

1



REPORT ON OPERATIONS

- 12 1. The history of Feralpi Group
- 14 2. The Group structure
- 18 3. The Feralpi Group's business
- 30 4. Strategy and investments of Feralpi Group
- 39 5. Research and development activities
- 41 6. Production
- 42 7. Non-GAAP indicators
- 43 8. Analysis of the economic and financial situation
- 46 9. Significant transactions and events during the year
- 47 10. Risk management
- 54 11. Other information
- 59 12. Subsequent events
- 59 13. Business outlook

REPORT ON OPERATIONS

1. The history of Feralpi Group

A SUCCESS STORY FOR OVER HALF A CENTURY

1940

Growth, Innovation and Sustainability for over half a century: an Italian success story that began with the gesture of a woman - **Giulia Tolettini** - who took over the reins of running the family business in **1940**. It was then her son Carlo, in 1968, who, together with other partners, built the first new steel complex in **Lonato del Garda** (BS).

1968

This was the first step on a path that led to the creation of an **international Group**, present in **seven countries**, capable of becoming one of the international leaders in the sector. Today, the company ranks among the top players for construction steel, holding a significant market share in the **strategic markets of Italy, Germany, France, Switzerland, Austria, Spain, and Eastern European countries**, also thanks to a flexible and organised sales structure.

TODAY

The development strategy, structured from the early years around internationalisation, diversification and

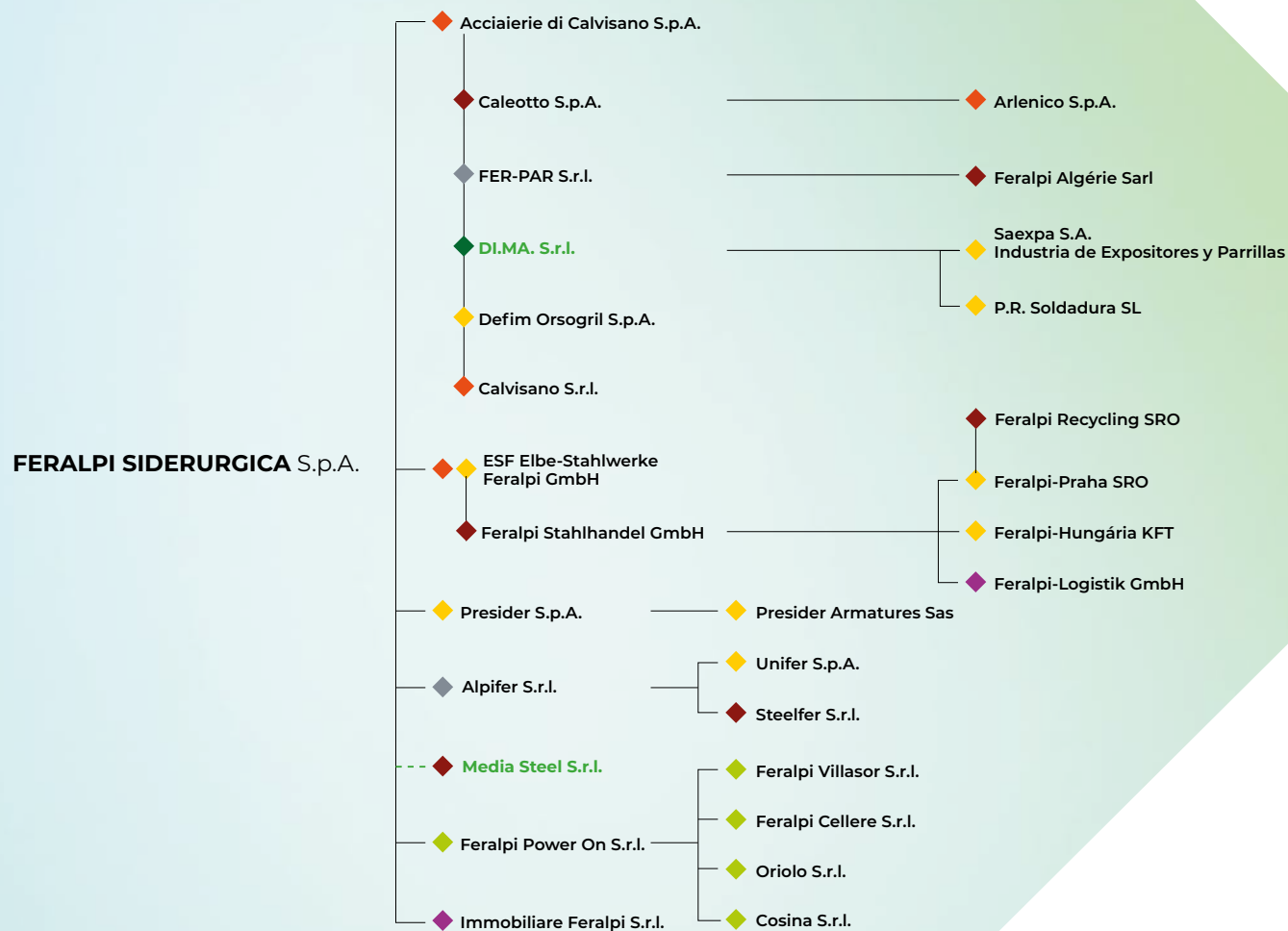
verticalisation, has helped Feralpi become not only a large Group on a European scale, whose steel is present in numerous major infrastructure projects, but also a recognised industrial enterprise in special steels for industry and mechanics.

Feralpi operates in a sector in the midst of major challenges in terms of climate change, digital revolution, global welfare and the stability of the global geopolitical system. Aware of operating in a cyclical, capital intensive and hard to abate business, the Group has adopted a responsible approach to social and environmental issues, generating a positive impact on the creation of lasting value for its stakeholders, thus integrating ESG (environmental, social, governance) aspects into its long-term strategy that includes sustainability and innovation in production among the pillars on which it builds its industrial development.

In fact, the Group leverages decarbonisation and digitalisation to couple strengthening its competitive advantage with reducing its environmental impact.

Increasing production efficiency and the circularity rate of industrial activities and reducing energy intensity, at various levels, are the tools used by the Group to create positive impacts on the efficiency of the production process, the environment and the people who live in it, and on customers for whom Feralpi's steel is more than just a quality product, but a solution in line with market dynamics in which competitiveness is synchronous with sustainability.

ORGANISATIONAL CHART FERALPI GROUP



KEY

— Control

- - - Investment

- Steel production
- Cold-derivative processing
- Trade
- Investment Management
- Environment
- Other
- Energy from renewable sources

2. The Group structure



FERALPI GROUP
OPERATES
IN THREE
BUSINESS AREAS:
CONSTRUCTION
STEEL,
SPECIALITIES
AND ENERGY

Feralpi Group is active in three business areas: **construction steel**, which is the core business, where the Group is among the market leaders in Italy, Germany, France, Switzerland and Austria; the **specialities and diversified products** business, which are complementary businesses to the construction business; **Energy**, which concerns the production of energy from renewable sources for self-consumption.

Feralpi's Divisions

◆ Steel for Construction
 ◆ Specialities
 ◆ Energy

DIVISIONS

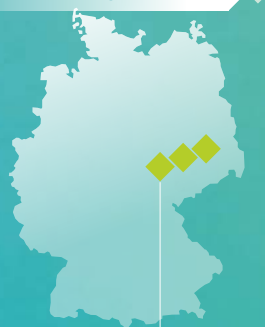
ITALY



Acciaierie di Calvisano
 Caleotto
 Arlenico
 Defim Orsogrill

Feralpi Siderurgica
 Presider

GERMANY



ESF Elbe-Stahlwerke Feralpi GmbH
 Feralpi Stahlhandel GmbH
 Feralpi-Logistik GmbH

FRANCE



Presider Armatures

SPAIN



Saexpa Group

HUNGARY



Feralpi-Hungária

CZECH REPUBLIC



Feralpi-Praha

ALGERIA



Feralpi Algérie

MARKETS

Reference markets for Feralpi products

Algeria, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Cape Verde, Croatia, Denmark, Eritrea, Estonia, Ethiopia, Philippines, France, Germany, Ghana, Jordan, Djibouti, United Kingdom, Guadeloupe, Italy, Ireland, North Macedonia, Malta, Netherlands, Poland, Portugal, Principality of Monaco, Czech Republic, Republic of San Marino, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Tanzania, Turkey, Hungary and the USA.



