book value
	Within 1 year	From 1 to 2 years	From 3 to 5 years	Over 5 years	Total expected cash flows	
Financial payables (non-current and current)	25,164	30,532	14,498	-	70,194	65,385
Lease liabilities (non-current and current)	4,151	3,748	1,985	42	9,926	9,444
Trade payables	169,794	-	-	-	169,794	169,794
Other liabilities (non-current and current)	33,919	-	-	-	33,919	42,174
Total	233,028	34,280	16,483	42	283,833	286,797

As at 1 January 2023						
(In thousands of euros)	Maturity of cash flows					Book value
	Within 1 year	From 1 to 2 years	From 3 to 5 years	Over 5 years	Total expected cash flows	
Financial payables (non-current and current)	76,816	32,487	29,562	2,486	141,351	137,372
Lease liabilities (non-current and current)	2,766	1,008	1,702	88	5,564	5,351
Trade payables	230,979	-	-	-	230,979	230,979
Other liabilities (non-current and current)	50,144	-	-	-	50,144	57,863
Total	360,705	33,495	31,264	2,574	428,038	431,565

5.3. Market risk

The Group is potentially exposed to the following market risks during the course of its operations:

- exchange rate risk;
- interest rate risk;
- price risk.

Foreign exchange rate risk

Exchange rate risk may be generated by commercial and financial transactions carried out in a currency other than the functional currency of individual Group companies (transactional exchange rate risk). Fluctuations in exchange rates between the time when the commercial/financial relationship originates and the time when the transaction is finalised (collection/ payment) can lead to exchange rate gains or losses.

As the Group also operates in international markets, it is exposed to exchange rate risk. However, the exposure to this risk can be defined as limited, as business relations are mainly settled in euros. The exposure to exchange rate risk, compared to the size of the company, is therefore not significant. Specifically, as at 31 December 2024, 2023 and 1 January 2023, there were transactions in foreign currencies, limited in value and number, whose risk was limited through hedging transactions.

The Group sometimes makes use of derivative financial instruments to hedge the exchange rate risk on foreign currency transactions. The following table summarises the main information related to the exchange rate derivative financial instruments in place as at 31 December 2024, 2023 and 1 January 2023:

As at 31 December 2024			
Foreign exchange derivative financial instruments	Maturity date	Notional value	Fair value (in thousands of euros)
Unicredit - Forward purchase USD no. FWD0096255020	23/01/2025	USD 250,000	9
Unicredit - Forward purchase USD no. FWD0097269744	21/02/2025	USD 200,000	3
Total positive fair value (financial assets)			12

As at 31 December 2023			
Foreign exchange derivative financial instruments	Maturity date	Notional value	Fair value (in thousands of euros)
Intesa SanPaolo - Forward purchase USD no. 411414002	10/01/2024	USD 5,200,000	(160)
Intesa SanPaolo - Forward purchase USD no. 411414334	10/01/2024	USD 3,460,000	(106)
Intesa SanPaolo - Forward purchase USD no. 411425157	28/02/2024	USD 5,500,000	(28)
Unicredit - Forward purchase USD no. FWD009828655	19/01/2024	USD 100,000	(2)
Total negative fair value (financial payables)			(296)

As at 1January 2023			
Foreign exchange derivative financial instruments	Maturity date	Notional value	Fair value (in thousands of euros)
Intesa SanPaolo - Euro/USD exchange rate Call Option no. 43611928	06/07/2023	USD 2,500,000	75
Total positive fair value (financial assets)			75
Intesa SanPaolo - Euro/USD exchange rate Put Option no. 43611944	06/07/2023	USD 2,500,000	(93)
Total negative fair value (financial payables)			(93)

Interest Rate Risk

Group companies regularly assess their exposure to the risk of changes in interest rates and are not subject to significant risks.

The items exposed to changes in interest rates are, from the point of view of raising financial sources, short-term and long-term bank debt. Short-term debt (self-liquidating) is all regulated by variable rates (1- or 3-month EURIBOR) and the duration is less than 90 days. Medium to long-term debt is also governed by variable rates (3/6-month EURIBOR). Considering the Group's active treasury position, it should be noted that the amount of liabilities and the interest expense accruing on these can in any case be considered marginal.

From the point of view of cash utilisation, for assets with medium-term maturities such as bonds in the portfolio, capital losses could arise if they are sold before maturity if there are significant increases in interest rates. In this circumstance, however, it is normally company policy to carry these bonds to maturity.

Similarly, for cash invested in investment funds, capital losses may arise in the event of a fall in the price of securities; in this circumstance, too, the company's policy is not to dispose of the financial instrument at a loss and to wait as far as possible for the price of these securities to rise.

It should be noted that the Group has decided not to make use of interest rate risk hedging transactions.



The Group's exposure to interest rate risk was measured through a sensitivity analysis that considered non-current and current financial payables, cash and cash equivalents and non-current and current financial assets. As part of the assumptions made, the effects on the Group's consolidated income statement and consolidated shareholders' equity for the years ended 31 December 2024 and 2023 arising from a hypothetical change in market interest rates that discount and depreciate by 50bps, respectively, were assessed.

The calculation method applied the change assumption to the point balances of the assets and liabilities under analysis and to the interest rate remuneration of these variable-rate assets and liabilities. This analysis is based on the assumption of a general, instantaneous change in the level of reference interest rates.

The following table summarises the results of the analysis performed:

(In thousands of euros)	Impact on net profit and shareholders' equity, net of tax effect (*)	
	- 50 bps	+ 50 bps
Year ended 31 December 2024	(573)	573
Year ended 31 December 2023	(401)	401

Price risk

The Group is exposed to price risk with particular reference to its electricity requirements. In order to protect itself against this risk, the Holding Company has entered into a hedging contract for its electricity requirements. The contract partially covers the amount of energy usually purchased to meet its needs. The above-stated contract, which is linked to the purchase of energy produced and fed into the grid from a photovoltaic source plant, provides for the regulation of the differential between the fixed price recognised by the company and the variable price collected equal

to the hourly value of the PUN (Single National Price). This contract allows the price to be set, for the agreed quantity, by hedging the risk of rising energy prices. The fair value of the contract is calculated based on the forward energy prices recorded at the end of each year. The fair value of the contract, having a positive value, was recognised as a financial asset, with a balancing entry in a special equity reserve ("Reserve for expected cash flow hedges") recognised net of deferred taxes.

The following table summarises the main information relating to this contract:

DXT Commodities SA - Electricity price hedging swap	
Maturity date	31/10/2025
Notional value	Quantity 3MW Baseload
Fair value as at 31 December 2024 (in thousands of euros)	1,313
Fair value as at 31 December 2023 (in thousands of euros)	2,054
Fair value as at 1 January 2023(in thousands of euros)	8,193

5.4. Capital Management

The positive profitability that has characterised the Group for over a decade, coupled with the prudent management of working capital, has resulted in a structural positive net financial position for years. The Group continues to pursue the diversification of its treasury investments while maintaining a constant level of investment risk, which must not be below BBB+ on average. At the beginning of 2025, the Group's active financial position remained almost constant and is still largely positive.

Maintaining a positive net financial position guarantees business continuity even in the face of calamitous events such as those we have experienced in recent years, and allows us to develop investments without recourse to bank credit.

The Group also regularly monitors financial obligations established by third parties, as described in Note 8.13 "Financial payables (non-current and current)" to which reference should be made.

(\*) It is noted that a positive sign indicates a higher result and an increase in shareholders' equity; a negative sign indicates a lower result and a decrease in shareholders' equity.





## 6. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE DISCLOSURES



Categories of financial assets and liabilities

The following table provides a breakdown of financial assets by category, in accordance with IFRS 9, as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	Book value as at 31 December		Book value as at 1 January
	2024	2023	2023
FINANCIAL ASSETS:			
Financial assets measured at amortised cost:			
Non-current financial assets	6,914	6,359	5,638
Other non-current assets	6	14	22
Trade receivables	288,662	327,922	484,840
Current financial assets	51,834	56,499	5,118
Cash and cash equivalents	183,679	183,136	129,043
Other Current Assets	5,683	1,966	1,534
Total financial assets measured at amortised cost	536,778	575,896	626,195
Financial assets measured at fair value with changes in other comprehensive income items:			
Non-current financial assets	7,003	9,061	8,193
Current financial assets	51,497	57,269	58,674
Total financial assets at fair value through changes in other comprehensive income items	58,500	66,330	66,867
Financial assets measured at fair value with changes on the income statement:			
Non-current financial assets	14,435	10,590	5,673
Current financial assets	101,214	75,714	91,024
Total Financial assets measured at fair value with changes on the income statement.	115,649	86,304	96,697
TOTAL FINANCIAL ASSETS	710,927	728,530	789,759

The following table provides a breakdown of financial liabilities by category, in accordance with IFRS 9, as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	Book value as at 31 December		Book value as at 1 January
	2024	2023	2023
FINANCIAL LIABILITIES:			
Financial liabilities measured at amortised cost:			
Non-current financial payables	45,701	42,494	62,065
Non-current lease liabilities	3,331	5,570	2,711
Other non-current liabilities	-	2	-
Current financial payables	48,851	22,595	75,214
Current lease liabilities	4,197	3,874	2,640
Trade payables	185,914	169,794	230,979
Other current liabilities	29,181	27,802	47,497
Total financial liabilities measured at amortised cost	317,175	272,131	421,106
Financial liabilities measured at fair value with changes on the income statement:			
Current financial payables	-	296	93
Total financial liabilities measured at fair value with changes on the income statement.	-	296	93
TOTAL FINANCIAL LIABILITIES	317,175	272,427	421,199



Given the short-term characteristics of trade receivables and trade payables, the Group believes that the carrying values, net of the related allowance for doubtful accounts for trade receivables, may represent a good approximation of fair value.

With regard to lease liabilities, taking into consideration the contractual terms and expiry dates, it is deemed that the fair value does not differ significantly from the related carrying amount.

Non-current and current financial payables are settled or valued at market rates and therefore the relative fair value is deemed to be substantially in line with current book values.

Fair value disclosures

In relation to assets and liabilities recognised in the consolidated statement of financial position and measured at fair value, IFRS 13 requires these values to be classified on the basis of a hierarchy of levels, reflecting the significance of the inputs used in determining fair value. Below is a classification of the fair values of financial instruments based on the following hierarchical levels:

- **Level 1:** fair values determined by reference to quoted prices (unadjusted) in active markets for identical financial instruments. Therefore, in Level 1 the emphasis is on determining the following elements: (a) the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; (b) the entity's ability to enter into a transaction with the asset or liability at the price in that market at the valuation date.
- **Level 2:** fair value determined using valuation techniques with reference to observable variables in active markets. Inputs for this level include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) data other than observable quoted prices for the asset or liability, for example: interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, market-corroborated inputs.

- **Level 3:** fair value determined using valuation techniques with reference to unobservable market variables.
- The following table summarises the financial assets and liabilities measured at fair value, broken down according to levels in the hierarchy, as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	Book value	Level 1	Level 2	Level 3
As at 31 December 2024:				
Non-current financial assets	21,438	-	14,341	7,097
Current financial assets	152,711	143,272	1,325	8,114
As at 31 December 2023:				
Non-current financial assets	19,651	-	12,517	7,134
Current financial assets	132,983	125,080	-	7,903
Current financial payables	296	-	296	-
As at 1 January 2023:				
Non-current financial assets	13,866	-	13,738	128
Current financial assets	149,698	121,755	75	27,868
Current financial payables	93	-	93	-

Financial assets measured at fair value classified as Level 1 of the hierarchy consist mainly of listed securities relating to bonds, Italian government securities and units of open-end investment funds.

Financial assets measured at fair value classified as Level 2 of the hierarchy consist mainly of units of closed-end investment funds and derivative financial instruments.

Financial assets measured at fair value classified as Level 3 in the hierarchy consist mainly of insurance policies and investments in other companies.

It should be noted that there were no transfers between the different levels of the fair value hierarchy during the years under review.

## 7. BUSINESS COMBINATIONS



FY 2023 - Acquisition of 60% of the share capital of Setrans S.r.l.

On 22 May 2023, the Holding Company finalised the acquisition of 60% of the share capital of Setrans S.r.l. (hereinafter, “Setrans”), a logistics company operating in the road transport and rail logistics services sector. In particular, Setrans has a large yard served by a rail link in the same province as the Sarezzo plant, where an industrial project is underway to build a new wire rod train. The project envisages an expansion of the space dedicated to plants at the expense of the areas now used for storage. The purchase of the shareholding in Setrans is of strategic importance to the Holding Company, as the company is to be entrusted with the internal logistics and distribution of the plant.

The contractually agreed price for the sale and purchase is €12,501 thousand, fully paid to the sellers in May 2023. It is noted that the acquisition agreement does not include price adjustments or earn-out mechanisms.

The following table details the assets and liabilities acquired at the date of acquisition of control:

(In thousands of euros)	Fair value at date of acquisition of control
Property, plant and equipment	9,332
Intangible assets	9
Non-current financial assets	5
Deferred tax assets	229
Trade receivables	6,318
Cash and cash equivalents	5,035
Other Current Assets	227
Employee benefits obligations	(546)
Provisions for risks and charges	(60)
Deferred tax liabilities	(6)
Trade payables	(3,774)
Other current liabilities	(1,588)
Total net assets acquired	15,181
Non-controlling interests	(6,072)
Total net assets acquired pertaining to the Group	9,109

Non-controlling interests at the date of acquisition, amounting to €6,072 thousand, were recognised at an amount equal to the non-controlling interests' proportionate share of the net identifiable assets of the acquired company, as allowed by IFRS 3, paragraph 19.

The following table summarises the calculation of goodwill resulting from the acquisition of Setrans:

(In thousands of euros)	
Consideration for acquisition	12,501
Net assets acquired pertaining to the Group	9,109
Goodwill	3,392

It should be noted that the transaction consideration shown in the previous table does not include the transaction costs associated with the acquisition of Setrans, amounting to €9 thousand, which, in accordance with IFRS 3, have been recognised in the income statement for the year within the item “Costs for services.”

The following table shows the net cash flow from the acquisition of Setrans:

(In thousands of euros)	
Consideration paid	(12,501)
Cash and cash equivalents acquired	5,035
Net cash flow (investing activities)	(7,466)

In the year ended 31 December 2023, Setrans contributed €3,405 thousand to the Group's revenue and other income and €498 thousand to the Group's net profit for the year from the date of acquisition.

If the business combination had taken place on 1 January 2023, the Group's revenues and other income would have amounted to €1,451,373 thousand and the Group's net profit for the year would have amounted to €111,273 thousand.



# 8. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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8.1. Property, plant and equipment

The following table provides details and changes in "Property, Plant and Equipment" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Land and buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Tangible assets under construction and advances	Total
Historical cost as at 1 January 2023	226,380	488,687	15,942	24,204	12,257	767,470
Investments	4,823	22,589	1,303	2,530	26,821	58,066
Reclassifications	3,860	4,345	(4,679)	4,983	(6,704)	1,805
Decreases	(38)	(4,667)	(357)	(1,156)	-	(6,218)
Business combinations	8,405	267	19	576	65	9,332
Historical cost as at 31 December 2023	243,430	511,221	12,228	31,137	32,439	830,455
Investments	10,942	28,476	1,008	3,056	44,246	87,728
Reclassifications	6,639	14,327	92	215	(21,281)	(8)
Decreases	(444)	(8,910)	(109)	(1,129)	(5)	(10,597)
Historical cost as at 31 December 2024	260,567	545,114	13,219	33,279	55,399	907,578
Depreciation provision as at 1 January 2023	(119,613)	(404,028)	(13,854)	(18,420)	-	(555,915)
Depreciation	(7,912)	(26,227)	(927)	(1,948)	-	(37,014)
Decreases	32	4,403	344	1,077	-	5,856
Reclassifications	(768)	-	4,340	(4,345)	-	(773)
Depreciation provision at 31 December 2023	(128,261)	(425,852)	(10,097)	(23,636)	-	(587,846)
Depreciation	(8,180)	(29,723)	(1,038)	(2,305)	-	(41,246)
Reclassifications	(13)	-	-	13	-	-
Decreases	344	8,637	108	1,011	-	10,100
Depreciation provision at 31 December 2024	(136,110)	(446,938)	(11,027)	(24,917)	-	(618,992)
Net book value as at 1 January 2023	106,767	84,659	2,088	5,784	12,257	211,555
Net book value as at 31 December 2023	115,169	85,369	2,131	7,501	32,439	242,609
Net book value as at 31 December 2024	124,457	98,176	2,192	8,362	55,399	288,586



The item "Land and buildings" mainly includes the value of industrial land, civil and industrial buildings, as well as land owned for the performance of agricultural activities by the subsidiary Valle Zignago S.r.l. Capital expenditures related to this item in the year ended 31 December 2024 mainly refer to improvements to buildings in the amount of €4,616 thousand, to the purchase of a building leased in Modena in the amount of €2,935 thousand, to photovoltaic systems in the amount of €1,431 thousand and to the construction of a warehouse located within the Padua factory in the amount of €996 thousand. Capital expenditure related to this item in the year ended 31 December 2023 mainly refer to costs for the expansion of a building dedicated to cold processing located at the Padua plant for an amount of €1,192 thousand.