STEEL FOR CONSTRUCTION

The construction area is divided into two business units, one called Construction Italy, which started in 1968 in Italy, the other Construction Germany, which started in 1992 in Riesa, Saxony. The two business units are active in the civil, residential and industrial construction sectors, with a focus on large projects. The Italy business unit focuses on the markets in Italy, France, Switzerland and Austria, while the Germany business unit focuses on the markets in Germany and Eastern Europe.

ITALY

Feralpi Siderurgica
Lonato del Garda, Brescia

Parent company owning the operating subsidiaries and investee companies. Service provider.

Production of steel billets, reinforcing steel in bar and coil, smooth and ribbed wire rod, recoiled wire, spoolers, drawn wire and welded mesh.

Presider
Borgaro Torinese, Torino
Nave, Brescia
Pomezia, Rome,
Misterbianco, Catania

Preshaping and assembling of reinforcing steel in bar and coil for construction companies and manufacturers of prefabricated reinforced concrete elements.

FRANCE

Presider Armatures
Saint-Souplets, Paris

Preshaping and assembling of reinforcing steel in bar and coil for construction companies and manufacturers of prefabricated reinforced concrete elements.

GERMANY

ESF Elbe-Stahlwerke Feralpi GmbH
Riesa

Production of steel billets, reinforcing steel in bar and coil, smooth and ribbed wire rod, recoiled wire, spoolers, drawn wire and welded mesh.

Feralpi Stahlhandel GmbH
Riesa

Business services.

Feralpi-Logistik GmbH
Riesa

Logistics services.

CZECH REPUBLIC

Feralpi-Praha s.r.o.
Kralupy

Production and sale of welded mesh, drawn wire in coil and bar.

HUNGARY

Feralpi-Hungária KFT
Budapest

Production and sale of welded mesh and downstream products.

ALGERIA

Feralpi Algérie
Orano

Business services.

2

SPECIALITIES

The area is divided into two business units. The Specialities business unit was started in 2014 and focuses on the mechanical engineering and automotive sectors, operating mainly in the markets of Italy and Germany. The Diversified Products business unit was launched in 2009 and operates in the construction and coatings sectors, focusing on industry and logistics in the markets of Italy, France, Spain and the UK.

ITALY

Acciaierie di Calvisano
Calvisano, Brescia

Billet production, mainly for quality steels.

Caleotto
Lecco

Marketing of wire rod in quality steels.

Arlenico
Lecco

Production of quality steel wire rod for Caleotto.

Defim Orsogril
Anzano del Parco, Como
Alzate Brianza, Como

Production of welded mesh, gratings and fences.

SPAIN

Saexpa Group
Barcelona;
Ripoll

Wire and tape processing for the logistics world.

3

ENERGY

This covers the production of photovoltaic energy mainly for self-consumption.

ITALY

Feralpi Power On
Lonato del Garda, Brescia

Development and operation of plants generating power mainly from renewable sources.

3. The Feralpi Group's business



OUR VISION

"Produce and grow with respect for man and the environment"

(Carlo Nicola Pasini 1968)



OUR MISSION

Be among the **international leaders in the steel industry**, anticipating standards of excellence in the industry through technological innovation, sustainability, and talent development.



OUR VALUE PROPOSITION

Producing the best steel for construction and mechanical engineering in the most sustainable way possible, contributing to the economic and social progress of communities, to the enhancement of the territory and to the welfare of workers, while engaging in the transition towards more inclusive, efficient and environmentally friendly development models.

VALUES

In the context of Group management, the company's values are the foundation on which decisions and actions are based. These values embody Feralpi's identity and mission, guiding the strategic and operational choices aimed at achieving its objectives. Feralpi is committed to promoting the following core values:

◆ Trust and loyalty

Feralpi recognises and promotes a climate of trust in relations between the parties. Relationships, both internal and external, are based on mutual trust.

◆ Transparency

Feralpi is constantly striving to provide stakeholders with complete, transparent, comprehensible and accurate information.

◆ Equity

The company bases its relations with employees on principles of fairness aimed at ensuring equal treatment and balanced recognition of merit.

◆ Sustainable development

The company prioritises sustainable development in its operations, integrating innovation, efficiency, and environmental responsibility, while valuing people and generating long-term value.

◆ Environmental protection

Aware that Feralpi's production activities have environmental significance, the company is inspired by the utmost respect for the environment outside and inside its plants, to protect all stakeholders.

◆ Protection of health and safety

Feralpi guarantees working conditions that respect individual dignity, not only by ensuring compliance with current legislation on prevention and protection, but also by striving to ensure well-being in the workplace.

The company actively promotes observance of its values through the implementation of a strict code of ethics, which can be found in the governance section of the company website, which provides clear and binding guidelines to ensure behaviour in accordance with the highest standards of integrity and corporate responsibility.



<https://www.feralpigroup.com/en/group/governance/governance-system>



PROCUREMENT

- Scrap suppliers
- Subsidiary material producers
- Recovery/reuse suppliers from other cycles
- Producers and transporters of energy sources
- Suppliers of steel and other steel products
- Technology and equipment suppliers, third-party companies, and other service providers



INBOUND LOGISTICS

The means of transportation for incoming products are by road and rail

PRODUCTION WASTE



PRODUCTION, CASTING, HOT ROLLING

- Scrap melting in EAF
- Hot processing

SELF-PRODUCTION OF RENEWABLE ENERGY

THE VALUE CHAIN

FROM RAW MATERIAL TO PRODUCTS

PROCUREMENT

Supplies represent the first key element for Feralpi's ability to be a competitive player in the market.

Diversification and an increasing search for circular solutions led to the introduction of new suppliers and new types of raw materials.

Purchasing policies are coordinated by the **Group Purchasing Department** as regards the purchase of ferrous scrap, refractory materials, ferro-alloys, electrodes and plants.

Relations with energy suppliers are instead managed by the **Group Energy Department**.

INBOUND LOGISTICS

Logistics is regulated by internal procedures described within the Management Systems, distinguished by plants and managed in cooperation, when appropriate, with the Group Purchasing function.

Proper coordination of flows is managed with dedicated **management software** that ensures the traceability and optimisation of logistics flows.

HOT AND COLD PRODUCTION

Production in the Group is divided into **casting, hot rolling, and cold rolling**.

Electric Arc Furnace (EAF) technology for melting scrap and turning it into billets is present in the plants of:

- **Feralpi Siderurgica**, also equipped with two rolling mills and an outsourced cold transformation department;
- **Acciaierie di Calvisano**;
- **ESF Elbe-Stahlwerke Feralpi GmbH**, also equipped with a rolling mill and cold transformation and processing department.



EXTERNAL PLAYERS TO FERALPI GROUP

INTERNAL WORKFLOW FERALPI GROUP



PRODUCTION AND COLD PROCESSING

- Cold processing
- Pre-processing service on long steel and finishing services
- Laying

SELF-PRODUCTION OF RENEWABLE ENERGY



OUTBOUND LOGISTICS

The means of transportation for outgoing products are by road, rail and ship



THE MARKET

- Construction sector
- Industrial world, from mechanics to automation

The product range extends from construction steels to specialities and diversified steels



A SECOND LIFE

- End-of-life steel
- Scrap recovery and collection

The **Arlenico** plant has a heating furnace for hot rolling, while those of **Presider, Presider Armatures, Defim Orsogril, Feralpi-Praha, Feralpi-Hungária, the Saexpa Group and P.R. Soldadura** are used for cold processing*.

* For the geographical location of the plants, see Section 2 of the document "The Group structure".

OUTBOUND LOGISTICS

Outbound logistics are managed and organised directly by the customers or by individual Feralpi Group plants through **third-party suppliers**.

In addition to the products sold, the waste and by-products of the production processes are shipped to Feralpi Group steelworks and to external companies.

Logistical choices are determined by market logic and the availability of alternative transport infrastructure to road.

MARKET

Thanks to its diversified and integrated structure, the Group's products and services meet the needs at **various levels of the supply chains** in the **construction, infrastructure, mechanical, and automotive** industries (special and diversified steels).

CIRCULAR VALUE

Steel is recovered and reused countless times without losing its properties.

Feralpi also contributes to the circular economy through the **transformation of production residues** into materials for the construction of roads, cement products and civil engineering works, and through the **reuse of heat from production processes** to heat buildings in the surrounding community.



EXTERNAL PLAYERS AND FERALPI GROUP



EXTERNAL PLAYERS TO FERALPI GROUP





¹ In detail: bolts and screws, special drawn products (low, medium and high carbon content), springs, chains, structural and construction products, high machinability, case-hardening, for welding, reclamation and tools.

CUSTOMERS

CUSTOM CONSTRUCTION AND MACHINING SUPPLIERS

- ◆ Construction companies
- ◆ Prefabricated building manufacturers
- ◆ Processing centres
- ◆ Dealers and retailers of steel building products
- ◆ International traders
- ◆ Companies operating in large contracts
- ◆ General contractors
- ◆ Metal carpentry
- ◆ Companies and end users in industry

DISTRIBUTORS, PROCESSORS, INSTALLERS, ORIGINAL EQUIPMENT MANUFACTURERS AND AGRICULTURAL SECTOR

- ◆ Construction and steel distribution enterprises
- ◆ Fence installers
- ◆ Transformers of gratings
- ◆ Manufacturers of sofa bed nets, axial fans, retractable doors, containers, cages, guards, cable trays, gabions, shelves and logistics
- ◆ Agrarian Consortia

AUTOMOTIVE, INDUSTRIAL PROCESSING AND AGRICULTURAL SECTOR

- ◆ Manufacturers of screws, bolts, ropes, pre-stressed steel wire, chains, springs, tools, welding wire, etc.

Business Model

Feralpi Group's Business Model divides the Group into Business Units.

The **Steel for construction Italy business unit** covers the entire value chain: scrap supply, hot melting and rolling, cold processing, pre-shaping and pre-assembly services, installation. It is characterised by production efficiency, the breadth and solidity of the relationship with the sales network, an extensive product range, the proximity to target markets, and the quality of production. Customers are the industry's key players, namely: prefabrication and construction companies, roll forming and machining centres, national and international traders, general contractors. The business unit offers a wide range of products including: billets, ribbed rebar, wire rod, nets, spooler, recoiled, shaped and assembled, and drawn coil. Mechanical joints and trusses complete the range.

Similar to the Steel for Construction Italy business unit, the **Steel for Construction Germany business unit** is characterised by a high level of plant efficiency, a solid sales network, a comprehensive offering, and proximity to markets.

The **Specialities business unit** was created to strengthen the strategy of diversification and integration downstream of the business. It is characterised by its well-established relationship with its customers, its product range being expanded towards larger diameters and its customised services. The product portfolio consists of quality steel billets and wire rod. The range is supplemented by additional processing such as heat and surface treatments.

The **Diversified Products business unit** was created with the aim of further complementing the product range by offering an assortment that is distinguished by its breadth, quality and design. The business unit is characterised by a high value-added product portfolio and innovative solutions, including the latest generation of alarmed fences and Cor-Ten steel solutions. Customers are companies operating in the architectural, construction and industrial fields.

Competitive advantages of Feralpi Group

Feralpi operates in a sector in the midst of major challenges in terms of climate change, digital revolution, global welfare and the stability of the global geopolitical system. A responsible approach to social and environmental issues has a positive impact on the creation of lasting value for Feralpi's stakeholders; this approach integrates ESG aspects and risk management into the long-term strategy. In a competitive environment characterised by some stable long-term trends and significant changes, Feralpi can rely on the following competitive advantages, which constitute the levers on which the Group bases its strategy.

- ◆ **Trade relations, both for commodities and specialities.** Business contacts/agreements with pre-shapers for access to end-users; for specialities, collaboration with customers for co-development of products through the homologation process.
- ◆ **Breadth of product range,** in the process of being further extended. Ability to satisfy customers' needs by optimising the cost base and product carbon footprint. Possibility of offering a wide range of products in terms of length and diameter sizes.

- ◆ **Brand reputation in the commodity segment.** For the construction business, the ability to ensure continuity of supply, respect for delivery times, volumes and the mix of products ordered by customers. For the specialities business, the ability to respond promptly to customer needs by ensuring the necessary flexibility and modifying production schedules according to customer demand.
- ◆ **Vertical integration, from scrap to pre-shaping.** Feralpi Group is one of the few operators able to control all aspects of the value chain.
- ◆ **Excellence in operational processes.** Ability to maintain a high level of efficiency, product quality and service level.
- ◆ **Leader in sustainability reporting.** Ability to consider sustainability in all business choices and investment decisions: "Produce and grow with respect for man and the environment" (C.N. Pasini 1968).

3.1 MEGATRENDS

Amidst a complex and constantly evolving global context marked by technological, demographic, and geopolitical transformations, analysing ESG megatrends is crucial for understanding the future's challenges and opportunities. Identifying these phenomena allows for the evaluation of risks linked to ongoing changes, the mitigation of their impacts, and the optimisation of opportunities for sustainable growth. Megatrends not only shape the current economic, social, and environmental frameworks but also have the potential to affect the long term by interacting with each other, thereby amplifying their impacts.

Climate Change

Data from the Copernicus Climate Change Service² shows that 2025 was the third warmest year on record. Overall, the three-year period 2023-2025 represents the first period of three consecutive years in which an average increase in global temperature of about 1.5°C compared to the pre-industrial era has been observed. The time-frame for preventing the Paris Agreement limit from being definitively exceeded, if possible, is becoming even shorter, while the frequency of extreme weather events is increasing. Achieving the global decarbonisation goals requires a collective effort by all players in the value chains, with an acceleration towards electrification, renewable energy sources, and the development and adoption of technologies with a reduced environmental impact.

² The Copernicus Climate Change Service (C3S) is the service of the European Union's Earth observation programme that provides authoritative and quality-assured information on the past, present and future climate. <https://climate.copernicus.eu/copernicus-2025-was-third-hottest-year-record>

Global instability

In 2025, the global geopolitical context again proved to be highly unstable. In addition to the continuation of the Russian-Ukrainian conflict and tensions in the Middle East and Pacific Ocean, the issue of tariffs has returned to the centre of the economic debate, mainly due to their use as an economic policy tool by the United States. The international scenario has become increasingly uncertain and fragmented, forcing companies to rethink their global footprint due to the repercussions on value chains in terms of logistics, energy supply, and raw materials.

ESG regulation

The global ESG regulatory landscape is undergoing a phase of profound transformation. In Europe, 2025 was the year of the Omnibus Package, enacted with a view to further simplifying and consolidating European sustainability regulations. This intention was generally received positively by companies, but the package was accused by several voices of deregulation, due to the drastic reduction in the number of companies affected by the revised rules. The consequent postponement of the entry into force of the CSRD (Corporate Sustainability Reporting Directive) and CS3D (Corporate Sustainability Due Diligence Directive) for many companies has contributed to fuelling a climate of regulatory uncertainty, emphasised by the general retreat of the United States on sustainability topics. While Europe is slowing down, China is accelerating by introducing a new, ambitious ESG reporting standard, which risks undermining European leadership in sustainability regulation.

Sustainable and resilient supply chain

To address the current global context, collaboration between companies and suppliers is essential. The dissemination of sustainable practices that respect the environment and the human rights of workers and communities along value chains is a determining factor in ensuring operational resilience and competitiveness in the long term. The management of Scope 3 indirect emissions along the supply chain is the main component of companies' carbon footprint, so action on this front will be crucial to achieving global decarbonisation targets. However, measuring these emissions presents considerable complexities, mainly due to difficulties in obtaining the necessary data and in its accuracy.

Innovation, Digital & AI

The development and adoption of new technologies with a lower environmental impact are two essential factors for companies to offer new, increasingly sustainable solutions to the market. In particular, Artificial Intelligence (AI) systems, which are becoming increasingly widespread and pervasive, have established themselves as powerful accelerators for operational efficiency, capable of transforming large amounts of data into strategic insights, facilitating the optimisation of resources and the measurement of non-financial performance. However, at the same time, there is growing concern about both the environmental impact, linked to the high energy and water consumption of data centres, and the ethical and cybersecurity challenges, making robust governance protocols necessary.

Empowerment of the workforce

The well-being and development of people's skills are confirmed as increasingly central pillars in a rapidly and continuously changing working environment, in particular due to the adoption of new technologies and AI-based tools. In addition, the growth of social polarisation and global inequalities amplifies the risks to the social and political resilience of our societies, affecting workplace dynamics and trust in institutions. Policies capable of promoting well-being are essential for companies in terms of attraction and retention, in a context characterised by a shortage of skills, particularly green skills.