The item "Property, plant and equipment" mainly includes the value of general and specific plant and machinery, as well as furnaces and their appurtenances. Capital expenditures related to this item mainly include improvements and spare parts for rolling plants in the amount of €8,114 thousand in the year ended 31 December 2024 (€5,934 thousand in the year ended 31 December 2023), improvements and spare parts for casting and continuous casting plants in the amount of €7,409 thousand in the year ended 31 December 2024 (€3,119 thousand in the year ended 31 December 2023), costs related to the acquisition of a plant for the production of 200 to 280 mm round bars in the amount of €3.676 thousand in the year ended 31 December 2024 (€0 thousand in the year ended 31 December 2023), costs related to the acquisition of lifting equipment for €3,430 thousand in the year ended 31 December 2024 (€570 thousand in the year ended 31 December 2023) and costs related to the automated chute shear press located at the subsidiary Padana Rottami S.r.l.'s plant in the amount of €0 thousand in the year ended 31 December 2024 (€4,144 thousand in the year ended 31 December 2023).

The item "Industrial and commercial equipment" mainly includes the value of industrial and small equipment. Capital expenditure related to this item mainly refers to the purchase of equipment for laboratory analyses in the amount of €523 thousand in the year ended 31 December 2024 (€754 thousand in the year ended 31 December 2023).

The item "Other assets" mainly includes the value of vehicles and motor vehicles, furniture and office equipment, as well as cranes and lifting equipment. Capital expenditure related to this item mainly related to transport equipment in the amount of €1,264 thousand in the year ended 31 December 2024 (€1,132 in the year ended 31 December 2023) and electronic equipment in the amount of €846 thousand in the year ended 31 December 2024 (€570 in the year ended 31 December 2023).

The item "Tangible assets under construction and advances" includes the carrying amount of assets under construction related to:

- a wire rod rolling mill in the amount of €38,763 thousand at 31 December 2024 (€5,465 thousand at 31 December 2023 and €0 thousand at 1 January 2023);
- construction works related to the plants being installed in the amount of €1,249 thousand as at 31 December 2024 (€6,332 thousand as at 31 December 2023 and €2,272 thousand as at 1 January 2023);
- generic installations in the amount of generic plants in the amount of Euro 2,890 thousand as at 31 December 2024 (€2,492 thousand as at 31 December 2023 and €1,410 thousand as at 1 January 2023);
- specific installations in the amount of €10,919 thousand as at 31 December 2024 (€14,774 thousand as at 31 December 2023 and €5,030 thousand as at 1 January 2023);
- furnaces and related appurtenances in the amount of €1,390 thousand as at 31 December 2024 (€1,272 thousand as at 31 December 2023 and €2,320 thousand as at 1 January 2023);
- other investments in the amount of €188 thousand as at 31 December 2024 (€2,104 thousand as at 31 December 2023 and €1,225 thousand as at 1 January 2023).

As at 31 December 2024, 2023 and 1 January 2023, the Group did not identify any impairment indicators for property, plant and equipment.

It is noted that as at 31 December 2024, 2023 and 1 January 2023, there were no restrictions on the title and ownership of property, plant and equipment securing liabilities.



8.2. Right-of-use assets

The item “Right-of-use assets,” which amounted to €8,286 thousand as at 31 December 2024 (€10,221 thousand as at 31 December 2023 and €7,054 thousand as at 1 January 2023), relate to right-of-use assets recognised in accordance with the provisions of IFRS 16 and mainly related to rental, hire and lease agreements for industrial equipment, buildings and motor vehicles.

The following table provides details and changes in "Right-of-use assets" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Property	Cars	Industrial and commercial equipment	Total
Historical cost as at 1 January 2023	4,531	368	3,524	8,423
Investments	185	398	7,360	7,943
Reclassifications	(1,766)	(39)	-	(1,805)
Decreases	-	(48)	(1,414)	(1,462)
Historical cost as at 31 December 2023	2,950	679	9,470	13,099
Investments	184	474	1,759	2,417
Decreases	(53)	(148)	(533)	(734)
Historical cost as at 31 December 2024	3,081	1,005	10,696	14,782
Depreciation provision as at 1 January 2023	(1,364)	(5)	-	(1,369)
Depreciation	(179)	(245)	(3,319)	(3,743)
Reclassifications	768	5	-	773
Decreases	-	47	1,414	1,461
Depreciation provision at 31 December 2023	(775)	(198)	(1,905)	(2,878)
Depreciation	(201)	(316)	(3,796)	(4,313)
Decreases	24	138	533	695
Depreciation provision at 31 December 2024	(952)	(376)	(5,168)	(6,496)
Net book value as at 1 January 2023	3,167	363	3,524	7,054
Net book value as at 31 December 2023	2,175	481	7,565	10,221
Net book value as at 31 December 2024	2,129	629	5,528	8,286

As at 31 December 2024, 2023 and 1 January 2023, the Group did not identify any impairment indicators in respect of rights-of-use assets.

The following table summarises the value of lease liabilities as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Non-current lease liabilities	3,331	5,570	2,711
Current lease liabilities	4,197	3,874	2,640
Total lease liabilities	7,528	9,444	5,351

Reference may be made to Explanatory note 5.2 “Liquidity Risk” for a maturity analysis of cash outflows related to rental, hire and lease agreements.

The following table sets forth the costs recognised within the consolidated income statement related to rental, hire and lease agreements held by the Group, which acts primarily as lessee, for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Amortisation of rights-of-use assets	4,313	3,743
Interest expenses for leasing	325	258
Cost for use of leased assets	2,185	2,431
- of which:		
Variable fees	278	424
Short-term leasing costs	737	846
Lease costs of low-value assets	318	332
Costs for services on leases	826	529
Other minor costs	26	300

Lease and rental costs recognised in the income statement (i.e. without the recognition of the right-of-use asset and the related lease liability) mainly refer to:

- costs for variable consideration that do not depend on an index or rate under industrial equipment rental, hire and lease agreements, which have been recognised in the income statement in accordance with paragraph 38 of IFRS 16;
- rental costs with a duration of less than 12 months, which were recognised in the income statement as permitted by IFRS 16, paragraph 5;
- lease costs of low-value underlying assets (i.e. if the value of the underlying asset, when new, is indicatively less than USD 5,000), which were recognised in the income statement as permitted by IFRS 16, paragraph 5;
- other sundry costs, mainly referring to ancillary costs to contracts such as the non-deductible VAT portion and the service component related to car rental contracts.

### 8.3. Investment properties

The following table provides details and changes in "Investment properties" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Land	Total
Historical cost as at 1 January 2023	11,665	11,665
Investments	148	148
Historical cost as at 31 December 2023	11,813	11,813
Investments	11	11
Historical cost as at 31 December 2024	11,824	11,824
Net book value as at 1 January 2023	11,665	11,665
Net book value as at 31 December 2023	11,813	11,813
Net book value as at 31 December 2024	11,824	11,824

This item exclusively includes land owned by the subsidiary Valle Zignago S.r.l. – Società Agricola and held for the purpose of earning rental income or for capital appreciation.  
As at 31 December 2024, 2023 and 1 January 2023, the Group did not identify any impairment indicators for investment properties.

8.4. Intangible assets

The following table provides details and changes in "Intangible assets" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Industrial Patent and use of Intellectual Property Rights	Concessions, licences, trademarks and similar rights	Intangible assets in progress and advances	Goodwill	Other intangible fixed assets	Total
Historical cost as at 1 January 2023	9,095	380	1,722	-	19,672	30,869
Investments	584	75	2,091	-	1,296	4,046
Reclassifications	135	-	(3,425)	-	3,290	-
Business combinations	9	-	-	3,392	-	3,401
Decreases	(212)	(81)	-	-	(2,754)	(3,047)
Other changes	-	-	-	(3,392)	-	(3,392)
Historical cost as at 31 December 2023	9,611	374	388	-	21,504	31,877
Investments	808	37	167	-	1,348	2,360
Reclassifications	245	-	(250)	-	13	8
Decreases	(2,465)	(72)	-	-	(5,577)	(8,114)
Historical cost as at 31 December 2024	8,199	339	305	-	17,288	26,131
Depreciation provision as at 1 January 2023	(8,086)	(271)	-	-	(6,716)	(15,073)
Depreciation	(547)	(64)	-	-	(1,258)	(1,869)
Decreases	200	81	-	-	423	704
Depreciation provision at 31 December 2023	(8,433)	(254)	-	-	(7,551)	(16,238)
Depreciation	(709)	(61)	-	-	(1,592)	(2,362)
Decreases	2,465	72	-	-	4,605	7,142
Depreciation provision at 31 December 2024	(6,677)	(243)	-	-	(4,538)	(11,458)
Net book value as at 1 January 2023	1,009	109	1,722	-	12,956	15,796
Net book value as at 31 December 2023	1,178	120	388	-	13,953	15,639
Net book value as at 31 December 2024	1,522	96	305	-	12,750	14,673



The item “Industrial patent and use of intellectual property rights” mainly include the value of application software and software licences. Capital expenditure related to this item, amounting to €808 thousand in the year ended 31 December 2024 (€584 thousand in the year ended 31 December 2023), mainly includes costs for software licences.

The items "Intangible Assets in progress and advances" and "Other intangible fixed assets" mainly include deferred charges related to the Metal Interconnector consortium. The purpose of this consortium is to make investments in the so-called Metal Interconnector project through the construction of interconnection power lines with foreign countries and has the aim of granting the consortium members the purchase of electricity at lower prices than the market. These deferred charges were initially recognised within the item "Intangible assets in progress and advances" and subsequently reclassified within the item "Other intangible fixed assets" when the related interconnection power line came into operation; taking into account that the transport right is recognised to the consortium members for a period of 10 years, these deferred charges were amortised over this period. The carrying amount of these deferred charges was €11,142 thousand as at 31 December 2024 (of which €136 thousand classified under "Intangible assets in progress and advances" and €11,006 thousand classified under "Other intangible fixed assets"), €12,670 thousand as at 31 December 2023 (of which €136 thousand classified under "Intangible assets in progress and advances" and €12,534 thousand classified under "Other intangible fixed assets") and €12,003 thousand as at 31 December 2022 (of which €1,538 thousand classified under "Intangible assets in progress and advances" and €10,465 thousand classified under "Other intangible fixed assets").

The item "Other intangible fixed assets" also includes the value of greenhouse gas emission allowances purchased for an amount of €1,588 thousand as at 31 December 2024 (€1,247 thousand as at 31 December 2023 and €2,331 thousand as at 1 January 2023).

Investments related to "Intangible assets in progress and advances" for the year ended 31 December 2023 mainly include deferred charges incurred for the interconnection line with Austria in the amount of €1,869 thousand.

As at 31 December 2024, 2023 and 1 January 2023, the Group did not identify any impairment indicators for intangible assets.

## 8.5. Financial assets (non-current and current)

The following table provides details of "Non-current financial assets" and "Current financial assets" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Units of closed-end investment funds	14,341	10,463	5,545
Financial derivative assets	-	2,054	8,193
Equity securities in other companies	7,097	7,134	128
Security deposits and down payments	126	122	114
Receivables from others	6,788	6,237	5,524
<b>Total non-current financial assets</b>	<b>28,352</b>	<b>26,010</b>	<b>19,504</b>
Securities portfolio	151,386	132,983	149,623
Certificates of deposit and time deposits	39,000	52,350	-
Receivables from centralised treasury management	-	662	3,475
Financial derivative assets	1,325	-	75
Receivables interest income on current accounts, securities and time deposits	3,710	3,437	1,402
Security deposits and down payments	9,107	50	241
Receivables from others	17	-	-
<b>Total current financial assets</b>	<b>204,545</b>	<b>189,482</b>	<b>154,816</b>
<b>Total</b>	<b>232,897</b>	<b>215,492</b>	<b>174,320</b>

**Units of closed-end investment funds**  
The following table provides details and changes in the item "Units in closed-end investment funds" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	FSI Mid-Market Growth Equity Fund	Alcedo V Fund	FSI Mid-Market Growth Equity Fund II	Total
Balance as at 1 January 2023	5,191	354	-	5,545
Investments	788	638	1,753	3,179
Disposals/repayments	(144)	-	(2)	(146)
Change in fair value through the income statement	2,133	(40)	(208)	1,885
Balance as at 31/12/2023	7,968	952	1,543	10,463
Investments	70	674	2,525	3,269
Disposals/repayments	(1,082)	-	(828)	(1,910)
Change in fair value through the income statement	2,395	80	44	2,519
Balance as at 31/12/2024	9,351	1,706	3,284	14,341

This item includes the following investments made by the Holding Company:

- subscription of units of an Italian closed-end investment fund named FSI Mid-Market Growth Equity Fund. The fund's investment objective is to invest in Italian companies, mainly with an annual turnover between €100 million and €1,000 million, with the aim of promoting and strengthening the growth of these companies, both through internal lines and through acquisitions. This fund has a duration of 10 years, and the Holding Company has committed to pay a total of €10 million, which will be requested by the manager

based on the investment needs that will gradually accrue.

- subscription of units of an Italian closed-end investment fund named FSI Mid-Market Growth Equity II Fund. For this fund, the Holding Company pledged a total of €15 million.

- subscription of units of an Italian closed-end investment fund named Alcedo V. For this fund, the Holding Company committed to pay a total of €3 million.

**Financial derivative assets**  
Non-current derivative financial instruments assets exclusively include the fair value of the hedging contract on the purchase of electricity signed by the Holding Company. The fair value of the contract is calculated based on the forward energy prices recorded at the end of each year. The fair value of the contract, having a positive value, was recognised as a financial asset, with a balancing entry in a special equity reserve ("Reserve for expected cash flow hedges") recognised net of deferred taxes. For further details, reference may be made to Explanatory note "5.3 Market Risk – Price Risk."

Current derivative financial instruments assets include only the positive fair value of derivative contracts on the Euro/USD exchange rate not designated as cash flow hedges. For further details, reference may be made to Explanatory note "5.3 Market Risk – Foreign Exchange Risk."

**Equity investments in other companies**  
The following table shows details of "Investments in other companies" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Nord Est Multimedia SpA	6,000	6,000	-
SBE Varvit SpA	1,003	1,007	-
Consortium C.E.I.P Scarl	50	50	50
Fari Intrapresa Sociale SpA	-	33	33
Tera Consortium	23	23	23
RFX Consortium	10	10	10
Geostorage Consortium	4	4	4
Consortium of corn and cereal growers of Basso Livenza	6	6	6
Banca di Credito Cooperativo della Valtrompia	1	1	-
Other minor consortia/companies (*)	-	-	2
Total	7,097	7,134	128

Equity securities in other companies are shown below:  
(i) an equity investment representing 13.5% of the share capital of Nord Est Multimedia S.p.A., held through the subsidiary Fin. Steel S.r.l.; (ii) an equity investment representing 0.1025% of the share capital of SBE Varvit S.p.A.; and (iii) equity investment in various consortia and other minor companies.

Security deposits and down payments

As at 31 December 2024, this item mainly includes €9,052 thousand related to payments made by the Holding Company in connection with the negotiations underway for the acquisition of two companies. Reference may be made to Explanatory note 16 “Significant events after the end of the financial year” for further details.

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Bond portfolio	55,651	58,003	59,582
Units of open-end investment funds	59,218	51,249	49,643
Insurance policies	8,115	7,904	27,868
Other investments	28,402	15,827	12,530
Total	151,386	132,983	149,623

Receivables from others

Receivables due from others recognised as non-current financial assets exclusively include the Parent's receivable due from Terna S.p.A. for the provision set up to guarantee the commitments undertaken by the awardees for the financing of the interconnectors.

Securities portfolio

The following table shows details of the "Securities portfolio" item as at 31 December 2024, 2023 and 1 January 2023:

The following table shows changes in the "Securities portfolio" item for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Securities portfolio
Balance as at 1 January 2023	149,623
Investments	17,652
Disposals/repayments	(37,818)
Change in fair value through the income statement	2,414
Change in fair value in other comprehensive income statement items	1,112
Balance as at 31/12/2023	132,983
Investments	49,714
Disposals/repayments	(35,913)
Change in fair value through the income statement	3,462
Change in fair value in other comprehensive income statement items	1,140
Balance as at 31/12/2024	151,386

This item exclusively includes a portfolio of securities held by the Holding Company for the purpose of diversifying treasury investments.

As at 31 December 2024, the bond portfolio consisted of 35 securities with an average maturity of 4.7 years and an average rating of BBB (49 securities with an average maturity of 2.8 years and an average rating of BBB- as at 31 December 2023 and 57 securities with an average maturity of 3.7 years and an average rating of BBB- as at 1 January 2023).