Diversity, Equity & Inclusion

Equal opportunity policies continue to be in the eye of the storm, with the debate on Diversity, Equity and Inclusion (DEI) subject to political polarisation and legal scrutiny. However, valuing differences remains a fundamental asset for attracting and retaining talent: an inclusive and pragmatic approach, based on data evidence and business value, makes it possible to mitigate social risks by guaranteeing the same rights and opportunities for all. In this way, companies can strengthen stakeholder trust and foster corporate innovation.

Nature and circularity of resources

The recognition of biodiversity loss and ecosystem degradation as systemic and financial risks requires an evolution in strategies for the management and protection of natural capital, especially in sectors with a high environmental impact, with a view to ensuring operational resilience. Promoting a coexistence that is as harmonious as possible and based on circularity between human activities and the biosphere is an essential requirement to preserve the social licence to operate, while ensuring the resilience of the supply chain and economic sustainability in the long term.

Evolving business models

Despite the uncertainties of the global environment, ESG investments are increasing. Sustainability remains a priority for companies, which are shifting their focus from regulatory compliance alone to resilience and the integration of sustainability into operating models and growth strategies. Companies are called upon to take responsibility for the impacts they generate on society and the environment through their activities, adopting a more conscious approach in order to ensure the creation of long-term shared value with all stakeholders through initiatives capable of generating concrete and measurable returns.

Legal disputes and greenwashing

The global landscape is marked by the growth of ESG-related legal disputes, fuelled both by increasing attention to these topics and by the relative fragmentation of regulations at the international level. In particular, public authorities are accused of implementing insufficient policies in the fight against climate change, while companies are called to account both for their impacts on the environment and climate and for any misleading statements on these topics, referred to as "greenwashing". However, social topics are also under scrutiny, particularly with regard to the management of human rights in companies' supply chains. It is becoming increasingly necessary for companies to ensure that sustainability claims are supported by verifiable data and aligned with their actions.

3.2 THE MARKET ENVIRONMENT AND STEEL PRODUCTION

According to data for the 70 countries monitored and published by the *World Steel Association*, **world crude steel production** closed **2025** with a **2% annual decline**, stopping at **1,803.8 million tonnes**. In **December**, global output **slowed by 3.7%** compared to the same month in 2024, to **139.6 million tonnes**.

With reference to the geographical macro-areas, **the production results of the Europe of 27** were **down by 2.6%**, reporting production of **126 million tonnes** (December up 3.9% to 9.9 million tonnes). The slowdown was less pronounced in the **rest of Europe**, with 2025 ending with a -0.9% to 42.8 million tonnes (in December +13.8% to 3.8 million tonnes), as well as in **South America**, which saw its annual production stop at 41.5 million tonnes, -1.2% (+1.2% in December to 3.2 million tonnes). **Russia and the other CIS countries**, including Ukraine, were also down, recording a cumulative decrease of -4.4% and a 2025 total of 81.3 million tonnes, while in December the decrease was 2.7% to 6.9 million tonnes. **Asia-Oceania** showed a 2.6% decline in the annual cumulative, with an output of 1,324.5 million tonnes (-6.3% to 99.7 million tonnes in December 2025). On the other hand, **Africa** (+3.8% to 23.2 million tonnes in 2025), the **Middle East** (+4.3% to 56.9 million tonnes) and **North America** (+0.7% to 107.4 million tonnes) were in positive territory.

If we analyse individual countries, **China** – the world's leading steel producer – had an output of 960.8 million tonnes in 2025 and **declined by 4.4%** compared to 2024 (in December, the decline was 10.3% to 68.2 million tonnes). By contrast, **India** was growing: +10.4% in the cumulative 2025 figure to 164.9 million tonnes and +10.1% to 14.8 million tonnes in December last year. The output of the **United States** was also positive, with 82 million tonnes of steel produced in the 12 months just ended and a 3.1% growth in the steel industry. Output fell in **Japan** (-4% in the year to 80.7 million tonnes), **Russia** (estimated -4.5% to 67.8 million tonnes) and **South Korea** (-2.8% to 61.9 million tonnes).

Turkey was able to increase its steel production, ending 2025 at 38.1 million tonnes, up 3.3% compared to 2024 (up 18.5% in December). **Germany** experienced a sharp decline of -8.6% (the most negative percentage change in the list of the top ten producers) to 34.1 million tonnes, with December closing at 2.7 million tonnes, -1.9%. **In contrast to the European figure, Italy** produced 20.7 million tonnes, 3.6% more, according to data from Federacciai. **Brazil** was in the red with -1.6% (33.3 million tonnes in 2025), while for **Iran**, an annual cumulative figure of 31.8 million tonnes is estimated, up 1.4% (+16.2% in December).

	Dec. 2025 (Mt)	Change % Dec. 25/24	Jan-Dec 2025	Change % Jan-Dec 25/24
China	68.2	-10.3	960.8	-4.4
India	14.8	+10.1	164.9	+10.4
USA	6.9	+3.6	82.0	+3.1
Japan	6.6	-4.8	80.7	-4.0
Russia	5.8*	-4.4	67.8	-4.5
South Korea	5.2	-2.4	61.9	-2.8
Turkey	3.5	+18.5	38.1	+3.3
Germany	2.7	-0.2	34.1	-8.6
Brazil	2.6	-1.9	33.3	-1.6
Iran	3.0	+16.2	31.8	+1.4

*estimate

With particular reference to **Italy**, the **growth** in steel production recorded in 2025 came after three consecutive years of decline. These years have been characterised by a structural decline in demand, a reduction in revenues and a contraction in profitability. The stagnation/decline in the activity of the user sectors, the consequent decrease in domestic demand for steel and the high cost of energy had a significant impact on companies' margins, exacerbating the loss of competitiveness compared to non-European competitors. The past year, on the other hand, showed some signs of change, especially in the latter part, which should be consolidated during 2026. However, Italian production in 2025 is more than 15% lower than production in 2021. In the last five years, the Italian steel industry has recorded a decrease in production of 3.5 million tonnes, of which 1.3 million tonnes is attributable to long products and the remaining 2.2 million tonnes to flat products, which have been affected, in particular, by the decrease in production at the former Ilva.

The decrease in production in the five-year period 2021–2025 is largely due to the contraction in apparent steel consumption, which includes changes in inventories. The latter have decreased significantly in recent years, due to the forecast decline in industrial production and prices compared to the peaks reached in the two-year period 2021-2022, which have led distributors and service centres to delay the replenishment of warehouse stocks. Real demand, represented by the actual amount of steel used by the manufacturing and construction sectors, has fallen less than apparent demand. In 2025, **real steel demand increased slightly (+0.6%)**, after the heavy contraction of 2024 (-4.4%), thanks to the **increase in production in the Construction sector (+4.4%)** and in Other means of transport (+9.8%), accompanied by stable production in Instrumental mechanics and in the Manufacture of pipes, which offset the reduction in production in three sectors (Manufacture of motor vehicles -10.7%, Production of household appliances -3% and Manufacture of steel products -0.4%).

Steel production: world, China, EU and Italy 2025-2021 (millions of tonnes)

	Italy	EU	China	World
2021	24.4	152.5	1,032.8	1,911.9
2022	21.6	136.7	1,013.0	1,831.5
2023	21.0	126.3	1,019.1	1,849.7
2024	20.0	129.5	1,005.1	1,839.4
2025	20.7	126.2	960.8	1,803.8
2025/2024	+3.6%	-2.5%	-4.4%	-1.9%
2025/2021	-15.2%	-17.2%	-7.0%	-5.7%

Sources: World Steel Association, Federacciai

Trend in the activity of Italian steel-user sectors 2021-2025 (index number 2021=100)

User sectors	Steel consumption %	2021	2022	2023	2024	2025
Construction	37%	100	122.4	131.1	136.2	142.3
Manufacture of motor vehicles	19%	100	100.6	107.8	83.5	73.8
Manufacture of metal products	13%	100	96.7	93.8	88.9	88.5
Manufacture of machinery and equipment	12%	100	103.8	104.7	98	98.2
Production of pipes	11%	100	95.4	94.1	88.8	88.8
Manufacture of other means of transport	3%	100	105.5	119.2	122.7	134.7
Manufacture of household appliances	3%	100	85.8	80.5	73.2	71.2
Total		100	107.8	112.3	107.4	108.1

Source: Eurostat

2025 also saw an improvement in margins, attributable to the reduction in steel production costs to a greater extent than the reduction in product sales prices. In 2025, the **prices of raw materials and energy sources used by steel companies continued to fall**. The price of electricity decreased by an average of 7% compared with the previous year, despite the increase in recent months. The price of gas decreased by 8.5% and that of carbon coke by 28.3%. The prices of non-energy raw materials fell to a relatively lesser extent: iron ore fell by 12% compared to 2024 and scrap by 6.7%. Compared to 2021, the prices of energy sources decreased less than those of non-energy raw materials: the price of electricity decreased by 11.7%, that of gas by 14% and that of carbon coke by 19.1%; the price of iron ore, on the other hand, decreased by 34.5% and that of scrap by 20.4%.