Receivables from centralised treasury management

This item exclusively includes the receivables arising from the cash-pooling relationship between the subsidiary Venete Siderprodukte AG and SIPRO Siderprodukte AG.



8.6. Deferred tax assets and Deferred Tax Liabilities

The following tables provide details and changes in deferred tax assets for the years ended 31 December 2024 and 2023:

Deferred tax assets (in thousands of euros)	Balance as at 31/12/2023	Provisions and releases to income statement	Provisions and releases in other comprehensive income items	Balance as at 31/12/2024
Amortisation on revaluations deductible in future years	16,846	(4,562)	-	12,284
Taxed allowance for doubtful accounts	261	944	-	1,205
Amortisation of goodwill	90	(7)	-	83
Provisions for risks and charges	395	(115)	-	280
Directors' remuneration paid in the following year	7	(2)	-	5
Derecognition of intercompany margins on sale of inventories	696	(399)	-	297
Maintenance expenses in excess of deductible amount	82	(29)	-	53
Leasing	2,405	(511)	-	1,894
Other temporary differences	112	439	(17)	534
<b>Total gross deferred tax assets</b>	<b>20,894</b>	<b>(4,242)</b>	<b>(17)</b>	<b>16,635</b>
Offset against deferred tax liabilities	(5,576)			(6,128)
<b>Total gross deferred tax assets</b>	<b>15,318</b>	<b>(4,242)</b>	<b>(17)</b>	<b>10,507</b>

Deferred tax assets (in thousands of euros)	Balance as at 1 January 2023	Provisions and releases to income statement	Provisions and releases in other comprehensive income items	Business combinations	Balance as at 31/12/2023
Provision for deductible cash taxes	35	(35)	-	-	-
Amortisation on revaluations deductible in future years	21,264	(4,609)	-	191	16,846
Taxed allowance for doubtful accounts	237	-	-	24	261
Amortisation of goodwill	97	(7)	-	-	90
Provisions for risks and charges	285	96	-	14	395
Directors' remuneration paid in the following year	-	7	-	-	7
Derecognition of intercompany margins on sale of inventories	1,474	(778)	-	-	696
Maintenance expenses in excess of deductible amount	139	(57)	-	-	82
Leasing	1,197	1,208	-		2,405
Other temporary differences	12	107	(7)	-	112
<b>Total gross deferred tax assets</b>	<b>24,740</b>	<b>(4,068)</b>	<b>(7)</b>	<b>229</b>	<b>20,894</b>
Offset against deferred tax liabilities	(5,953)				(5,576)
<b>Total deferred tax assets</b>	<b>18,787</b>	<b>(4,068)</b>	<b>(7)</b>	<b>229</b>	<b>15,318</b>

Deferred tax assets are recognised for temporary differences that will become deductible in future years.

The following tables provide details and changes in deferred tax liabilities for the years ended 31 December 2024 and 2023:

Deferred tax assets (in thousands of euros)	Balance as at 31/12/2023	Provisions and releases to income statement	Provisions and releases in other comprehensive income items	Balance as at 31/12/2024
Capital gains to be taxed	277	(67)	-	210
Leasing	2,822	(515)	-	2,307
Fair value of cash flow hedging derivatives	573	-	(207)	366
Fair value of financial assets	1,899	1,283	177	3,359
Tax deferral reserves	1,407	-	-	1,407
Unclaimed dividends	-	96	-	96
Other temporary differences	87	(29)	-	58
<b>Total gross deferred tax liabilities</b>	<b>7,065</b>	<b>768</b>	<b>(30)</b>	<b>7,803</b>
Offset against deferred tax assets	(5,576)			(6,128)
<b>Total deferred tax liabilities</b>	<b>1,489</b>	<b>768</b>	<b>(30)</b>	<b>1,675</b>

Deferred tax liabilities (in thousands of euros)	Balance as at 1 January 2023	Provisions and releases to income statement	Provisions and releases in other comprehensive income items	Business combinations	Balance as at 31/12/2023
Capital gains to be taxed	387	(116)	-	6	277
Leasing	1,718	1,104		-	2,822
Fair value of cash flow hedging derivatives	2,286	-	(1,713)	-	573
Fair value of financial assets	1,295	292	312		1,899
Tax deferral reserves	1,407	-	-	-	1,407
Other temporary differences	349	(262)	-		87
<b>Total gross deferred tax liabilities</b>	<b>7,442</b>	<b>1,018</b>	<b>(1,401)</b>	<b>6</b>	<b>7,065</b>
Offset against deferred tax assets	(5,953)				(5,576)
<b>Total deferred tax liabilities</b>	<b>1,489</b>	<b>1,018</b>	<b>(1,401)</b>	<b>6</b>	<b>1,489</b>

Deferred tax assets and deferred tax liabilities have been recognised with reference to the period in which the temporary differences giving rise to them will be recovered and applying the IRES (24.0%) and IRAP (3.9%) rates.

Based on the taxable results forecast in the business plan, there are no critical issues in the recovery of the balance of deferred tax assets.

8.7. Other assets (non-current and current)

The following table provides details of "Non-current assets" and "Current assets" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Tax Credits	421	2,552	1,336
Accrued income and prepaid expenses	148	67	142
Other non-current receivables	6	14	22
<b>Total other non-current assets</b>	<b>575</b>	<b>2,633</b>	<b>1,500</b>
Tax Credits	13,964	6,373	19,661
Advances to suppliers	353	848	332
Receivables from social security institutions	1,055	892	1,038
Amounts due from employees for salary advances	69	66	38
Accrued income and prepaid expenses	968	1,153	841
Other current receivables	4,206	160	126
<b>Total other current assets</b>	<b>20,615</b>	<b>9,492</b>	<b>22,036</b>
<b>Total</b>	<b>21,190</b>	<b>12,125</b>	<b>23,536</b>

**Tax Credits**  
The following table provides a breakdown of "Tax credits" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Tax Credits for high energy costs	-	-	13,041
Credits from tax authorities for Ecobonus	7,920	-	-
Tax credits for investments in capital goods	4,441	5,794	2,627
Credits for provisional registration	-	72	-
Tax credits for energy savings	23	23	27
Tax credits for seismic bonus	64	64	109
Tax Credits for research and development expenses	-	-	47
Credits from tax authorities for VAT	1,593	2,330	5,016
Credits for excise duties	287	395	92
Other tax credits	57	247	38
<b>Total</b>	<b>14,385</b>	<b>8,925</b>	<b>20,997</b>

The item "Credits from tax authorities for Ecobonus" includes tax credits acquired at the end of 2024 from Intesa Sanpaolo S.p.A. that can be offset in 2025.

**Accrued income and prepaid expenses**  
This item mainly includes: (i) prepayments on insurance premiums, fees on bank and insurance guarantees and service fees and (ii) other minor accrued income.

**Other current receivables**  
As at 31 December 2024, this item mainly included the Holding Company's receivable for the reimbursement by insurance companies of direct and indirect damages related to an accident that occurred in the steelmaking department of the Padua plant for an amount of €4,000 thousand.



8.8. Inventories

The following table provides a breakdown of "Inventories" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Finished goods and merchandise	253,525	252,018	294,689
Raw, ancillary and consumable materials	75,613	79,766	89,343
Biological assets	-	39	78
Advances	-	39	714
Total	329,138	331,862	384,824

It should be noted that the tests performed on product rotation did not reveal any obsolete materials.  
This item “Biological assets” exclusively includes the value of cultivation advances from the subsidiary Valle Zignago S.r.l. – Società Agricola.

8.9. Trade receivables

The following table provides a breakdown of "Trade receivables" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Trade receivables from customers	296,494	337,376	493,977
Trade receivables from parent companies	4	4	5
Allowance for doubtful trade receivables	(7,836)	(9,458)	(9,142)
Total	288,662	327,922	484,840

The item “Trade receivables from parent companies” exclusively includes trade receivables of the Holding Company from the parent company Parsid S.p.A.  
The decrease in trade receivables compared to the previous year is closely related to the decrease in revenues recorded in the year.

Trade receivables are stated net of the related allowance for doubtful accounts, which changes for the years ended 31 December 2024 and 2023 are shown in the table below:

(In thousands of euros)	Allowance for doubtful trade receivables
Balance as at 1 January 2023	9,142
Provisions	378
Uses/Releases	(62)
Balance as at 31/12/2023	9,458
Provisions	161
Uses/Releases	(1,783)
Balance as at 31/12/2024	7,836

The following table provides a breakdown of "Trade receivables" by geographical area as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Italy	252,435	285,732	432,308
EU	28,630	19,389	20,672
Non-EU	7,597	22,801	31,860
Total	288,662	327,922	484,840

It is noted that there are no receivables with a maturity of more than 5 years.

## 8.10. Current tax receivables and payables

The following table provides a breakdown of "Current Tax Receivables" and "Current Tax Payables" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Receivables from parent companies for tax consolidation	17,386	10,607	1,897
Credits from tax authorities for IRES (Italian Regional Production Tax)	47	41	32
Credits from tax authorities for IRAP (Italian Regional Production Tax)	1,533	1,534	186
Total current tax receivables	18,966	12,182	2,115
Payables to parent companies for tax consolidation	1,857	202	28,009
Payables from tax authorities for IRAP (Italian Regional Production Tax)	-	13	4,030
Payables from tax authorities for IRES (Italian Corporate Income Tax)	366	409	1,531
Total current tax payables	2,223	624	33,570

The item "Receivables from parent companies for tax consolidation" exclusively includes receivables from the parent company Parsid S.p.A. for tax consolidation, relative to the transfer of the IRES credit pertaining to the companies adhering to the tax consolidation regime, and mainly attributable to the Holding Company.

8.11. Cash and cash equivalents

The following table provides a breakdown of "Cash and cash equivalents" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Bank and postal deposits	183,667	183,124	129,032
Cash and cash equivalents	12	12	11
<b>Total</b>	<b>183,679</b>	<b>183,136</b>	<b>129,043</b>

This item includes only positive balances on current bank accounts and cash and cash equivalents. It should be noted that bank deposits include short-term restricted accounts, which are readily releasable at the companies' request with only a rate penalty, in the amount of €70 million as at 31 December 2024 (€135 million as at 31 December 2023 and €122.5 million as at 1 January 2023).

For further details on the development of cash and cash equivalents during the year, please refer to the consolidated cash flow statement.

8.12. Shareholders' equity

The following table provides a breakdown of "Shareholders' equity" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Share Capital	126,000	126,000	63,000
Legal reserve	17,225	12,600	12,600
Reserve for expected cash flow hedges	946	1,480	5,906
Reserve for actuarial gains/losses on employee benefits obligations	61	18	-
Profits /(losses) carried forward	900,666	827,305	842,110
Other shareholders' equity reserves	(4,976)	(5,432)	56,271
Group share of net profit for the year	18,500	109,801	-
<b>Total shareholders' equity attributable to the Group</b>	<b>1,058,422</b>	<b>1,071,772</b>	<b>979,887</b>
Share capital and reserves attributable to non-controlling interests	7,864	7,699	3,517
Net profit for the year attributable to non-controlling interests	695	733	-
<b>Total shareholders' equity attributable to non-controlling interests</b>	<b>8,559</b>	<b>8,432</b>	<b>3,517</b>
<b>Total</b>	<b>1,066,981</b>	<b>1,080,204</b>	<b>983,404</b>



Shareholders' equity attributable to the Group

Share Capital

This item exclusively includes the Holding Company's share capital, which as at 31 December 2024, 2023 and 1 January 2023, was as follows:

	As at 31 December		As at 1 January
	2024	2023	2023
Number of ordinary shares (A)	6,300,000	6,300,000	6,300,000
Nominal value in units of euros (B)	20	20	10
<b>Total share capital in units of euros [(A)*(B)].</b>	<b>126,000,000</b>	<b>126,000,000</b>	<b>63,000,000</b>

The Holding Company's share capital is fully subscribed and paid up. It should be noted that the extraordinary shareholders' meeting of the Holding Company, held on 18 December 2023, issued a resolution on a free share capital increase from €63,000 thousand to €126,000 thousand through the allocation to capital of the Revaluation Reserve Law 126/2020.

Legal reserve

This item exclusively includes the Holding Company's legal reserve, established pursuant to Art. 2430 of the Italian Civil Code.

Reserve for actuarial gains/losses on employee benefits obligations

This item represents the cumulative amount of the effects of the actuarial components of the provision for employee severance indemnity measured in accordance with IAS 19.

Other shareholders' equity reserves

This item mainly includes revaluation reserves, the reserve generated at the date of first-time adoption of EU-IFRS (1 January 2023) and the reserve for cumulative gains and losses on financial assets measured at fair value with changes in other items in the comprehensive income statement.

Shareholders' equity attributable to non-controlling interests

This item represents the non-controlling interest in the shareholders' equity of subsidiaries not wholly owned by the Holding Company, attributable to the subsidiaries Setrans S.r.l. (as from 2023), Maltauro Rottami S.r.l. and Venete Siderprodukte AG.

It should be noted that on 26 May 2023, the Holding Company acquired an additional 16.5% stake in the subsidiary Maltauro Rottami S.r.l. The share previously held by the Holding Company as at 31 December 2022 was 64.5%. The transaction under review resulted in a reduction in shareholders' equity attributable to non-

controlling interests in the amount of €1,640 thousand, and an increase in shareholders' equity attributable to the Group in the amount of €489 thousand, as shown in the table below:

(In thousands of euros)	Acquisition of non-controlling interests in Maltauro Rottami S.r.l.
Shareholders' equity attributable to non-controlling interests acquired	1,640
Consideration for acquisition	(1,151)
<b>Differential recognised within shareholders' equity attributable to the Group</b>	<b>489</b>

The following tables show the key financial information of each subsidiary for which non-controlling interests were recognised as at 31 December 2024, 2023 and 1 January 2023. It should be noted that the amounts shown below refer to the account balances of each subsidiary before intercompany eliminations.

As at 31 December 2024				
(In thousands of euros)	Maltauro Rottami Srl	Setrans Srl	Venete Siderprodukte AG	Total Non-controlling interests
Accounting data of subsidiaries:				
Total Assets	28,885	23,100	21,164	
Total Liabilities	17,648	7,548	20,610	
Total Shareholders' Equity	11,237	15,552	554	
Net profit for the year	1,261	876	44	
Non-controlling interests:				
Shareholders' equity attributable to non-controlling interests	2,135	6,221	203	8,559
Net profit for the year attributable to non-controlling interests	240	350	105	695

As at 31 December 2023				
(In thousands of euros)	Maltauro Rottami Srl	Setrans Srl	Venete Siderprodukte AG	Total Non-controlling interests
Accounting data of subsidiaries:				
Total Assets	24,791	22,597	23,822	
Total Liabilities	14,313	6,923	23,127	
Total Shareholders' Equity	10,477	15,674	695	
Net profit for the year	1,538	496	215	
Non-controlling interests:				
Shareholders' equity attributable to non-controlling interests	1,991	6,270	172	8,433
Net profit for the year attributable to non-controlling interests	292	198	243	733

As at 1 January 2023			
(In thousands of euros)	Maltauro Rottami Srl	Venete Siderprodukte AG	Total Non-controlling interests
Accounting data of subsidiaries:			
Total Assets	24,665	34,359	
Total Liabilities	14,725	33,732	
Total Shareholders' Equity	9,940	627	
Non-controlling interests:			
Shareholders' equity attributable to non-controlling interests	3,529	(12)	3,517

The following table shows the reconciliation of the Holding Company's net profit and shareholders' equity with the consolidated net profit and shareholders' equity (attributable to the Group) as at and for the years ended 31 December 2024 and 2023:

(In thousands of euros)	As at and for the year ended 31 December 2024		As at and for the year ended 31 December 2023	
	Net profit for the year	Shareholders' equity	Net profit for the year	Shareholders' equity
<b>Net profit for the year and shareholders' equity of the Holding Company</b>	<b>6,198</b>	<b>1,001,368</b>	<b>92,407</b>	<b>1,027,519</b>
Operating results of subsidiaries	8,594	8,594	9,212	9,212
Capital and reserves of subsidiaries	-	146,517	-	147,762
Derecognition of the carrying value of equity investments in subsidiaries	-	(88,375)	-	(87,409)
Intercompany dividends	(11,116)	-	(1,898)	-
Intercompany transactions	284	12,764	1,675	12,183
Other consolidation entries	42	1,164	(222)	1,122
Effect of applying IFRSs	14,498	(23,610)	8,627	(38,618)
<b>Net profit for the year and consolidated shareholders' equity attributable to the Group</b>	<b>18,500</b>	<b>1,058,422</b>	<b>109,801</b>	<b>1,071,771</b>

Distribution of reserves and dividends by the Holding Company

The Holding Company's shareholders' meeting of 21 June 2024, when approving the financial statements for the year ended 31 December 2023, issued a resolution to distribute an amount of €17,640 thousand, or €2.80 per share, in the form of dividends. The Holding Company's shareholders' meeting of 10 January 2024, also issued a resolution to distribute an amount of €14,175 thousand, or €2.25 per share, in the form of dividends.