In 2025, the cost of producing a tonne of steel with an electric furnace decreased by 7% compared to a 10% reduction for a tonne of steel produced with a blast furnace. This difference is explained by the fact that the prices of the energy sources and raw materials used in the production of steel with an electric furnace (electricity, gas and scrap) have decreased less than those of the raw materials (carbon coke and iron ore) used in the production of steel with an integral cycle. Over the past two years, the cost difference between the two processes has narrowed due to the greater resistance to falling prices of electricity and scrap used in the electric cycle.

In 2025, the **prices of all major steel products decreased** compared with the previous year, reaching their lowest point since 2021. The largest drop was recorded for coils and hot-rolled sheets (-5.8%); the price reductions for reinforcing steel (-4.7%), merchant bars (-2.9%) and beams (-0.7%) were more moderate. Compared to 2021, the prices of coils and hot-rolled sheets fell by more than 35%, compared to a much smaller drop in the prices of long products: rebar (-17.5%), merchant bars (-14.9%) and beams (-11.5%). It should be noted that, while flat products had recorded the highest price in 2021, long products reached it the following year. Therefore, the price change between 2022 and 2025 for these products is substantially the same as that reported for flat products between 2021 and 2025.

	2021-2025 Prices of the main steel products (€/tonne)				
	Rebar	Beams	Rolled	Hot coils	Hot sheets
2021	715.79	856.64	806.65	1,090.88	1,163.66
2022	947.16	1,202.09	1,010.58	968.77	1,050.79
2023	693.71	869.47	826.17	793.01	820.82
2024	619.75	763.28	706.62	716.75	750.15
2025	590.96	757.77	686.13	675.03	706.66
2025/2024	-4.65%	-0.72%	-2.90%	-5.82%	-5.80%
2025/2021	-17.44%	-11.55%	-14.94%	-38.12%	-39.27%
2025/2022	-37.61%	-36.96%	-32.11%	-30.32%	-32.75%

Source: Siderweb Research Department

3.3 THE ENERGY MARKET CONTEXT

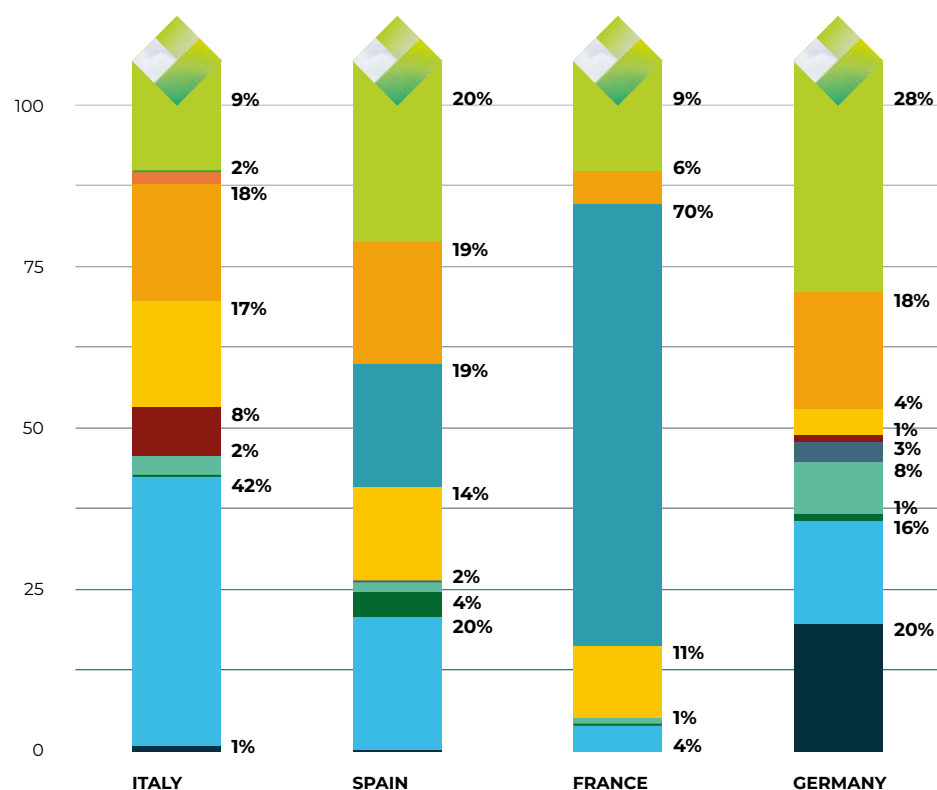
The European steel industry is contending with a complicated and uncertain energy landscape, marked by significant disparities in energy costs not only when compared to non-European economies but also among the EU Member States themselves. There remains a competitive and structural gap between Italy and the main EU countries, due to the different composition of the energy mix and the greater exposure to CO₂ costs in the ETS (European Trading Scheme).

In 2025, the wholesale electricity price in Italy was indeed 33% higher than in Germany, 90% higher than in France, and 78% higher than in Spain³, further intensifying the cost pressure on Italian companies.

The increased availability of liquefied natural gas on international markets led to a decrease in price in 2025, which is expected to continue in the coming years. However, a considerable margin of uncertainty remains, particularly due to the further escalation of geopolitical tensions in the Middle East in the early months of 2026.

A further element to be taken into account is the intention of the Italian and German legislators to support EU manufacturing, both in terms of competitiveness and decarbonisation, and how these objectives will be translated into concrete policies.

2025 ELECTRICITY GENERATION MIX %



KEY

- ◆ Coal
- ◆ Nuclear
- ◆ Wind
- ◆ Oil and petroleum products
- ◆ Hydroelectric
- ◆ Natural gas
- ◆ Geothermal
- ◆ Other Fossil
- ◆ Bioenergy
- ◆ Photovoltaic
- ◆ Non-EW waste
- ◆ Other EW

³ Prepared by the authors using GME data <https://gme.mercatoelettrico.org/it-it/Home/Esiti/Elettricit /MGP/Statistiche/BorseEuropee>

Source: Prepared by the authors using Eurelectric data <https://electricity-data.eurelectric.org/>

4. Strategy and investments of Feralpi Group

4.1 STRATEGIC GUIDELINES

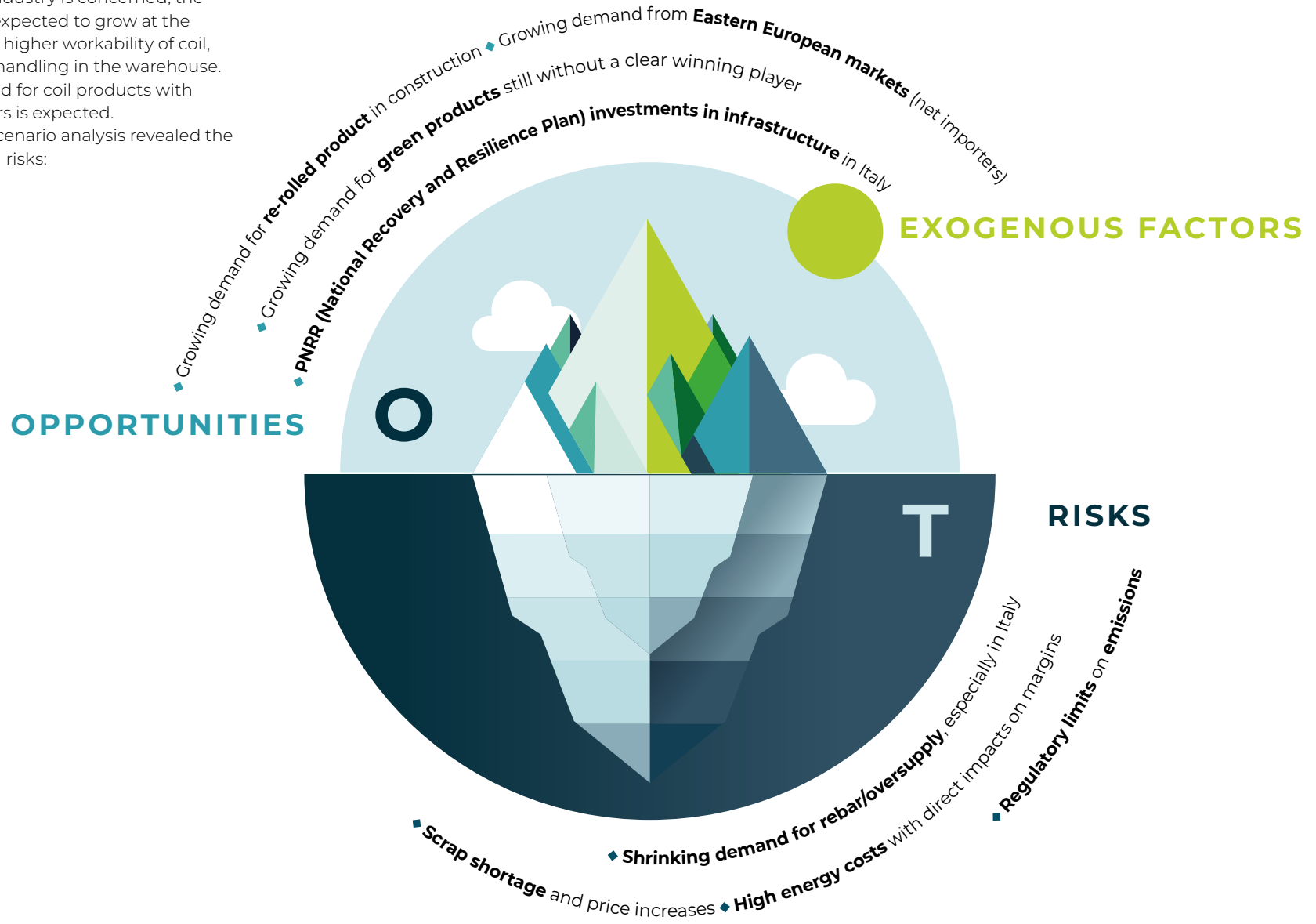
European economies continue to be substantially impacted by the following macroeconomic trends: high energy costs; the necessity to revise the regulatory push towards sustainability and the environment, starting with the reduction of emissions, recently revised; uncertainties determined by geopolitical and macroeconomic events.

These trends also have significant implications for the electric steel industry in the following respects: scrap shortage, energy crisis, emission constraints. In particular, significant pressure is expected on scrap prices due to limited availability, which will increasingly impact the Italian and German markets, characterised by a significant (in Italy) or growing (in Germany) share of electric arc furnace (EAF) production. Despite various measures by local governments to reduce the burden on businesses, the high cost of electricity and gas is impacting and will continue to impact the energy-intensive electro-steel industry, causing a competitive disadvantage with respect to the full steel industry (which uses hard coal).

Finally, the feared phasing out of the free allocation of CO₂ ETS allowances by 2034 could lead to higher operating costs for market participants; conversely, the CBAM (Carbon Border Adjustment Mechanism) regulation, the reduction in the free import quotas for steel in Europe and the increase in duties on excess quotas, if properly implemented, could lead to a competitive gain against imported steel.

During the year 2025, Feralpi continued to implement significant changes to its organisation to adapt to the new trends in the world of work, focusing on a human-centric vision and on enhancing the well-being and satisfaction of human resources through the development of the skills and talents of individuals, investing in knowledge and professionalism also with a view to strengthening the sustainability of the business in the long term. No less important was the centrality of the DEI (Diversity, Equity and Inclusion) path so that each Group company could offer a safe, secure and inclusive working environment for all, where everyone can feel free to give the best of themselves in full respect of their identity and, more generally, of all human rights. This vision is encapsulated in the DEI policy, which Feralpi structures into four pillars: global culture, inclusive leadership, gender balance and collective responsibility.

As far as the construction industry is concerned, the market for coil products is expected to grow at the expense of rebar due to the higher workability of coil, reduced waste, and better handling in the warehouse. In the other sectors, demand for coil products with increasingly larger diameters is expected. In summary, the updated scenario analysis revealed the following opportunities and risks:



Feralpi Group is among the leading players in the major construction markets (Italy, Germany, France and Switzerland). The growth-oriented and sustainability-conscious Group, Europe's leading long steel producer, has defined five objectives for its Business Plan and to achieve these it has defined a specific mix of strategic initiatives:

GROWING BEYOND THE CURRENT DOMAINS



Gaining **market share** in neighbouring countries for construction steels, and in high-margin applications for special steels

EXPANDING AS A "ONE-STOP SHOP"



Responding to **customer needs** with a flexible and comprehensive product offering: coiled, extended special range

EXCELLING IN EFFICIENCY AND INNOVATION



Further optimising the cost base with improvements in **productivity, energy efficiency**, and intra-organisation **synergies**

MAKING THE SUPPLY CHAIN SECURE



Reduce **business risks** by controlling key inputs: scrap, with upstream integration, and electricity, with self-generation

TRANSFORMING SUSTAINABILITY INTO AN ADVANTAGE



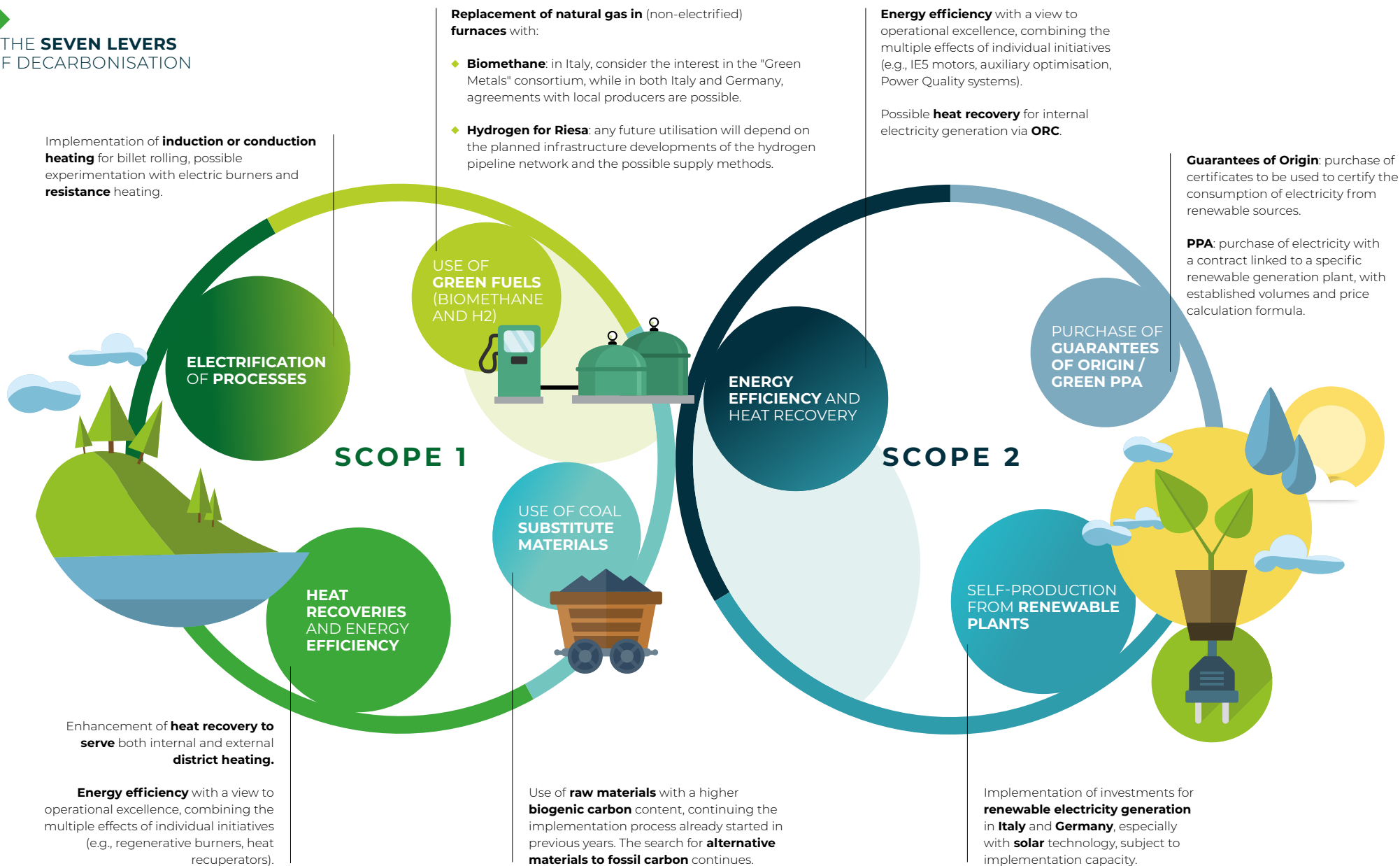
Setting **ambitious CO₂ emission reduction targets** that differentiate Feralpi and have an impact on the Planet