The Holding Company's shareholders' meeting of 29 June 2023, when approving the financial statements for the year ended 31 December 2022, issued a resolution to distribute an amount of €14,805 thousand, or €2.35 per share, in the form of dividends.

8.13. Financial payables (non-current and current)

The following table provides a breakdown of "Non-current Financial Payables" and "Current Financial Payables" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Medium- to long-term loans	45,701	42,494	62,065
<b>Total non-current financial payables</b>	<b>45,701</b>	<b>42,494</b>	<b>62,065</b>
Short-term loans	20,000	-	-
Medium- to long-term loans	19,789	19,571	36,176
Payables to banks for current accounts/advances/SBF	4,041	3,024	39,038
Payables from centralised treasury management	5,021	-	-
Derivative financial instruments liabilities	-	296	93
<b>Total current financial payables</b>	<b>48,851</b>	<b>22,891</b>	<b>75,307</b>
<b>Total</b>	<b>94,552</b>	<b>65,385</b>	<b>137,372</b>

Medium- to long-term loans

The following table provides a breakdown of medium-to long-term loans as at 31 December 2024, 2023 and 1 January 2023:



(In thousands of euros)	Activation date	Maturity date	Interest rate	Original debt	Residual debt	Portion due within 12 months	Portion due beyond 12 months
As at 31 December 2024							
Banche Venete Riunite	19/03/2021	18/03/2025	Fixed	500	32	32	-
Cassa Depositi e Prestiti	22/09/2022	22/09/2026	Variable	40,000	22,857	11,429	11,429
Deutsche Bank	24/03/2022	22/03/2028	Variable	25,000	13,534	4,163	9,371
Intesa SanPaolo	11/10/2021	29/09/2028	Fixed	10,000	5,711	1,427	4,284
Credem	15/04/2024	15/04/2029	Variable	20,000	20,000	2,346	17,653
Banca Valsabbina	26/06/2024	26/06/2030	Variable	3,000	2,996	272	2,724
SACE Simest	31/03/2021	31/12/2027	Fixed	480	360	120	240
Total				98,980	65,490	19,789	45,701

As at 31 December 2023							
Banche Venete Riunite	19/03/2021	18/03/2025	Fixed	500	158	126	32
Cassa Depositi e Prestiti	22/09/2022	22/09/2026	Variable	40,000	34,286	11,429	22,857
Deutsche Bank	24/03/2022	22/03/2028	Variable	25,000	17,695	4,161	13,534
Intesa SanPaolo	11/10/2021	29/09/2028	Fixed	10,000	7,138	1,427	5,711
Mediocredito Italiano	27/07/2017	30/06/2024	Variable	30,000	2,308	2,308	-
SACE Simest	31/03/2021	31/12/2027	Fixed	480	480	120	360
Total				105,980	62,065	19,571	42,494

As at 1January 2023							
Banca Alto Vicentino	19/03/2021	18/03/2025	Fixed	500	283	125	158
Banco BPM	04/08/2018	31/05/2023	Fixed	1,500	135	135	-
Cassa Depositi e Prestiti	22/09/2022	22/09/2026	Variable	40,000	40,000	5,714	34,286
Credito Emiliano	17/11/2021	17/11/2023	Fixed	20,000	20,000	20,000	-
Deutsche Bank	24/03/2022	22/03/2028	Variable	25,000	21,856	4,161	17,695
Intesa SanPaolo	11/10/2021	29/09/2028	Fixed	10,000	8,564	1,426	7,138
Mediocredito Italiano	27/07/2017	30/06/2024	Variable	30,000	6,923	4,615	2,308
SACE Simest	31/03/2021	31/12/2027	Fixed	480	480	-	480
Total				127,480	98,241	36,176	62,065

During the 2024 financial year, the Holding Company signed an unsecured loan with Banca Credem S.p.A., aimed at supporting projects of digital evolution and ecological transition (green)/ESG. The Group has already earmarked part of the liquidity obtained through loans for the installation of renewable energy plants and for energy saving and CO<sub>2</sub> emission reduction measures.

The following Group loans are subject to compliance with economic and financial covenants:

- Intesa Sanpaolo, signed in 2021, in relation to the ratios between i) Net Financial Position and EBITDA and ii) Net Financial Position and Shareholders' Equity. The figures below are calculated on the basis of the consolidated financial statements of Parsid S.p.A.
- SACE Simest, signed in 2021, in relation to the ratio of Shareholders' Equity to Fixed Assets and on the basis of the percentage incidence of foreign turnover compared to the total turnover resulting from the VAT return. The figures below are calculated on the basis of the individual financial statements of Esti S.r.l.
- Cassa Depositi e Prestiti, signed in 2022, in relation to the ratios between i) Net Financial Position and EBITDA and ii) Net Financial Position and Shareholders' Equity. The figures below are calculated on the basis of the consolidated financial statements of Acciaierie Venete S.p.A.
- Deutsche Bank, signed in 2022, in relation to the ratios between i) Net Financial Position and EBITDA and ii) Net Financial Position and Shareholders' Equity. The figures below are calculated based on Acciaierie Venete S.p.A.'s financial statements.

As at 31 December 2024, 2023 and 1 January 2023, these economic-financial covenants were met. It should also be noted that the economic-financial forecasts as at 31 December 2025 show that these economic-financial covenants have also been met for the financial year 2025.

There are no bank debts denominated in foreign currency and no debts secured by mortgages.

Short-term loans

This item exclusively includes a loan signed by the Holding Company on 27 December 2024 with Banca MPS in the amount of €20 million and maturing on 31 December 2025.

Payables from centralised treasury management

This item exclusively includes the receivables arising from the cash-pooling relationship between the subsidiary Venete Siderprodukte AG and SIPRO Siderprodukte AG.

Derivative financial instruments liabilities

This item exclusively includes the negative fair value of derivative contracts on the Euro/USD exchange rate that are not designated as cash flow hedges. For further details, reference may be made to Explanatory note “5.3 Market Risk – Foreign Exchange Risk.”

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The following table shows the changes in liabilities arising from financing activities, with separate disclosure of liabilities arising from cash flows and non-cash liabilities, for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Financial payables (non-current and current)	Lease liabilities (non-current and current)
Balance as at 1 January 2023	137,372	5,351
Repayment of financial payables	(72,198)	-
Activation of financial payables	-	-
Other changes	211	-
Lease repayments	-	(3,849)
New leases	-	7,942
Balance as at 31/12/2023	65,385	9,444
Repayment of financial payables	(17,137)	-
Activation of financial payables	46,592	-
Other changes	(288)	-
Lease repayments	-	(4,294)
New leases	-	2,378
Balance as at 31/12/2024	94,552	7,528

8.14. Employee benefits obligations

The following table shows the changes in the item "Employee benefits obligations" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Employee benefits obligations
Balance as at 1 January 2023	6,386
Change in the scope of consolidation	546
Provisions (service cost)	215
Financial expenses	226
Actuarial losses/(gains) (*)	(25)
Uses	(886)
Balance as at 31/12/2023	6,462
Provisions (service cost)	249
Financial expenses	190
Actuarial losses/(gains) (*)	(60)
Uses	(575)
Balance as at 31/12/2024	6,266

This item exclusively includes the provision for severance indemnity for employees of the Group's Italian companies. The value of the liability for severance indemnity that falls under the definition of defined benefit plans according to IAS 19 was determined according to actuarial logic. The main assumptions used to obtain the value of the liability as at 31 December 2024, 2023 and 1 January 2023, are shown below:

	As at 31 December 2024	As at 31 December 2023	As at 1January 2023
A) DEMOGRAPHIC ASSUMPTIONS:			
Probability of death	RG48 mortality tables published by the State General Accounting Office		
Probability of incapacity	INPS tables by age and gender		
Retirement age	100% upon reaching AGO requirements		
Frequency of Employee Severance Indemnity (TFR) advances	Acciaierie Venete S.p.A.: 3%; Centro Italiano Acciai S.r.l.: 1%; Esti S.r.l.: 3%; Maltauro Rottami S.r.l.: 5%; Padana Rottami S.r.l.: 2%; Valle Zignago S.r.l.: 5%; Olmo Immobiliare S.r.l.: 5%; Setrans S.r.l.: 4%		
Turnover frequencies	Acciaierie Venete S.p.A.: 10%; Centro Italiano Acciai S.r.l.: 10%; Esti S.r.l.: 10%; Maltauro Rottami S.r.l.: 5%; Padana Rottami S.r.l.: 3%; Valle Zignago S.r.l.: 5%; Olmo Immobiliare S.r.l.: 5%; Setrans S.r.l.: 20%		
B) ECONOMIC-FINANCIAL ASSUMPTIONS:			
Annual discount rate	3.18%	3.08%	3.67%
Annual inflation rate	2.00%	2.00%	2.30%
Annual rate of increase in Employee Severance Indemnity (TFR)	3.00%	3.00%	3.225%
Annual rate of actual wage increase	0.50%	0.50%	0.50%

It should be noted that as at 31 December 2024, 2023 and 1 January 2023, the Iboxx Corporate AA index with duration 7-10 was used as reference for the valuation of the discount rate.

(\*) Of which €34 thousand related to actuarial gains on experience, €27 thousand related to actuarial gains on a change in financial assumptions and €1 thousand related to actuarial losses on a change in demographic assumptions for the year ended 31 December 2024 (€124 thousand related to actuarial gains on experience, €99 thousand related to actuarial losses on a change in financial assumptions and €0 thousand related to actuarial losses on a change in demographic assumptions for the year ended 31 December 2023).



The following table shows a sensitivity analysis, as at 31 December 2024, 2023 and 1 January 2023, related to the main actuarial assumptions adopted in the calculation of employee benefits obligations. The sensitivity analysis was performed considering the base scenario described above and increasing and decreasing the annual turnover rate, annual inflation rate and annual discount rate by 1.00%, 0.25% and 0.25%, respectively. The liability values thus obtained are summarised in the table below:

Employee benefits obligations (In thousands of euros)	Annual turnover rate		Annual inflation rate		Annual discount rate	
	+1.00%	-1.00%	+0.25%	-0.25%	+0.25%	-0.25%
As at 31 December 2024	6,273	6,258	6,313	6,219	6,199	6,334
As at 31 December 2023	6,469	6,455	6,513	6,412	6,390	6,536
As at 1January 2023	6,397	6,374	6,436	6,336	6,314	6,459

The following table shows the estimated future disbursements of employee benefit plans as at 31 December 2024 and 2023:

(In thousands of euros)	Estimated future disbursements	
	As at 31 December 2024	As at 31 December 2023
Year 1	1,210	1,195
Year 2	1,076	909
Year 3	710	1,007
Year 4	799	645
Year 5	873	736
Total	4,668	4,492

Contributions to defined benefit plans planned for the following year amounted to €264 thousand as at 31 December 2024 (€249 thousand as at 31 December 2023).

The average financial duration of the defined benefit plan obligation is 8 years as at 31 December 2024 (9 years as at 31 December 2023).

## 8.15. Provisions for risks and charges

The following table shows the changes in "Provisions for risks and charges" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Provision for supplementary agents' and sales representatives' indemnity	Provision for risks arising from tax litigation	Provision for obligation to deliver greenhouse gas emission allowance	Provision for environmental risks and charges	Provision for litigation risks	Provision for risks from claims	Total
Balance as at 1 January 2023	318	80	5,798	271	381	273	7,121
Change in the scope of consolidation	-	-	-	-	60	-	60
Provisions/ Releases	42	-	972	211	-	240	1,465
Uses	-	-	(5,797)	(48)	(52)	(6)	(5,903)
Balance as at 31/12/2023	360	80	973	434	389	507	2,743
Provisions/ Releases	386		1,237		215		1,838
Uses	(503)	(80)	(972)	(434)	(144)	(50)	(2,183)
Balance as at 31/12/2024	243	-	1,237	-	460	457	2,397

The item "Provision for supplementary agents' and sales representatives' indemnity" exclusively includes the liability for agents' and sales representatives' termination indemnity, provided for by current legislation and by the contract for agents and sales representatives, attributable to the Holding Company and the subsidiary company Centro Italiano Acciai S.r.l. This liability was discounted in accordance with IAS 37.

The main assumptions used to obtain the value of the liability as at 31 December 2024, 2023 and 1 January 2023, are shown below:

	As at 31 December 2024	As at 31 December 2023	As at 1January 2023
<b>A) DEMOGRAPHIC ASSUMPTIONS:</b>			
Probability of death	RG48 mortality tables published by the State General Accounting Office		
Probability of incapacity	INPS tables by age and gender		
Annual frequency of termination for corporate reasons	5.00%		
Annual frequency of voluntary resignations	5.00%		
<b>B) ECONOMIC-FINANCIAL ASSUMPTIONS:</b>			
Annual discount rate	0.44%		

The item “Provision for risks arising from tax litigation” only included a provision for litigation concerning value added tax (VAT).  
The item "Provision for obligation to deliver greenhouse gas emission allowance" includes only the liability representing the obligation to deliver greenhouse gas emission allowances in accordance with current regulations.  
The item "Provision for environmental risks and charges" exclusively includes a provision set aside for the expected costs of disposal and screening of ferrous and non-ferrous materials.

The item "Provision for litigation risks" exclusively includes a provision set aside for charges arising from pending lawsuits or penalties for which an outlay is expected.  
The item "Provision for risks from claims" exclusively includes a provision set aside for probable claims-related expenses.

### 8.16. Other liabilities (non-current and current)

The following table provides details of “Other non-current liabilities” and “Other current liabilities” as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Accrued expenses and deferred income	3,905	5,155	1,581
Tax liabilities	-	-	14
Other non-current liabilities	-	2	-
<b>Total other non-current liabilities</b>	<b>3,905</b>	<b>5,157</b>	<b>1,595</b>
Payables to employees	16,699	15,836	14,555
Tax liabilities	5,889	7,367	7,502
Payables to social security and welfare institutions	8,994	8,576	7,439
Dividends payable to shareholders	451	1,406	20,160
Advances from customers	931	1,252	4,870
Accrued expenses and deferred income	1,897	1,848	1,269
Payables to Board of Directors and Board of Statutory Auditors	143	143	101
Other current liabilities	1,963	589	372
<b>Total other current liabilities</b>	<b>36,967</b>	<b>37,017</b>	<b>56,268</b>
<b>Total</b>	<b>40,872</b>	<b>42,174</b>	<b>57,863</b>

**Accrued expenses and deferred income**  
This item mainly includes deferred income for tax credits pertaining to future years, mainly attributable to assets related to Industry 4.0 whose benefits will be recognised in the income statement over the useful life of the assets to which they relate. Accrued expenses and deferred income with a duration of more than five years amounted to €90 thousand as at 31 December

2024 (€588 thousand as at 31 December 2023 and €58 thousand as at 1 January 2023).

**Tax liabilities**  
The following table provides a breakdown of the item "Tax payables" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1
	2024	2023	January 2023
Payables to tax authorities for withholding tax	4,589	4,456	3,894
Payables from tax authorities for VAT	1,270	2,877	2,269
Payables to tax authorities for substitute taxes	24	-	1,317
Other tax liabilities	6	34	36
<b>Total</b>	<b>5,889</b>	<b>7,367</b>	<b>7,516</b>

**Payables to social security and welfare institutions**  
The following table provides a breakdown of the item "Payables to social security and welfare institutions" as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1
	2024	2023	January 2023
Payables to INPS for contributions	8,206	7,801	6,877
Payables to INAIL	26	130	2
Other payables to social security institutions	762	645	560
<b>Total</b>	<b>8,994</b>	<b>8,576</b>	<b>7,439</b>

**Advances from customers**  
This item exclusively includes advances received from customers for future supplies and mainly refers to the Holding Company and the subsidiary Esti S.r.l.

## 8.17. Trade payables

This item exclusively includes trade payables to suppliers. The following table provides a breakdown of "Trade payables" by geographical area as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1
	2024	2023	January 2023
Italy	173,091	155,544	207,744
EU	9,841	11,319	18,158
Non-EU	2,982	2,931	5,077
<b>Total</b>	<b>185,914</b>	<b>169,794</b>	<b>230,979</b>

The increase in trade payables compared to the previous year was due to the normal dynamics of the sector in which the Group operates.



# 9. EXPLANATORY NOTES TO THE CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

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9.1. Revenues

The following table sets forth the details of "Revenues" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Steel sales	1,117,760	1,337,231
Scrap sale	45,312	42,862
Other product and service lines	752	988
Total	1,163,824	1,381,081

The decrease in revenues compared to the previous year was due to the market dynamics affecting the sector, which were commented on in the Management Report to which reference is made.