The market context also highlights the need to have a solid decarbonisation pathway, which has unique characteristics depending on whether the business is construction or specialities. Until now, customers in the construction sector have shown interest in the specific emission intensity of products by requesting EPD (Environmental Product Declaration) certifications from their suppliers. In the future, operators with the lowest emissions will be at an advantage and, in this context, having a "green" offer will become a "licence to operate". In this context, it is very important to monitor the decisions of regulatory bodies in terms of energy certifications that could favour integrated cycle producers and/or DRI users. Speciality customers have

so far shared extremely limited demand for purchasing decarbonised steel; however, it is reasonable to expect an acceleration in demand in the coming years, given the decarbonisation goals of the major downstream sectors (e.g. automotive). In specialities, Feralpi has a significant advantage over competitors that use the full cycle (+50% of the market), and has already developed its EPD portfolio, positioning itself among the medium- to low-emission players. The Group's objective is to leverage its position to become a decarbonisation leader in the special steels sector.

Feralpi Group has identified seven tools to achieve its decarbonisation goals:

THE SEVEN LEVERS OF DECARBONISATION



From an ESG perspective, the Group is committed to:

- ◆ **Contribute to change in the steel sector**, by leveraging decarbonisation and digitalisation to strengthen its competitive advantage and reduce its environmental impact.
- ◆ **Ensure business continuity**, by enhancing the ability to manage crises and increasing agility in organisational processes through structured and efficient management systems.
- ◆ **Innovate for the future of production**, by investing in state-of-the-art processes and environmentally friendly technologies to ensure inclusive industrial development.
- ◆ **Accelerate the ecological transition**, by integrating the challenges of decarbonisation and committing to a path of energy transformation towards low-impact models.
- ◆ **Value people and ensure security**, by promoting decent work that respects the uniqueness of each person, in line with the principles of the International Labour Organisation (ILO) on employment, rights, social protection, and social dialogue.

Feralpi Group's sustainability strategy and objectives

The Group's **sustainability strategy**, founded on **seven pillars**, is based on a holistic approach that places it at the centre of business processes and is realised through:

- ◆ ethical and responsible culture,
- ◆ technological investments and process improvements,
- ◆ definition of strategic ESG targets and KPIs,
- ◆ transparent dialogue with stakeholders.

By incorporating the UN **Sustainable Development Goals (SDGs)** into its strategy, Feralpi Group aims to outline its ambitions, bolster sustainability efforts, and enhance the comprehension and management of the impacts of its activities. The Group contributes to the achievement of the relevant SDGs through:

- ◆ ethical and responsible practices,
- ◆ innovation in its products and services,
- ◆ job creation,
- ◆ support for skills development and training of young people.

The Group aims to increasingly integrate the industrial plan with its sustainability strategy, to gain a better understanding of the socio-economic dynamics in which it operates and, in alignment with the expectations of its stakeholders, to improve its impact on the environment and society.

The ESG Scorecard

To strengthen the integration of sustainability principles into business management, Feralpi Group has adopted an **ESG Scorecard**, a dynamic tool that accurately measures performance and progress towards environmental, social and governance targets. These targets guide the Group's actions and allow constant monitoring of progress, supporting the assessment of ESG performance. The ESG Scorecard is reviewed by the Sustainability Committee to ensure consistency with the evolution of industrial strategies and priorities, thus allowing the integration of new objectives and the adaptation of certain elements in the continuous monitoring phase.

In line with this vision, in 2025 the ESG Scorecard came to contain **fifteen targets**. Compared to the previous year, two targets were added, relating respectively to Feralpi Group's eco-sustainable economic activities and to the coverage of cybersecurity training. In addition, the target related to the time dedicated by the Board of Directors (BoD) to ESG topics was removed from this list and moved to a new section of the Scorecard dedicated to monitoring targets that have been permanently achieved ahead of the target year.

The Group considers transparency an essential value and, through the ESG Scorecard, is committed to communicating the results of the sustainability topics monitoring process in a clear and comprehensive manner.

Governance

Social

Environmental

PILLARS

AMBITIONS

BASELINE

2025

% change TARGET

SCOPE

SDGs

E Contributing to reducing consumption and impacts Multiplying the use of materials	Countering climate change through the decarbonisation of production processes Investing in solutions to improve energy efficiency and develop clean energy Increasing the quantity of waste sent to recovery and reuse processes, substantially reducing the production of waste	Specific CO ₂ emissions (Scope 1, 2 and 3 core boundary) ⁴	2022	0.540 tonCO ₂ eq/tonne	0.230 tonCO ₂ eq/tonne	-58%	2030	-50%	Consolidated Feralpi Siderurgica ⁵	
		Absolute CO ₂ emissions (Scope 3 non-core boundary)		676,404 tonCO ₂ eq	702,807 tonCO ₂ eq	+3.9%		-25%		
		Renewable energy ⁶		0.46%	56%	/		50%		
		Residues in circular processes		88.45%	93.02%	/		96%		
		Specific water consumption		1.38 m ³ /tonne	1.02 m ³ /tonne	-36.5%		-50%		
S Care, safety and development of individuals Work culture and education of new generations Inclusion and local development	Addressing inequalities, ensuring equal opportunities and adequate wages, while respecting labour and human rights Supporting the economic growth of the national economy Promoting a safe, secure working environment for all the group's workers with constant attention to accidents at work	HUMAN RESOURCES	Inclusion of female staff (blue collar) in technical-production areas ⁷	2022	0%	8%	/	2027	≥5% / year new entries primary steelmaking	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, ESF Elbe-Stahlwerke Feralpi GmbH
			Collective training course on "Listening, Dialogue and Inclusion" topics		0%	62%	/		100% population affected	Consolidated Feralpi Siderurgica ⁵
			% female staff in Feralpi Siderurgica - Corporate Services		49%	52%	/		~50%	Feralpi Siderurgica - Corporate Services
		SAFETY	Accident Frequency Index	2022	23.7 (average 2019-2022)	19.7	-17%	2030	7 (0-10)	Consolidated Feralpi Siderurgica ⁵
			% of staff working in ISO 45001 companies		25%	41%	/		100%	
		SUPPLY CHAIN	% of strategic suppliers (raw materials and equipment) involved in ESG mapping aspects	2023	0%	43%	/	2030	75% of the suppliers involved	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico/Caleotto, FERALPI STAHL, Feralpi-Hungária, Feralpi-Praha
G Ethical business management	Integrating ESG (Environment, Social, Governance) aspects into the Group's business model Defining unambiguous and measurable improvement paths at plant level, in line with national and international targets Guiding change in the steel sector by encouraging companies in the supply chain to adopt sustainable policies	Sustainable Finance	2022	74.4%	94.5%	/	2030	>80.0%	Consolidated Feralpi Siderurgica	
		% of strategic investments with ESG content		>80.0%	>80.0%	/		>80.0%		
		Sustainable economic activities (%) ⁸	2025	0%	/	/	2030	95%	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, Caleotto, Presider, ESF Elbe-Stahlwerke Feralpi GmbH	
		Cybersecurity training coverage - OT divisions (hours provided)		656	/	/		3,800	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, Presider, Defim Orsogrill, FERALPI STAHL, Saexpa Group	
		% of time the Board devotes to ESG issues (in meetings and induction sessions)/year	2022	24%	35%	/	2030	35%	Feralpi Siderurgica UNDER MONITORING	
Product and service quality	Improving product and service quality by optimising processes through inclusive and sustainable industrialisation Enhancing technological capabilities through research and development activities Creating value for the community by valuing work, safeguarding the cultural and natural heritage and contributing to sustainable urban development									⁴ On the total production of hot rolled products. ⁵ Alpi Group and Feralpi Algérie not included. ⁶ Considering both electrical and thermal energy. ⁷ Including those administered. ⁸ Share of economic activities aligned with the activities eligible under the Taxonomy Regulation.