The following table shows the breakdown of "Revenues" by geographical area for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Italy	810,166	981,088
EU	315,530	356,186
Non-EU	38,128	43,807
Total	1,163,824	1,381,081

9.2. Other income

The following table provides a breakdown of "Other income" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Contributions	13,834	43,236
Income from electricity/gas interruptibility service	18,679	13,270
Revenues from transport and logistics services	7,656	3,448
Revenues from the sale of energy efficiency certificates	2,040	2,854
Capital gains on disposal of assets	583	424
Reimbursements (insurance, damages from third parties, miscellaneous)	5,025	510
Sale of miscellaneous materials and contract work	154	341
Rental income and leases	133	135
Income from agricultural activities	319	360
Other miscellaneous income	2,220	495
Total	50,643	65,073

The item "Grant contributions" includes:

- grant contributions related to tax credits accrued for energy and gas consumption during the year as a result of various legislative decrees facilitating companies in the amount of €0 thousand for the year ended 31 December 2024 (€35,449 thousand for the year ended 31 December 2023);
- grant contributions for energy transition in the industrial sector in the amount of €11,598 thousand for the year ended 31 December 2024 (€5,696 thousand for the year ended 31 December 2023);
- grant contributions to the tax credit for investments in ordinary capital goods and "Industry 4.0" as well as "seismic bonus" in the amount of €1,726 thousand for the year ended 31 December 2024 (€1,281 thousand for the year ended 31 December 2023);

- grant contributions related to the diesel tax credit allowance in the amount of €413 thousand for the year ended 31 December 2024 (€531 thousand for the year ended 31 December 2023);
- other minor contributions in the amount of €97 thousand for the year ended 31 December 2024 (€279 thousand for the year ended 31 December 2023).

The item "Income from electricity/gas interruptibility service" includes the income recognised by some energy and gas suppliers for subscribing to the interruptibility service.

The item "Reimbursements (insurance, damages from third parties, miscellaneous)" for the year ended 31 December 2024 mainly includes the income related to the insurance reimbursement described in Note 8.7 "Other assets (non-current and current)."

9.3. Costs of raw, ancillary, consumable materials and goods

The following table provides a breakdown of "Costs for raw, ancillary, consumables materials and goods" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Scrap, cast iron, ferro-alloys and other raw materials	651,110	711,444
Ancillary and refractory materials	58,784	66,301
Semi-finished, finished products and goods	31,845	9,610
Consumables and maintenance materials	21,069	20,592
<b>Total costs (gross of changes in inventories)</b>	<b>762,808</b>	<b>807,947</b>
Change in inventories of raw, ancillary and consumable materials and goods	4,153	9,577
<b>Total</b>	<b>766,961</b>	<b>817,524</b>

The decrease in this item compared to the previous year is closely related to the decrease in revenues.

9.4. Cost for services

The following table provides a breakdown of "Costs for services" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Electricity and methane	153,256	181,211
Transport	42,511	44,509
General and industrial maintenance	30,935	28,527
Third-party services	18,034	18,027
Waste disposal	11,965	13,086
Cost for use of leased assets	2,185	2,431
Insurance premiums	3,839	3,389
External processing	2,567	2,346
Commissions and related contributions	2,046	2,043
Personnel services	2,473	2,377
Temporary agency fees	424	263
Utilities	703	664
Fees to Statutory Auditors	196	132
Other costs for services	3,920	3,893
<b>Total</b>	<b>275,054</b>	<b>302,898</b>

The decrease in this item compared to the previous year is mainly related to lower costs for electricity and methane gas, which were related to a lower production during the year.

For details of item “Lease and rental costs,” reference may be made to Explanatory Note 8.2 “Right-of-use assets.”



9.5. Personnel costs

The following table provides a breakdown of "Personnel costs" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Wages and salaries	76,968	73,740
Social security expenses	25,016	24,491
Employee severance indemnity	5,166	4,854
Temporary employment costs	1,335	816
Directors' costs	1,755	1,410
Other personnel costs	619	1,331
Total	110,859	106,642

The item “Directors' costs” includes the remuneration of directors of Group companies and related social security costs.  
The following table summarises the average number of Group employees by category for the years ended 31 December 2024 and 2023:

(In units)	Year ended 31 December		Change 2024 vs 2023
	2024	2023	
Blue-collar workers	1,178	1,164	14
White-collar workers	391	374	17
Managers	35	30	5
Executives	21	20	1
Temporary workers	48	28	20
Total	1,673	1,616	57

The increase in the average number of Group employees in 2024 compared to 2023, totalling 57 units, is mainly attributable to the Holding Company (39 employees).

9.6. Other operating costs

The following table provides a breakdown of "Other operating costs" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Greenhouse gas emission allowances	1,237	972
Single Municipal Tax	1,615	1,553
Manufacturing tax and energy surtax	632	636
Other taxes, dues, fees, and contributions	1,600	1,399
Losses on disposal of assets	228	495
Other operating expenses	4,650	3,371
Total	9,962	8,426

9.7. Net impairment losses on financial assets

The following table provides a breakdown of “Net impairment losses on financial assets” for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Net impairment of trade receivables	(1,339)	378
Total	(1,339)	378

9.8. Amortisation and write-downs of tangible and intangible assets

The following table provides a breakdown of "Amortisation and write-downs of tangible and intangible assets" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Depreciation property, plant and equipment	41,246	37,014
Amortisation of intangible assets	2,362	1,869
Amortisation of rights-of-use assets	4,313	3,743
Write-downs of tangible and intangible assets	-	3,392
Total	47,921	46,018

9.9. Financial income

The following table provides a breakdown of the item "Financial income" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Coupons and interest income on securities	5,234	4,409
Interest income on bank current accounts	5,938	5,169
Dividends from equity securities in other companies	32	11
Foreign exchange gains	386	264
Other financial income	1,294	484
Total	12,884	10,337

9.10. Financial expenses

The following table provides a breakdown of the item "Financial expenses" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Interest expenses on loans	2,855	2,664
Interest expenses on bank current accounts	118	104
Interest expenses on employee benefits obligations	190	226
Interest on lease liabilities	325	258
Foreign exchange losses	564	261
Other financial expenses	148	66
Total	4,200	3,579

## 9.11. Income/(expenses) from fair value changes and disposal of financial assets

The following table provides details of the item "Income/(expenses) from fair value changes and disposal of financial assets" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
Change in fair value of securities	5,981	4,299
Change in fair value of derivative financial instruments	309	(278)
Change in fair value of equity securities in other companies	(33)	-
Capital gains on securities transactions	789	676
Losses on securities transactions	(7)	(39)
Total	7,039	4,658

The item "Change in fair value of derivative financial instruments" includes only the change in fair value of derivative contracts on the Euro/USD exchange rate not designated as cash flow hedges. For further details, reference may be made to Explanatory note “5.3 Market Risk – Foreign Exchange Risk.”

## 9.12. Income Taxes

The following table provides a breakdown of the item "Income taxes" for the years ended 31 December 2024 and 2023:

(In thousands of euros)	Year ended 31 December	
	2024	2023
IRES (Italian Corporate Income Tax)	2,709	14,696
IRAP (Regional Tax on Production)	492	3,090
Current taxes on foreign companies	13	49
Direct taxes for previous years	775	(51)
Deferred tax assets/liabilities	5,010	5,086
(Income)/Expenses from tax consolidation	(5,833)	(128)
Total	3,166	22,742

Current income taxes are calculated on the basis of the forecast of the charge for the year determined in accordance with current tax regulations. The income tax rates currently in force and used for the calculation of current taxes are 24% for IRES and 3.9% for IRAP. Deferred tax assets were recognised (based on the IRES rate of 24.0% and the IRAP rate of 3.9%) on deductible temporary differences for the year to the extent that it was deemed reasonably certain that there would be taxable income in the years in which the above-mentioned temporary differences will reverse, which is not less than the amount of the differences that will be reversed. For details of the item “Deferred Tax Assets/Deferred Tax Liabilities,” reference may be made to Explanatory Note 8.6 “Deferred Tax Assets and Deferred Tax Liabilities.”

It should be noted that the Holding Company and the companies Centro Italiano Acciai S.r.l., Fin Steel S.r.l., Padana Rottami S.r.l., Maltauro Rottami S.r.l., Esti S.r.l., Acciaierie Venete Energia S.r.l., Valle Zignago S.r.l., Olmo Immobiliare S.r.l. (until the financial year 2023) and Setrans S.r.l. (as of the financial year 2024) adhere to the national tax consolidation scheme as

consolidated companies. This regime allows IRES (Italian Corporate Income Tax) to be determined on a taxable basis corresponding to the algebraic sum of the positive and negative taxable amounts of the individual participating companies, jointly with the parent company Parsid S.p.A., the latter as consolidating company. The economic relations, as well as the mutual responsibilities and obligations, between the consolidating company and the consolidated companies are defined in the specific Consolidation Rules for Parsid S.p.A. Group Companies.



The following tables show the reconciliations between the theoretical IRES and IRAP tax rates and the effective tax rates for the years ended 31 December 2024 and 2023:

Reconciliation of theoretical/actual IRES tax rate				
(In thousands of euros and %)		Year ended 31 December		
	2024	%	2023	%
Earnings before taxes - EBT	22,361		133,276	
Theoretical taxes (24%)	5,367	24.0%	31,986	24.0%
Non-deductible costs	300	0.2%	274	0.2%
Non-taxable income	(367)	(0.3%)	(8,855)	(6.6%)
Taxes relating to previous financial years	775	0.6%	(51)	(0.0%)
Increased deductibility of depreciation	(2,871)	(2.2%)	(2,976)	(2.2%)
ACE (Aid for Economic Growth) incentive	-	0.0%	(1,659)	(1.2%)
Other effects	(1,341)	(1.0%)	231	0.2%
Taxes at effective rate	1,863	1.4%	18,950	14.2%

Reconciliation of theoretical/actual IRAP tax rate				
(In thousands of euros and %)		Year ended 31 December		
	2024	%	2023	%
Earnings before taxes - EBT	22,361		133,276	
Theoretical taxes (3.9%)	872	3.9%	5,198	3.9%
Income/expenses not relevant for IRAP purposes	3,817	17.1%	3,716	2.8%
Non-deductible costs	188	0.8%	167	0.1%
Non-taxable income	(80)	(0.4%)	(1,442)	(1.1%)
Taxes relating to previous financial years	-	0.0%	1	0.0%
Deductible labour costs	(4,040)	(18.1%)	(3,900)	(2.9%)
Other effects	546	2.4%	52	0.0%
Taxes at effective rate	1,303	5.8%	3,792	2.8%

The significant reduction in the group tax charge compared to the previous year is closely related to the lower economic results achieved during the year.

\*\*\*\*\*

Pillar Two – Global Minimum Tax

The Group, in accordance with the provisions of Legislative Decree 209/2023, issued for the transposition of EU Directive No. 2523/2022, from the tax period 2024 falls within the scope of application of "Global Minimum Tax." This global minimum tax regime is applicable to companies located in Italy that are part of a multinational or domestic group with annual revenues of €750 million or more. The main objective of this legislation is to ensure a minimum tax level for

large multinational or domestic groups of companies. The minimum level of taxation is achieved through the application of a supplementary tax, known as the “OECD Second Pillar,” where the effective tax rate in each jurisdiction does not reach 15%.

The necessary evaluations for the implementation of the procedures for the application of the regulations are underway. However, it should be noted that, based on the estimates made for the year 2024, the Group is not required to pay a supplementary tax.

All obligations relating to the application of the regulations are the responsibility of the consolidating company Parsid S.p.A.



## 10. TRANSACTIONS WITH RELATED PARTIES



Significant transactions with related parties, carried out on an arm's length basis and identified on the basis of the criteria defined by IAS 24, are set out below.

**Transactions with the parent company Parsid S.p.A.**  
With reference to transactions with the parent company Parsid S.p.A., it is noted that:

- trade receivables as at 31 December 2024, 2023 and 1 January 2023 include trade receivables from the parent company Parsid S.p.A. for €4 thousand, €4 thousand and €5 thousand, respectively;
- current tax credits as at 31 December 2024, 2023 and 1 January 2023 include credits for tax consolidation from the parent company Parsid S.p.A. for €17,386 thousand, €10,607 thousand and €1,897 thousand, respectively;
- other current liabilities as at 31 December 2024, 2023 and 1 January 2023 include dividends payable to the parent company Parsid S.p.A. for €451 thousand, €1,406 thousand and €10,915 thousand, respectively;
- current tax payables as at 31 December 2024, 2023 and 1 January 2023 include payables for tax consolidation to the parent company Parsid S.p.A. for €1,857 thousand, €202 thousand and €28,009 thousand, respectively;
- other income for the years ended 31 December 2024 and 2023 included revenues for services to the parent company Parsid S.p.A. in the amount of €4 thousand and €4 thousand, respectively.

**Relations with Top Management**  
With reference to relations with Top Management, it should be noted that:

- other current liabilities as at 31 December 2024, 2023 and 1 January 2023 include short-term benefits in the amount of €754 thousand, €654 thousand and €615 thousand, respectively;
- employee benefits obligations as at 31 December 2024, 2023 and 1 January 2023 include post-employment benefits in the amount of €130 thousand, €128 thousand and €126 thousand, respectively;
- personnel costs for the years ended 31 December 2024 and 2023 include compensation to directors and strategic managers in the amount of €5,111 thousand and €4,060 thousand, respectively.

**Relations with other related parties**  
With reference to relations with other related parties, it should be noted that:

- current financial payables as at 31 December 2024 include centralised treasury management payables to SIPRO Siderprodukte AG in the amount of €5,021 thousand;
- current financial assets as at 31 December 2023 and 1 January 2023 include receivables from centralised treasury management from SIPRO Siderprodukte AG in the amount of €662 thousand and €3,475 thousand, respectively;
- service costs for the years ended 31 December 2024 and 2023 include costs to SIPRO Siderprodukte AG in the amount of €2,926 thousand and €3,040 thousand, respectively.



The background of the page is a dark, industrial scene. It features two large, circular metal rollers or wheels arranged vertically. Bright sparks and a misty atmosphere are visible around the rollers, suggesting a process of grinding or polishing. The entire image is overlaid with a semi-transparent purple filter.

## 11. COMMITMENTS, GUARANTEES GIVEN AND CONTINGENT LIABILITIES



a) Commitments

Commitments for subscriptions of investment fund units  
The following table summarises the remaining commitments for subscriptions of investment fund units as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
FSI Mid-Market Growth Equity Fund	1,001	1,071	1,859
Alcedo V Fund	1,242	1,916	2,554
FSI Mid-Market Growth Equity Fund II	11,553	13,250	15,000
Total	13,796	16,237	19,413

During 2017, the Holding Company subscribed to units of an Italian closed-end investment fund called FSI Mid-Market Growth Equity Fund, with a duration of 10 years, to which the Holding Company is committed to pay a total of €10 million, which will be requested by the manager according to the investment needs that will gradually accrue.  
During the course of 2021, the Holding Company subscribed to units of an additional Italian closed-end investment fund called Alcedo V, to which the Holding Company committed to pay a total of €3 million.  
During 2022, the Holding Company subscribed to units of a third Italian closed-end investment fund called FSI Mid-Market Growth Equity Fund II, for which the total commitment amounts to €15 million.

b) Guarantees provided

The following table shows details of the guarantees and collateral outstanding as at 31 December 2024, 2023 and 1 January 2023:

(In thousands of euros)	As at 31 December		As at 1 January
	2024	2023	2023
Guarantee issued for VAT credit compensation	31,179	25,048	22,058
Third party assets at subsidiary Setrans Srl	6,870	5,900	-
Guarantees issued to third parties in connection with business relations	4,980	6,093	6,564
Guarantees issued to Public Administration Bodies	4,013	3,964	3,875

c) Contingent liabilities

The Group has not assumed any contingent liabilities that have not been recognised in the financial statements.

A photograph of a large industrial warehouse filled with stacks of steel coils. The scene is dimly lit, with a strong purple tint overlaid on the entire image. The coils are arranged in rows, and the perspective leads the eye down a long aisle. The text '12. DISCLOSURE ON REMUNERATION TO CORPORATE BODIES' is overlaid in white on the left side of the image.

## 12. DISCLOSURE ON REMUNERATION TO CORPORATE BODIES

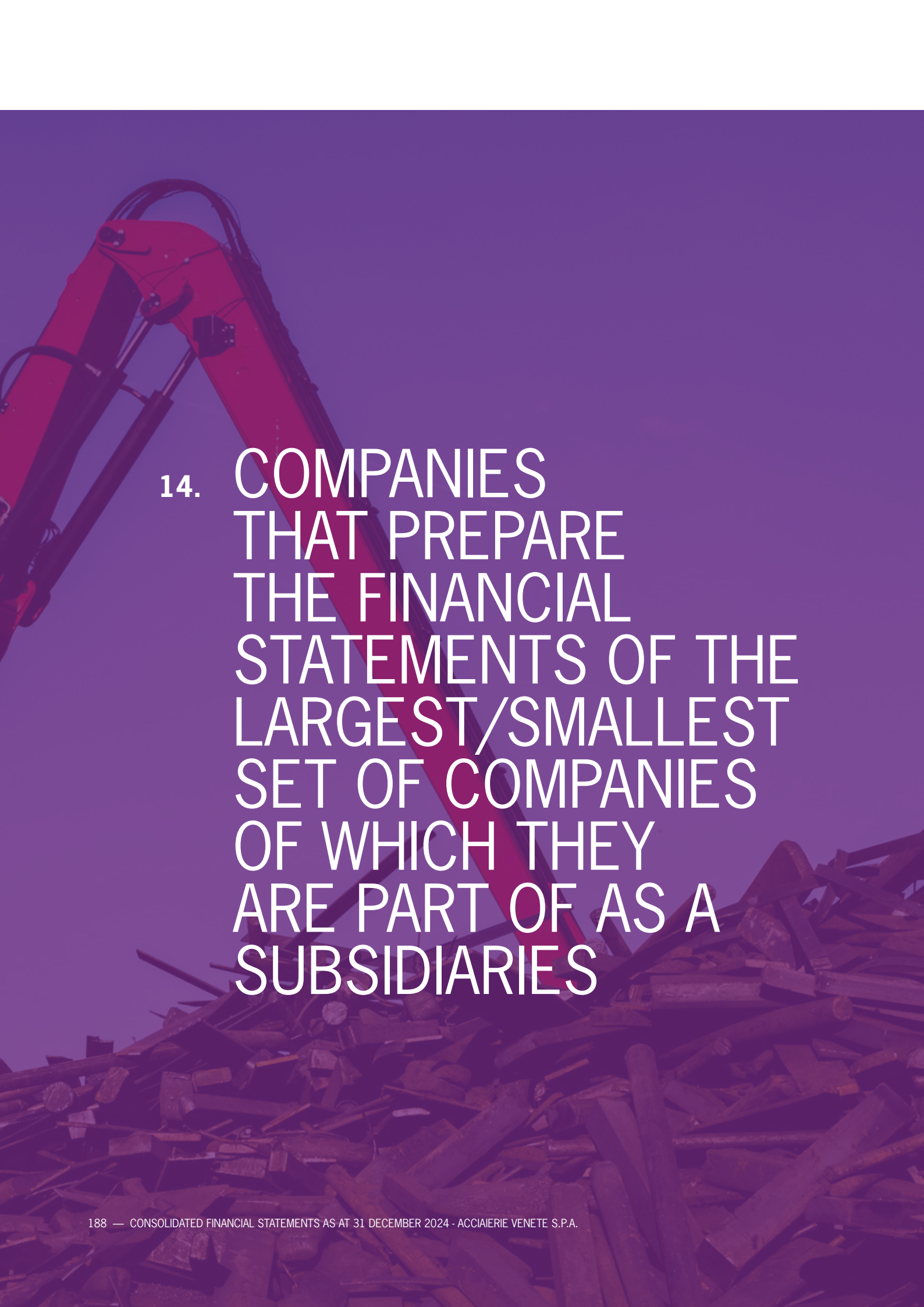
The total remuneration due to the members of the Board of Directors and the Board of Statutory Auditors of the parent company, including for positions in subsidiaries, amounted to €1,103 thousand for directors and €63 thousand for statutory auditors in the financial year ending 31 December 2024 (€916 thousand for directors and €63 thousand for statutory auditors in the financial year ending 31 December 2023).



13. DISCLOSURE  
ON FEES TO  
AUDITING FIRM

The following table shows the fees payable to the independent auditors for the statutory audit of the financial statements and consolidated financial statements as contractually defined and approved by the shareholders' meeting (net of the ISTAT adjustment provided for in the contract and the reimbursement of expenses incurred recognised within a contractually provided limit), as well as for other audit services, tax advisory services and other services other than statutory audit services provided to the Group for the financial years ended 31 December 2024 and 2023:

(In thousands of euros)	Entity that provided the service	Recipient	Year ended 31 December	
			2024	2023
Audit Services	Pricewaterhouse Coopers S.p.A.	Acciaierie Venete S.p.A. (financial statements audit services)	77	77
	Pricewaterhouse Coopers S.p.A.	Acciaierie Venete S.p.A. (consolidated financial statements audit services)	8	8
	Network Pricewaterhouse Coopers	Subsidiaries	118	18
Services other than audit	Pricewaterhouse Coopers S.p.A.	Acciaierie Venete S.p.A.	-	-
	Network Pricewaterhouse Coopers	Acciaierie Venete S.p.A.	194	511
Total			397	614



# 14. COMPANIES THAT PREPARE THE FINANCIAL STATEMENTS OF THE LARGEST/SMALLEST SET OF COMPANIES OF WHICH THEY ARE PART OF AS A SUBSIDIARIES

The following table shows the name and registered office of the company preparing the consolidated financial statements of the largest and smallest set of companies of which they are a part as a subsidiary, as well as the place where the copy of the consolidated financial statements is available:

Largest/Smallest set of companies	
Company name	Parsid S.p.A.
City (if in Italy) or foreign country	Padua
Tax Code (for Italian companies)	04125140287
Place of Filing of Consolidated Financial Statements	at the registered office



## 15. INFORMATION ON PUBLIC SUBSIDIES AND GRANTS

With reference to Art.1, paragraph 125, Law no. 124 of 2017, we expressly refer to the data resulting for each company of the Group from the “National Register of State Aid.”

It should be noted, however, that the Group companies benefited from the following public subsidies and grants for the year 2024:

- defiscalisation of diesel fuel granted by the Italian Customs Agency for €506,090;
- tax credit on automotive diesel in the amount of €161,347;
- a grant received for energy transition in the industrial sector in the amount of €11,597,718.



## 16. SIGNIFICANT EVENTS AFTER YEAR-END

### Acquisition of Euro Sider Scalo S.r.l.

On 22 January 2025, following the authorisation issued by the Antitrust Authority, the Holding Company finalised the acquisition of 60% of the share capital of Euro Sider Scalo S.r.l., a company active in the trading of special steel bars with operations in the province of Brescia. The remaining 40% remains under the ownership of the Pastorelli family, which will continue to exercise management functions through the Managing Director. The operation allows the Group to expand its commercial offer, accessing markets that are not directly served by production, in terms of type of specifications and purchase volumes. In addition, the integration with Euro Sider Scalo S.r.l., a company that has long been active in synergy with the Group, will contribute to the strengthening of the offer and the consolidation of customer relations through more flexible commercial and technical solutions. The transaction is consistent with the Group's strategy aimed at strengthening its commercial presence in high value-added outlet sectors.

### Acquisition of Trafilerie San Paolo S.r.l.

On 6 March 2025, the Holding Company signed a binding agreement to acquire 100% of the share capital of Trafilerie San Paolo S.r.l., a company specialising in steel wire drawing and recognised in the market for its high quality standards. The transaction was finalised on 18 April 2025, subject to authorisation by the Antitrust Authority. This acquisition is part of the Group's broader strategic path of verticalisation, aimed at strengthening its presence in the high quality steel wire drawing segment, favouring the integration of the production chain and the expansion of the product portfolio. The transaction is in line with the investments recently made, including the new rolling mill at the Sarezzo plant, which allows for the production of a complete range of wire rod for wire drawing. Once the transaction is finalised, Trafilerie San Paolo S.r.l. will continue to operate while maintaining its quality standards, benefiting from the Group's technical, industrial and commercial synergies.

### Customs tariffs

During the financial year 2025, new customs tariffs were introduced on certain steel products by the United States. Although the Group's sales to the North American market are currently marginal and therefore the direct impact of these measures is limited, there is a potential indirect effect on the European market. In particular, the introduction of tariffs could lead to a redistribution of global trade flows, increasing competitive pressure in Europe from international operators who, finding obstacles in accessing the US market, could divert their supply to the European Union. The Group carefully monitors the evolution of the macroeconomic and commercial scenario, constantly evaluating market protection strategies aimed at maintaining its competitiveness and margins in the European context.



## 17. FIRST APPLICATION OF EU-IFRS



**A) General standards**

This note provides the information required by IFRS 1 and, in particular, a description of the impact of the transition to EU-IFRS on the Group's consolidated balance sheet, financial position and income statement. To this end, the following have been prepared:

- reconciliations between the Group's consolidated statement of financial position as at 1 January 2023 (Transition Date) and 31 December 2023 (the date of the Company's last consolidated financial statements prepared under Italian GAAP) prepared under Italian GAAP and that prepared under EU-IFRS;
- the reconciliation statement between the Group's consolidated income statement for the year ended 31 December 2023 prepared in accordance with Italian GAAP and that prepared in accordance with EU-IFRS;
- the reconciliation statement between the Group's consolidated shareholders' equity as at 1 January 2023 and 31 December 2023 determined in accordance with Italian GAAP and that prepared in accordance with EU-IFRS;
- the reconciliation statement between the Group's consolidated comprehensive income for the year ended 31 December 2023 determined in accordance with Italian GAAP and that determined in accordance with EU-IFRS;
- the reconciliation statement between the Group's consolidated cash flow statement for the year ended 31 December 2023 determined in accordance with Italian GAAP and that determined in accordance with EU-IFRS;
- the explanatory notes on the adjustments and reclassifications included in the aforementioned reconciliation schedules, which describe the significant effects of the transition to EU-IFRS, both with regard to the classification of the various items in the financial statements and to their different valuation and, therefore, the consequent effects on the Group's consolidated balance sheet, financial position and income statement.

The consolidated statement of financial position of the Group as at the EU-IFRS Transition Date has been prepared in accordance with the following criteria:

all assets and liabilities whose recognition is required by UE-IFRS have been recognised;

- assets and liabilities whose recognition is not permitted by EU-IFRS have not been recognised;
- items recognised as one type of asset, liability or component of equity under Italian GAAP but which constitute a different type of asset, liability or component of equity under EU-IFRS have been reclassified;
- EU-IFRS were applied in the valuation of all recognised assets and liabilities.

As of the Transition Date, the effect of the adjustment of the opening balances of the Group's assets and liabilities to the new accounting policies is recognised within a reserve in consolidated shareholders' equity, taking into account the related tax effects where applicable.

International Accounting Standards provide for retroactive application of all standards in effect as at the date of the first financial statements prepared in accordance with EU-IFRS. However, IFRS 1 provides, for companies adopting EU-IFRS for the first time, certain mandatory and optional exemptions to such retrospective adoption, as described below.

**B) Mandatory exemptions to the retroactive application of EU-IFRS**

The mandatory exemptions to the retrospective application of EU-IFRS provided for by IFRS 1, such as the estimates used in the restatement of information at the Transition Date that must be consistent with those used in the preparation of the relevant financial statements in accordance with the previous accounting standards (after adjustments to reflect any differences in accounting standards) and the accounting for non-controlling interests, have been applied to the extent that they relate to matters applicable to the Group.

**C) Optional exemptions to the retroactive application of EU-IFRS****C.1) Rental and Lease Agreements**

As permitted by IFRS 1, Appendix D, paragraph D9 (D9A-D9E), the Group has decided to adopt the following choices for rental and lease agreements:

- assess at the EU-IFRS Transition Date whether a contract agreement contains a lease by applying paragraphs 9-11 of IFRS 16 to the contract agreement on the basis of the facts and circumstances existing at that date. A contract is, or contains, a lease if, in return for consideration, it conveys the right to control the use of a specified asset for a period of time;
- measure the lease liability at the Transition Date at the present value of the remaining lease payments, discounted using the marginal borrowing rate, at the date of transition to EU-IFRS, of the Group company acting as lessee;
- value the asset consisting of the right of use at the Transition Date at an amount equal to the lease liability, adjusted for the amount of any deferred income or accrued expenses relating to the lease recognised in the statement of financial position immediately prior to the Transition Date;
- use the option not to make transitional adjustments for leases whose underlying asset is of low value and for leases whose term ends within 12 months of the EU-IFRS Transition Date;
- apply lease-by-lease a single discount rate to a portfolio of leases with reasonably similar characteristics, such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment.

**C.2) Business combinations**

As permitted by IFRS 1, Appendix C, paragraph C1, the Group has decided not to retroactively apply IFRS 3 to business combinations realised before the Transition Date.

**C.3) Fair value as deemed cost**

As permitted by IFRS 1, Appendix D, paragraph D6, the Group has elected to use the restated value (under Italian GAAP) at a date prior to the Transition Date of certain property, plant and equipment as deemed cost at the date of the restatement.

**C.4) Other optional exemptions to the full retrospective adoption of EU-IFRSs**

The other optional exemptions provided by IFRS 1 have not been used, as they relate to cases for which: i) Italian GAAP is already aligned with EU-IFRS; ii) the Group has opted for retrospective application; or iii) they are not applicable to the Group.



D) **Treatments chosen under EU-IFRS accounting options**  
EU-IFRS permits certain accounting options. The main choices made by the Group are outlined below:

- Valuation of property, plant and equipment, intangible assets, investment properties and right-of-use assets: subsequent to initial recognition at cost, IAS 16 – Property, Plant and Equipment, IAS 38 – Intangible Assets, IAS 40 – Investment properties and IFRS 16 – Leases, provide that property, plant and equipment, intangible assets, investment properties and right-of-use assets may be measured at cost less accumulated depreciation and impairment losses, or by periodically restating their fair value and adjusting the carrying amount to that value (so-called “Revaluation Model”). The Group has decided to retain cost less accumulated depreciation and impairment losses as the valuation basis for property, plant and equipment, intangible assets, investment properties and right-of-use assets.
- Inventory measurement: In accordance with IAS 2, the cost of inventories must be determined using either the FIFO method or the weighted average cost method. The Group has chosen to use the weighted average cost method.

E) **Reconciliation Statements of the consolidated statement of financial position and consolidated income statement of the Group**

Annexes 1 and 2 set out, respectively, reconciliations of the Group's consolidated statement of financial position as at 1 January 2023 and 31 December 2023 prepared in accordance with Italian GAAP and reclassified in accordance with the classification criteria chosen by the Group for the EU-IFRS financial statements with that prepared in accordance with EU-IFRS.

Annex 3 shows the reconciliation of the Group's consolidated income statement for the year ended 31 December 2023 prepared in accordance with Italian GAAP and reclassified according to the classification criteria chosen by the Group for the EU-IFRS financial statements with that prepared in accordance with EU-IFRS.

F) **Statements of reconciliation of consolidated shareholders' equity and consolidated comprehensive net profit of the Group**

The following table shows the reconciliation of the Group's consolidated shareholders' equity as at 1 January 2023 and 31 December 2023 and the Group's consolidated comprehensive net profit for the year ended 31 December 2023 prepared in accordance with Italian GAAP with the corresponding values prepared in accordance with EU-IFRS:

(In thousands of euros)	Sharehold-ers' equity as at 1 Jan-uary 2023	Net profit for the year ended 31 December 2023	Other chang-es*	Other items of the state-ment of com-prehensive income	Shareholders' equity as at 31 December 2023
<b>Consolidated Financial Statements Acciaierie Venete S.p.A. - Italian Accounting Standards</b>	<b>1,031,452</b>	<b>101,895</b>	<b>(10,132)</b>	<b>(4,392)</b>	<b>1,118,823</b>
Derecognition of certain revaluations made under revaluation laws	(52,282)	11,910	-	-	(40,372)
Derecognition of intangible assets that cannot be capitalised	(17)	(19)	-	-	(36)
Actuarial valuation of the liability for employee severance indemnity	121	(79)	-	18	60
Discounting of the provision for supplementary agents' and sales representatives indemnity	218	5	-	-	223
Metal Interconnector consortium accounting adjustment	686	(867)	-	-	(181)
Application of IFRS 16 to lease, rental and operating leases	-	(40)	-	-	(40)
Application of IFRS 9 to financial instruments	3,344	757	-	806	4,907
Other minor adjustments	(118)	(3,028)	-	(34)	(3,180)
<b>Consolidated Financial Statements Acciaierie Venete S.p.A. - EU-IFRS</b>	<b>983,404</b>	<b>110,534</b>	<b>(10,132)</b>	<b>(3,602)</b>	<b>1,080,204</b>

(\*) The item “Other changes” refers to the impact of the acquisition of subsidiaries and non-controlling interests for a positive amount of €4,921 thousand and the distribution of reserves and dividends for a negative amount of €15,053 thousand.

Below is a description of the main adjustments and reclassifications made during the transition to EU-IFRS.

F.1) EU-IFRS adjustments

Derecognition of certain revaluations made under revaluation laws

In the consolidated financial statements prepared in accordance with Italian GAAP, the holding company Acciaierie Venete S.p.A. had carried out a revaluation (recognised also for tax purposes) of certain plant and machinery in accordance with the provisions of Article 110 of Legislative Decree No. 104/2020 (converted into Law No. 126/2020) for a total amount of €105,290 thousand in the financial statements for the year ended 31 December 2020.

As this revaluation does not meet the requirements of paragraph D6 of Appendix D to IFRS 1, it has been derecognised.

Derecognition of intangible assets that cannot be capitalised

Certain intangible assets capitalised in accordance with Italian GAAP (start-up and expansion costs and costs for implementing SaaS – software as a service solutions) do not meet the capitalisation requirements of IAS 38. Therefore, these costs were reversed from the assets side of the consolidated statement of financial position prepared in accordance with EU-IFRS.

Actuarial valuation of the liability for employee severance indemnity

In the consolidated financial statements prepared in accordance with Italian GAAP, the liability for employee severance indemnity (TFR) of the Group's Italian companies was determined in accordance with current legislation, and in particular Article 2120 of the Italian Civil Code and labour agreements. In accordance with IAS 19, the employee severance

indemnity provision (TFR) provision recognised in the financial statements can be assimilated to a defined benefit plan, and has therefore been valued on the basis of statistical and demographic assumptions, as well as actuarial calculation methods.

Discounting of the provision for supplementary agents' and sales representatives indemnity

In the consolidated financial statements prepared in accordance with Italian GAAP, the liability the supplementary agents' and sales representatives indemnity was determined in accordance with current legislation and the contract for agents and sales representatives.

In accordance with IAS 37, the liability the supplementary agents' and sales representatives indemnity was discounted.

Metal Interconnector consortium accounting adjustment

The Group participates in the Metal Interconnector consortium through capital investments and financing. The purpose of this consortium is to make investments in the so-called Metal Interconnector project through the construction of interconnection power lines with foreign countries and has the aim of granting the consortium members the purchase of electricity at lower prices than the market.

Given the nature of the consortium and its purpose, and the fact that the future economic benefit is represented by the receipt of goods or services rather than the right to receive cash or another financial asset, these investments are similar to deferred charges incurred to obtain future economic benefits and have therefore been accounted for in accordance with the provisions of IAS 38, subject to amortisation over their useful life and impairment when the conditions exist.

Application of IFRS 16 to lease, rental and operating leases

In the consolidated financial statements prepared in accordance with Italian GAAP, rental, lease and operating lease costs were recognised as an expense in the income statement on an accrual basis.

In accordance with IFRS 16, the Group recognised the following for each rental, hire and lease agreement:

- an asset for right-of-use within the assets of the consolidated statement of financial position, representing the right-of-use of the asset covered by the underlying contracts, amortised:
  - over the term of the underlying contract if the contract does not provide for an option to purchase the underlying asset at the end of the contract or if it is not reasonably certain that the option to purchase the underlying asset at the end of the contract will be exercised; or
  - over the useful life of the underlying asset (if the contract transfers ownership of the underlying asset to the lessee at the end of the contract or if exercise of the option to purchase the underlying asset at the end of the contract is reasonably certain);
- a lease liability within liabilities in the consolidated statement of financial position, representing the obligation to make payments under lease, hire and rental agreements; and
- the rental, hire and lease payments were charged, as to principal, as a reduction of lease liabilities and, as to interest, to the income statement on an accrual basis.

Application of IFRS 9 to financial instruments

In the consolidated financial statements prepared in accordance with Italian GAAP, investment securities and long-term equity securities in other companies were valued at purchase or subscription cost and adjusted if necessary for impairment losses, while trading securities (recorded as current assets) were valued at the lower of purchase cost and realisable value based on market trends.

In accordance with IFRS 9, financial assets consisting of investment securities, long-term equity investments in other companies, and trading securities were classified into one of three categories (financial assets measured at amortised cost, financial assets measured at fair value with impact on comprehensive income and financial assets measured at fair value with impact on the income statement) and measured according to their respective valuation criteria.

F.2) EU-IFRS reclassifications to the consolidated statement of financial position

Investment properties

Real estate (land or building - or part of a building - or both) held for the purpose of earning rental income or for capital appreciation or for both reasons has been reclassified from "Property, Plant and Equipment" to "Investment properties" in accordance with IAS 40 and IAS 1.

Offsetting deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities, for which the requirements of paragraph 74 of IAS 12 are met, have been offset in the consolidated financial statements prepared in accordance with EU-IFRS.

Other minor reclassifications

This item includes a number of minor reclassifications that were made to the Group's consolidated financial statements as part of the transition to EU-IFRS, relating to:

- leasehold improvements, classified as "Intangible assets" in the consolidated financial statements prepared in accordance with Italian GAAP, which were reclassified to "Property, plant and equipment" in the consolidated financial statements prepared in accordance with EU-IFRS; and to:

- liabilities for uncertain direct tax treatments, classified under “Provisions for risks and charges” in the consolidated financial statements prepared in accordance with Italian GAAP, which have been reclassified to “Current tax liabilities” in accordance with IFRIC 23 “Uncertainty in income tax treatments” in the consolidated financial statements prepared in accordance with EU-IFRS

F.3) EU-IFRS Reclassifications to the consolidated income statement  
Directors' costs

The cost for directors, consisting of directors' fees and related social security charges, was reclassified from “Cost of services” to “Personnel costs” in accordance with IAS 19.

G) Group consolidated cash flow statement reconciliation schedules

The following table shows the reconciliation of the Group's consolidated cash flow statement for the year ended 31 December 2023 prepared in accordance with Italian GAAP and reclassified according to the classification criteria chosen by the Group for the EU-IFRS financial statements with that prepared in accordance with EU-IFRS:

Year ended 31 December 2023			
(In thousands of euros)	Italian Accounting Standards	EU-IFRS Reclassifications	EU-IFRS
Net cash flow generated/(absorbed) by operating activities	269,011	(2,484)	266,527
Net cash flow generated/(absorbed) by investing activities	(108,687)	10,342	(98,345)
Net cash flow generated/(absorbed) by financing activities	(106,231)	(7,858)	(114,089)
Total net cash flow generated/(absorbed)	54,093	-	54,093

Padua, 22 May 2025  
For the Board of Directors

Alessandro Banzato





## ANNEX 1: Reconciliation statement between the Group's consolidated statement of financial position as at 1 January 2023 prepared in accordance with Italian GAAP and reclassified on the basis of the classification criteria chosen by the Group for the EU-IFRS financial statements and that prepared in accordance with EU-IFRS

(In thousands of euros)	Consolidated statement of financial position as at 1 January 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consolidated statement of financial Position as at 1 January 2023 prepared in accordance with EU-IFRS
		Derecognition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjustments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifications	
NON-CURRENT ASSETS													
Property, plant and equipment	298,467	(72,513)	-	-	-	-	(2,772)	-	36	(11,665)	-	2	211,555
Right-of-use assets	-	-	-	-	-	-	7,054	-	-	-	-	-	7,054
Investment properties	-	-	-	-	-	-	-	-	-	11,665	-	-	11,665
Intangible assets	1,524	-	(24)	-	-	12,003	-	-	2,295	-	-	(2)	15,796
Non-current financial assets	26,976	-	-	-	-	(11,052)	-	3,580	-	-	-	-	19,504
Deferred tax assets	3,306	20,231	7	(47)	-	-	1,197	-	46	-	(5,953)	-	18,787
Other non-current assets	1,500	-	-	-	-	-	-	-	-	-	-	-	1,500
Total non-current assets	331,773	(52,282)	(17)	(47)	-	951	5,479	3,580	2,377	-	(5,953)	-	285,861

(In thousands of euros)	Consolidated statement of financial position as at 1 January 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consolidated statement of financial Position as at 1 January 2023 prepared in accordance with EU-IFRS
		Derecognition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjustments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifications	
CURRENT ASSETS				-									
Inventories	384,989	-	-	-	-	-	-	-	(165)	-	-	-	384,824
Trade receivables	484,840	-	-	-	-	-	-	-	-	-	-	-	484,840
Current financial assets	153,757	-	-	-	-	-	-	1,059	-	-	-	-	154,816
Current tax receivables	2,423	-	-	-	-	-	-	-	-	-	-	(308)	2,115
Cash and cash equivalents	129,043	-	-	-	-	-	-	-	-	-	-	-	129,043
Other Current Assets	22,025	-	-	-	-	-	11	-	-	-	-	-	22,036
Total current assets	1,177,077	-	-	-	-	-	11	1,059	(165)	-	-	(308)	1,177,674
TOTAL ASSETS	1,508,850	(52,282)	(17)	(47)	-	951	5,490	4,639	2,212	-	(5,953)	(308)	1,463,535

(In thousands of euros)	Consolidated statement of financial position as at 1 January 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consolidated statement of financial Position as at 1 January 2023 prepared in accordance with EU-IFRS
		Derecognition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjustments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifications	
SHAREHOLDERS' EQUITY													
Share Capital	63,000	-	-	-	-	-	-	-	-	-	-	-	63,000
Reserves and retained earnings/ (losses)	964,936	(52,282)	(17)	120	218	686	-	3,344	(118)	-	-	-	916,887
Group share of net profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Total shareholders' equity attributable to the Group	1,027,936	(52,282)	(17)	120	218	686	-	3,344	(118)	-	-	-	979,887
Shareholders' equity attributable to non-controlling interests	3,516	-	-	1	-	-	-	-	-	-	-	-	3,517
TOTAL SHAREHOLDERS' EQUITY	1,031,452	(52,282)	(17)	121	218	686	-	3,344	(118)	-	-	-	983,404



(In thousands of euros)	Consolidated statement of financial position as at 1 January 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consolidated statement of financial Position as at 1 January 2023 prepared in accordance with EU-IFRS
		Derecognition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjustments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifications	
NON-CURRENT LIABILITIES													
Non-current financial payables	62,065	-	-	-	-	-	-	-	-	-	-	-	62,065
Non-current lease liabilities	843	-	-	-	-	-	1,868	-	-	-	-	-	2,711
Employee benefits obligations	6,554	-	-	(168)	-	-	-	-	-	-	-	-	6,386
Provisions for risks and charges	3,463	-	-	-	(302)	-	-	-	5,798	-	-	(1,838)	7,121
Deferred tax liabilities	4,600	-	-	-	84	265	1,198	1,295	-	-	(5,953)	-	1,489
Other non-current liabilities	1,595	-	-	-	-	-	-	-	-	-	-	-	1,595
Total non-current liabilities	79,120	-	-	(168)	(218)	265	3,066	1,295	5,798	-	(5,953)	(1,838)	81,367

(In thousands of euros)	Consolidated statement of financial position as at 1 January 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consolidat- ed state- ment of financial Po- sition as at 1 January 2023 prepared in accordance with EU-IF- RS
		Derecog- nition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents’ and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjust- ments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifica- tions	
CURRENT LIABILITIES													
Current financial payables	75,307	-	-	-	-	-	-	-	-	-	-	-	75,307
Current lease liabilities	216	-	-	-	-	-	2,424	-	-	-	-	-	2,640
Trade payables	230,979	-	-	-	-	-	-	-	-	-	-	-	230,979
Current tax liabilities	32,040	-	-	-	-	-	-	-	-	-	-	1,530	33,570
Other current liabilities	59,736	-	-	-	-	-	-	-	(3,468)	-	-	-	56,268
Total current liabilities	398,278	-	-	-	-	-	2,424	-	(3,468)	-	-	1,530	398,764
TOTAL LIABILITIES	477,398	-	-	(168)	(218)	265	5,490	1,295	2,330	-	(5,953)	(308)	480,131
TOTAL SHARE-HOLDERS’ EQUITY AND LIABILITIES	1,508,850	(52,282)	(17)	(47)	-	951	5,490	4,639	2,212	-	(5,953)	(308)	1,463,535

ANNEX 2: Reconciliation statement between the Group's consolidated statement of financial position as at 31 December 2023 prepared in accordance with Italian GAAP and reclassified on the basis of the classification criteria chosen by the Group for the EU-IFRS financial statements and that prepared in accordance with EU-IFRS

(In thousands of euros)	Consolidated statement of financial position as at 31 December 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consol- idated statement of financial position as at 31 De- cember 2023 prepared in accordance with EU-IF- RS
		Derecog- nition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjust- ments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifica- tions	
NON-CURRENT ASSETS													
Property, plant and equipment	312,032	(55,994)	-	-	-	-	(1,670)	-	4	(11,813)	-	50	242,609
Right-of-use assets	-	-	-	-	-	-	10,221	-	-	-	-	-	10,221
Investment properties	-	-	-	-	-	-	-	-	-	11,813	-	-	11,813
Intangible assets	4,889	-	(51)	(1)	-	12,670	-	-	(1,818)	-	-	(50)	15,639
Non-current financial assets	33,459	-	-	-	-	(12,921)	-	5,472	-	-	-	-	26,010
Deferred tax assets	2,760	15,622	15	(24)	-	70	2,405	-	46	-	(5,576)	-	15,318
Other non-current assets	2,633	-	-	-	-	-	-	-	-	-	-	-	2,633
Total non-current assets	355,773	(40,372)	(36)	(25)	-	(181)	10,956	5,472	(1,768)	-	(5,576)	-	324,243



(In thousands of euros)	Consolidated statement of financial position as at 31 December 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consol- idated statement of financial position as at 31 De- cember 2023 prepared in accordance with EU-IF- RS
		Derecog- nition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjust- ments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifica- tions	
CURRENT ASSETS													
Inventories	332,027	-	-	-	-	-	-	-	(165)	-	-	-	331,862
Trade receivables	327,922	-	-	-	-	-	-	-	-	-	-	-	327,922
Current financial assets	188,148	-	-	-	-	-	-	1,334	-	-	-	-	189,482
Current tax receivables	12,488	-	-	-	-	-	-	-	-	-	-	(306)	12,182
Cash and cash equivalents	183,136	-	-	-	-	-	-	-	-	-	-	-	183,136
Other Current Assets	9,756	-	-	-	-	-	11	-	(275)	-	-	-	9,492
Total current assets	1,053,477	-	-	-	-	-	11	1,334	(440)	-	-	(306)	1,054,076
TOTAL ASSETS	1,409,250	(40,372)	(36)	(25)	-	(181)	10,967	6,806	(2,208)	-	(5,576)	(306)	1,378,319

(In thousands of euros)	Consolidated statement of financial position as at 31 December 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consolidated statement of financial position as at 31 December 2023 prepared in accordance with EU-IFRS
		Derecognition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjustments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifications	
SHAREHOLDERS' EQUITY													
Share Capital	126,000	-	-	-	-	-	-	-	-	-	-	-	126,000
Reserves and retained earnings/ (losses)	883,215	(52,282)	(17)	139	218	686	-	4,150	(139)	-	-	-	835,970
Group share of net profit for the year	101,174	11,910	(19)	(78)	5	(867)	(40)	757	(3,041)	-	-	-	109,801
Total shareholders' equity attributable to the Group	1,110,389	(40,372)	(36)	61	223	(181)	(40)	4,907	(3,180)	-	-	-	1,071,771
Shareholders' equity attributable to non-controlling interests	8,434	-	-	(1)	-	-	-	-	-	-	-	-	8,433
TOTAL SHAREHOLDERS' EQUITY	1,118,823	(40,372)	(36)	60	223	(181)	(40)	4,907	(3,180)	-	-	-	1,080,204

(In thousands of euros)	Consolidated statement of financial position as at 31 December 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consol- idated statement of financial position as at 31 De- cember 2023 prepared in accordance with EU-IF- RS
		Derecog- nition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjust- ments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifica- tions	
NON-CURRENT LIABILITIES													
Non-current financial payables	42,494	-	-	-	-	-	-	-	-	-	-	-	42,494
Non-current lease liabilities	702	-	-	-	-	-	4,868	-	-	-	-	-	5,570
Employee benefits obligations	6,547	-	-	(85)	-	-	-	-	-	-	-	-	6,462
Provisions for risks and charges	3,907	-	-	-	(310)	-	-	-	972	-	-	(1,826)	2,743
Deferred tax liabilities	2,691	-	-	-	87	-	2,388	1,899	-	-	(5,576)	-	1,489
Other non-current liabilities	5,157	-	-	-	-	-	-	-	-	-	-	-	5,157
Total non-current liabilities	61,498	-	-	(85)	(223)	-	7,256	1,899	972	-	(5,576)	(1,826)	63,915



(In thousands of euros)	Consolidated statement of financial position as at 31 December 2023 prepared in accordance with Italian GAAP and presented in accordance with EU-IFRS	EU-IFRS Adjustments								EU-IFRS Reclassifications			Consol- idated statement of financial position as at 31 De- cember 2023 prepared in accordance with EU-IF- RS
		Derecog- nition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjust- ments	Investment properties	Offsetting deferred tax assets and deferred tax liabilities	Other minor reclassifica- tions	
CURRENT LIABILITIES													
Current financial payables	22,891	-	-	-	-	-	-	-	-	-	-	-	22,891
Current lease liabilities	123	-	-	-	-	-	3,751	-	-	-	-	-	3,874
Trade payables	169,794	-	-	-	-	-	-	-	-	-	-	-	169,794
Current tax liabilities	(896)	-	-	-	-	-	-	-	-	-	-	1,520	624
Other current liabilities	37,017	-	-	-	-	-	-	-	-	-	-	-	37,017
Total current liabilities	228,929	-	-	-	-	-	3,751	-	-	-	-	1,520	234,200
TOTAL LIABILITIES	290,427	-	-	(85)	(223)	-	11,007	1,899	972	-	(5,576)	(306)	298,115
TOTAL SHARE- HOLDERS' EQUITY AND LIABILITIES	1,409,250	(40,372)	(36)	(25)	-	(181)	10,967	6,806	(2,208)	-	(5,576)	(306)	1,378,319

## ANNEX 3: Reconciliation statement between the Group's consolidated income statement for the year ended 31 December 2023 prepared in accordance with Italian GAAP and reclassified on the basis of the classification criteria chosen by the Group for the EU-IFRS financial statements with that prepared in accordance with EU-IFRS

(In thousands of euros)	Consolidated income statement for the year ended 31 December 2023 prepared in accordance with Italian GAAP and presented in accordance with the EU-IFRS format	EU-IFRS Adjustments								EU-IFRS Re-classifications  Directors' costs	Consolidated income statement for the year ended 31 December 2023 prepared in accordance with EU-IFRS
		Derecognition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjustments		
Revenues	1,381,081	-	-	-	-	-	-	-	-	-	1,381,081
Other income	64,867	206	-	-	-	-	-	-	-	-	65,073
Change in inventories of finished goods, semi-finished goods and work in progress	(43,011)	-	-	-	-	-	-	-	(1)	-	(43,012)
Costs of raw, ancillary, consumable materials and goods	(817,524)	-	-	-	-	-	-	-	-	-	(817,524)
Cost for services	(308,109)	-	(46)	-	8	-	3,848	-	(9)	1,410	(302,898)
Personnel costs	(105,348)	-	-	116	-	-	-	-	-	(1,410)	(106,642)
Other operating costs	(8,426)	-	-	-	-	-	-	-	-	-	(8,426)
Increases in fixed assets for internal work	604	-	-	-	-	-	-	-	-	-	604
Net impairment financial assets	(378)	-	-	-	-	-	-	-	-	-	(378)
Amortisation and write-downs of tangible and intangible assets	(54,422)	16,313	19	-	-	(1,203)	(3,673)	-	(3,052)	-	(46,018)
<b>Operating Profit</b>	<b>109,334</b>	<b>16,519</b>	<b>(27)</b>	<b>116</b>	<b>8</b>	<b>(1,203)</b>	<b>175</b>	<b>-</b>	<b>(3,062)</b>	<b>-</b>	<b>121,860</b>

(In thousands of euros)	Consolidated income statement for the year ended 31 December 2023 prepared in accordance with Italian GAAP and presented in accordance with the EU-IFRS format	EU-IFRS Adjustments								EU-IFRS Re-classifications	Consolidated income statement for the year ended 31 December 2023 prepared in accordance with EU-IFRS
		Derecognition of certain revaluations made under revaluation laws	Derecognition of intangible assets that cannot be capitalised	Actuarial valuation of the liability for employee severance indemnity	Discounting of the provision for supplementary agents' and sales representatives indemnity	Metal Interconnector consortium accounting adjustment	Application of IFRS 16 to lease, rental and operating leases	Application of IFRS 9 to financial instruments	Other EU-IFRS adjustments	Directors' costs	
Financial income	10,303	-	-	-	-	-	-	-	34	-	10,337
Financial expenses	(3,121)	-	-	(226)	-	-	(232)	-	-	-	(3,579)
Income/(expenses) from fair value changes and disposal of financial assets	3,608	-	-	-	-	-	-	1,050	-	-	4,658
Earnings before taxes - EBT	120,124	16,519	(27)	(110)	8	(1,203)	(57)	1,050	(3,028)	-	133,276
Income Taxes	(18,229)	(4,609)	8	31	(3)	336	17	(293)	-	-	(22,742)
Net profit for the year	101,895	11,910	(19)	(79)	5	(867)	(40)	757	(3,028)	-	110,534
Of which:											
- Group share of net profit for the year	101,174	11,910	(19)	(78)	5	(867)	(40)	757	(3,041)	-	109,801
- Net profit for the year attributable to non-controlling interests	721	-	-	(1)	-	-	-	-	13	-	733





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**ACCIAIERIE VENETE S.p.A.**  
**Registered Office in Borgo Valsugana (TN) - Share Capital €126,000,000.00**  
Register of Companies – Tax Code 0022418 0281

Report of the board of statutory auditors on the financial statements for the year ended 31 december 2024 pursuant to article 2429, paragraph 2, of the italian civil code

To the shareholders' meeting of Acciaierie Venete S.p.A.  
**Subject: Report of the Board of Statutory Auditors on the financial statements for the year ended 31 December 2024 pursuant to Art. 2429, paragraph 2, of the Italian Civil Code.**

This report has been approved collectively and in time for its filing at the company's registered office within fifteen days prior to the date of the first call of the shareholders' meeting called to approve the financial statements. The governing body has made available the following documents approved on 22 May 2025, relating to the financial year ended 31 December 2024:

- draft financial statements, complete with explanatory notes and financial statements;
- management report.

The directors, pursuant to Art. 25 of Italian Legislative Decree No. 127/1991, have prepared the consolidated financial statements of the Group.

As the Board of Statutory Auditors is not responsible for statutory auditing, it carried out the supervisory activities on the financial statements and consolidated financial statements provided for in Rule 3.8. of the "Standards of conduct for the Board of Statutory Auditors of unlisted companies" and in Rule 3.9. of the "Standards of conduct for statutory auditors of unlisted companies," consisting of a comprehensive review to verify that the financial statements and consolidated financial statements have been properly prepared. Verification of compliance with accounting data is, in fact, the responsibility of the statutory auditor.

**Knowledge of the company, risk assessment and report on the tasks assigned.**

Given the consolidated knowledge that the Board of Statutory Auditors declares to have regarding the company in terms of its activities and organisational and accounting structure, also taking into account the size and issues of the company, it is reiterated that the planning phase of the supervisory activity, in which the intrinsic risks and critical issues with respect to the two parameters mentioned above must be assessed, was implemented by confirming the accuracy of the information already known based on information acquired over time.

It was therefore possible to confirm that:

- the typical activity carried out by the company did not change during the financial year under review and is consistent with the company's corporate purpose;
- the organisational structure and IT facilities remained substantially unchanged;
- human resources have remained essentially unchanged;
- the above-stated findings are indirectly confirmed by a comparison of the figures reported in the income statement for the last two financial years. It can also be noted that the company operated in 2024 in terms comparable to the previous financial year and, consequently, our audits were carried out on this basis, having verified the substantial comparability of the values and results with those of the previous financial year.

This report therefore summarises the activities relating to the disclosure required by Art. 2429, paragraph 2, of the Italian Civil Code, and more specifically:

- the operating results for the financial year;
- the activities carried out in fulfilment of the duties required by law;
- comments and proposals regarding the financial statements, with particular reference to any use by the governing body of the exemption provided for in Art. 2423, paragraph 4, of the Italian Civil Code;
- any complaints received from shareholders pursuant to Art. 2408 of the Italian Civil Code.

The activities carried out by the Board of Statutory Auditors covered the entire financial year, during which the meetings referred to in Art. 2404 of the Italian Civil Code were held regularly; minutes of these meetings were drawn up and duly signed for unanimous approval.

**Supervisory activities pursuant to Articles 2403 *et seq.* of the Italian Civil Code**

During its periodic audits, the Board of Statutory Auditors reviewed the company's operations, paying particular attention to contingent and/or extraordinary issues in order to identify their economic and financial impact on the results for the period and on the balance sheet, as well as any risks, including those arising from credit losses, which are monitored on a regular basis.

The Board of Statutory Auditors periodically assessed the adequacy of the company's organisational and functional structure. Throughout the financial year, it was found that:

- the internal administrative personnel responsible for recording company events remained essentially unchanged from the previous financial year;
- the level of technical expertise remains adequate for the type of ordinary company events to be recorded and can boast full knowledge of company issues;
- the external consultants and professionals responsible for accounting, tax, corporate and labour law assistance have not changed and therefore have historical knowledge of the business and of the management issues, including extraordinary ones, that have affected the results of the financial statements.

Information has been obtained from the supervisory body and no critical issues have emerged with regard to the organisational model that need to be highlighted in this report.

The information required by Art 2381, paragraph 5, of the Italian Civil Code was provided by the Chief Executive Officer at intervals even shorter than the minimum six months, both at scheduled meetings and during individual visits by members of the Board of Statutory Auditors to the company's registered office.

Based on the information flows acquired, there were no transactions with related parties that could be defined as atypical or unusual, nor were there any intra-group transactions or transactions with related parties carried out in conflict with the interests of the company.

In conclusion, based on the findings of the activities carried out during the financial year, the Board of Statutory Auditors can state that:

- the decisions taken by the shareholders and the governing body were in accordance with the law and the articles of association and were not manifestly imprudent or such as to compromise the integrity of the company's assets;
- exhaustive information was obtained on the general performance of operations and their foreseeable development, as well as on the most significant transactions, in terms of size or characteristics, carried out by the company;
- the transactions carried out were also in compliance with the law and the articles of association and did not potentially conflict with the resolutions passed by the shareholders' meeting or compromise the integrity of the company's assets;

- no comments were made regarding the adequacy of the company's organisational structure, the adequacy of the administrative and accounting system, or the reliability of the latter in correctly representing management facts;
- during the supervisory activities described above, no other significant facts emerged that would require disclosure in this report.
- no complaints were received pursuant to Art. 2408 of the Italian Civil Code or Art. 2409 of the Italian Civil Code.
- no complaint has been filed with the court pursuant to Art. 2409 of the Italian Civil Code.
- there is no news nor have any reports been received from the person responsible for the statutory audit pursuant to and for the purposes of Art. 25-*octies* of Italian Legislative Decree No. 146 of 12 January 2019;
- no reports have been made to the governing body pursuant to and for the purposes of Article 25 – *octies* of Italian Legislative Decree No. 14 of 12 January 2019.
- no reports were received from public creditors pursuant to and for the purposes of Article 25 – *novies* of Italian Legislative Decree No. 14 of 12 January 2019.
- no reports have been received from banks and financial intermediaries pursuant to and for the purposes of Art. 25 – *decies* of Italian Legislative Decree No. 14 of 12 January 2019.
- during the financial year, the Board of Statutory Auditors did not issue any opinions or observations as required by law.

We obtained, including through participation in meetings of the Board of Directors, written information on the composition of the Group and on shareholdings as defined in Art. 2359 of the Italian Civil Code and Art. 26 of Italian Legislative Decree No. 127/1991.

Acciaierie Venete S.p.A. is required to prepare consolidated financial statements. These consolidated financial statements have been prepared, following approval by the governing body, in accordance with IFRS accounting standards. The independent auditors of the consolidated financial statements of the Acciaierie Venete Group issued their report on 27 May 2025 expressing their positive opinion.

**Comments and proposals regarding the financial statements and their approval**

The draft financial statements for the year ended 31 December 2024 have been approved by the governing body and consist of the balance sheet, income statement, cash flow statement and explanatory notes to the financial statements.

In addition:

- the governing body has also prepared the management report pursuant to Art. 2428 of the Italian Civil Code;
- said documents were delivered to the Board of Statutory Auditors in time for filing at the company's registered office, accompanied by this report;
- the statutory audit of the financial statements has been entrusted to Price Waterhouse Coopers S.p.A., which prepared its report pursuant to Art. 14 of Italian Legislative Decree No. 39 of 27 January 2010 on 27 May 2025, expressing a positive opinion.

The draft financial statements have been examined, and the following additional information is provided:

- the criteria used to evaluate assets and liabilities are not substantially different from those adopted in previous financial years and comply with the provisions of Art. 2426 of the Italian Civil Code, as amended by Italian Legislative Decree 139/2015;
- attention was paid to the approach taken in the draft financial statements and their overall compliance with the law in terms of their preparation and structure, and in this regard there are no comments to be highlighted in this report;
- compliance with the legal provisions governing the preparation of the management report has been verified and, in this regard, there are no comments to be highlighted in this report;

- in preparing the financial statements, the governing body did not deviate from the provisions of the law pursuant to Art. 2423, paragraph 4, of the Italian Civil Code.
- the financial statements have been verified as accurate and consistent with the facts and information that came to light during the performance of the duties of the Board of Statutory Auditors, and no further comments are made in this regard;
- commitments, guarantees and contingent liabilities have been fully disclosed;

**Operating results for the financial year**

The operating results ascertained by the governing body for the financial year ended 31 December 2024 is positive foXr €6,197,717.

With regard to the governing body's proposal on the allocation of the operating results, the Board of Statutory Auditors has no comments to make.

**Conclusions**

Based on the above and to the Board of Statutory Auditors' best knowledge, as further verified by periodic checks, it is unanimously believed that there are no reasons preventing the approval of the draft financial statements for the year ended 31 December 2024 as prepared and submitted by the governing body.

Padua, 3rd June 2025  
The Board of Statutory Auditors

**Alberto Sichirollo**  
**Fabio Gallio**  
**Barbara Marazzi**



Independent Auditor’s Report on the separate and consolidated financial statements



Independent auditor’s report  
in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of  
ACCIAIERIE VENETE SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACCIAIERIE VENETE SPA (the Company), which comprise the balance sheet as of 31 December 2024, the income statement and statement of cash flows for the year then ended and related notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are responsible for assessing the Company’s ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements,

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the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- we concluded on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of ACCIAIERIE VENETE SPA are responsible for preparing a report on operations of the Company as of 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of ACCIAIERIE VENETE SPA as of 31 December 2024.

Moreover, in our opinion, the report on operation is prepared in compliance with the law. With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Trento, 27 May 2025

PricewaterhouseCoopers SpA

Signed by

Alberto Michelotti  
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



Independent auditor's report  
in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of  
ACCIAIERIE VENETE SPA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ACCIAIERIE VENETE Group (the Group), which comprise the statement of financial position as of 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent of ACCIAIERIE VENETE SPA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

We draw attention to paragraph 17 of the notes to the consolidated financial statements, which presents the effects of the transition to the IFRS accounting standards issued by the International

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Accounting Standards Board and adopted by the European Union and includes the information relating to the reconciliation statements required by IFRS 1.  
Our opinion is not qualified with reference to this matter.

***Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements***

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate ACCIAIERIE VENETE SPA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;



- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

***Report on Compliance with other Laws and Regulations***

***Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10***

The directors of ACCIAIERIE VENETE SPA are responsible for preparing a report on operations of the Group group as of 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of ACCIAIERIE VENETE group as of 31 December 2024.

Moreover, in our opinion, the report on operation is prepared in compliance with the law.





With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Trento, 27 May 2025  
PricewaterhouseCoopers SpA

Signed by  
Alberto Michelotti  
(Partner)

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**INDEPENDENT PRACTITIONER'S REPORT ON SUSTAINABILITY REPORT 2024**

To the board of directors of Acciaierie Venete SpA

We have undertaken a limited assurance engagement on the Sustainability Report of Acciaierie Venete SpA (hereinafter the "Company") and its subsidiaries (hereinafter also the "Group" or "Acciaierie Venete Group") for the year ended 31 December 2024.

**Responsibilities of the directors for the Sustainability Report**

The directors of Acciaierie Venete SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodological note" section of the Sustainability Report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for defining the sustainability performance targets of Acciaierie Venete Group, as well as for identifying its stakeholders and material topics to be reported on.

**Our Independence and Quality Management**

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

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### ***Our Responsibility***

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. We conducted our work in accordance with “International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information” (hereinafter also “ISAE 3000 Revised”) issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed were less in extent than those performed in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the process of definition of the material topics reported on in the Sustainability Report, with reference to the method applied in the analysis and understanding of the Group's environment, the identification and prioritisation of the actual and potential impacts, and the internal validation of the results of the process;
2. understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we held meetings and interviews with the management of Acciaierie Venete SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, aggregation, processing and submission of non-financial data and information to the function responsible for the preparation of the Sustainability Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at the parent Company level:
  - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documentation to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.
- for Borgo Valsugana site of Acciaierie Venete SpA and the subsidiary Esti Srl, which we selected on the basis of their activities and their contribution to performance indicators at a consolidated level, we met the persons in charge and obtained documentary evidence, on a sample basis, regarding the correct application of the procedures and calculation methods applied for the indicators.



### ***Limited Assurance Conclusion***

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Acciaierie Venete Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance to the requirements of the GRI Standards as illustrated in the “Methodological note” section of the Sustainability Report.

Padova, 24 May 2025

PricewaterhouseCoopers Business Services Srl

*Signed by*

Paolo Bersani  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers. We have not performed any controls on the Sustainability Report 2024 translation.*