4.2 STATE OF IMPLEMENTATION OF STRATEGIC INVESTMENTS

In order to execute the Business Plan, investment projects were carried out during the year 2025, some of which are a continuation of initiatives already started in previous years.

Steel for Construction Italy business unit

Feralpi Siderurgica S.p.A.

Steel mill

The installation of an internal vision and logistical support system for scrap handling has been completed. This technology aims, through AI systems, to recognise the types of scrap and to guide employees in the logistical management of the material.

A new digital electrode regulation (TDR) has been installed at the furnace outlet for the liquid steel reheating process.

Rolling mills

The new spooler production line, capable of producing spools weighing up to 8 tonnes, has been brought up to full capacity.

The storage area for the spools produced by the new spooler line at Rolling Mill 2 has been expanded.

The "electro-conduction" reheating system at Rolling Mill 2 has been completed, and the initial testing phases of the system have begun. The new conduction reheating machine aims to reduce methane consumption at the reheating furnace, scale, Scope 1 CO₂ emissions and optimise the mixed charge.

A new vertical warehouse has been installed to serve the new spooler line.

Derivatives Area

The installation of a 10-tonne overhead crane for handling coils for the production of electro-welded mesh has been completed.

The installation of a scale recovery and evacuation system in the drawing department has been completed.

The installation of mesh machine no. 6 (for diameters from 4.5 to 12 mm and mesh size 10x10 to 20x30 cm) has been completed.

A tensile tunnel structure has been installed outside the derivatives hall to cover the area where the rewound product is tied onto the trucks.

Logistics and infrastructure

The construction of a new shed to cover the electroconduction machine was completed.

A new canteen has been built in the administration building.

A part of the "ex-Brasstech" shed has been equipped and used as a general warehouse, and new shelves were installed for material storage.

Presider S.p.A.

In the first months of 2025, the "special project" at the Pomezia site has been completed (construction of a new production warehouse and redefinition of the layout of the production machinery). At the same time, a new pile cage machine was installed.

Also at the Pomezia site, two new machines have been installed (a Coil 20 stapler and a Barwiser), improving the production process and reducing the environmental impact.

At the Misterbianco (CT) site, the necessary activities have been carried out to start production in the external areas (arrangement of the green areas, preparation of welding areas and stations, electrical system). The works were carried out inside the shed, specifically the construction of the runways, the installation of the overhead cranes, the electrical, hydraulic and compressed air systems, and the construction of the rooms and service equipment (stalls for the warehouse, weighing area, offices). This work allowed production to start with the shaping machines as well from September.

Steel for Construction Germany business unit

ESF Elbe-Stahlwerke Feralpi GmbH

Steel mill

In 2025, the investment plan to increase energy and material efficiency and occupational safety continued. Two manipulators were installed at the electric arc furnace (**EAF**), one for the treatment of the slag door and one for sampling and temperature measurement. This investment is part of the "*no man on the floor*" approach and aims to optimise downtime in the melting process.



The new control room for the ladle furnace (**LF**) has been commissioned. This activity is part of the plan to increase the production capacity of the steel mill.




Preparatory work is underway for the complete renovation of the billet discharge area in the continuous casting plant. The project, which is scheduled to be implemented in 2026/2027, involves the installation of new billet oxyfuel cutting machines and new transport systems, including insulated hoods. The aim of the project is to reduce billet temperature losses and, consequently, save energy during rolling in both rolling mills.

Rolling mill



Preparatory work is underway for the complete renewal of the automation system of Rolling Mill A, with implementation scheduled to begin in December 2027.




The new rolling mill equipped with a K-Spooler system, capable of producing 8-tonne coils, has been put into operation. A connection has been established with the existing continuous casting plant, thanks to which the billets are transferred directly via a 300-metre-long roller track and induction heating, avoiding direct CO₂ emissions.

Logistics and infrastructure




The construction of a new electrical substation has been completed. This will increase the efficiency of the electrical systems and provide the necessary power for the plant, also in light of the increased need resulting from the start of spooler production. Activities to connect all users are currently underway.





A new project relating to the plant's logistics is underway. This project aims to optimise the flow of vehicles entering and leaving the facility, integrating the changes to the plant and layout implemented together with Rolling Mill B (production of spoolers). The project will continue until 2030, with the aim of increasing the use of rail both for the supply of scrap and for the shipment of finished products. The improved logistics layout will also improve worker safety, thanks to the separation of logistics operations from production. Specific areas will be created in order to reduce the necessary movements within the plant.

Specialities Business Unit

Acciaierie di Calvisano S.p.A.



Two outdoor parks for photovoltaic power generation have been installed to achieve a total capacity of about 4.0 MW.




The installation of a new regenerative heating system was completed to replace the trolley for the fourth hole with the aim of optimising the heating of the ladles by reducing gas consumption compared to the previous system.




The compressed air optimisation project was completed, which saw the replacement of the last compressor with the use of a modulating system, reducing the energy used.



The employee changing room was expanded in order to increase the space available to them and to provide suitable spaces for new employees.



The engineering and installation phases were completed, and the start-up of two new basket wagons for loading scrap was initiated in order to optimise the process of loading scrap into the furnace.




The installation of a new robot for EBT opening was completed. In addition to standardising EBT opening and cleaning activities, this process makes it possible to manage these activities from a remote control panel with respect to the intervention area without human intervention.

Arlenico S.p.A.



In the 2025 financial year, the construction and commissioning of the new coil bar plant was completed.




A new flue gas recovery boiler was installed to enable continuation of the activities related to the district heating site.

KEY



Industrial commitment



Environmental commitment



Social commitment



Product quality



A new overhead crane was installed for handling billets, increasing operational efficiency and adopting a state-of-the-art lifting system.



A new robot for labelling the rolls was installed in order to ensure maximum traceability of the product destined for end customers.

Diversified Products Business Unit

Saexpa S.A.



The first half of 2025 was focused on the completion of the plants and auxiliary works of the new production site (power distribution, cooling, air conditioning and automation). The works relating to the structural and plant engineering part were completed in July, and the operational transfer is scheduled for September 2026 when the connection to the electricity grid will be activated. To optimise timing, the company has reshaped the business plan by bringing forward to the second half of the year the investments in automation that were initially planned for after the transfer. Technological revamping work was carried out on the existing presses and two new robotic islands were installed for machine servicing. This strategy has made it possible to increase productivity and reduce manual processing, preserving the competitive advantage despite the logistical delay.

Defim Orsogril S.p.A.



The 2025 financial year was marked by the investment in the new EVG welding plant, a technological investment aimed at enhancing grating production and saving energy. The new production line aims at a significant upgrade in grating production technology, raising quality standards and production efficiency. The project also involved all the complementary works necessary for its operation, i.e. structural foundations, electrical systems and the cooling system. In order to optimise the production process, an Alpha robot was also relocated and an accessory butt welding machine was acquired.

Energy Division

Feralpi Group recognises the centrality of the steel core business and the simultaneous strategic importance of investing directly in power generation, which, in combination with the purchase of Guarantees of Origin, helps bolster a mix of actions that are fundamental to achieving the goal of reducing CO₂ emissions (Scope 2).

In the year 2025, Feralpi Power On S.r.l. completed the purchase of the shares of the corporate vehicle that owns the necessary permissions to build a 4.0 MWp photovoltaic power plant located in the municipality of Castenaso (Bologna).

At the start of 2026, Feralpi Power On S.r.l. purchased all the shares of the corporate vehicle that holds the permits to build a photovoltaic plant with a capacity of 4.18 MWp in the municipality of Collesalveti (Livorno).

Photovoltaic plants located in areas where steel production and processing activities are carried out have been largely completed; the plants that are not yet operational are expected to become operational in the coming months.

In light of the significant regulatory changes concerning support for energy-intensive companies, particularly Energy Release, the fluctuating electricity market prices, the ongoing uncertainties related to the approval times for building renewable energy plants, and the very long and uncertain connection times for the plants once they have been built and are ready to produce, the Group has revised its portfolio of investment initiatives.

KEY



Industrial commitment



Environmental commitment



Social commitment



Product quality

5. Research and development activities

During the year, the following R&D projects are highlighted, some of which started in previous years.

Steel for Construction Italy business unit

Feralpi Siderurgica S.p.A.

The Coralys project, co-financed by the European HORIZON 2020 programme, has completed the phase of defining processes for reclaiming slag and residues by producing ferro-alloys and charging materials. Subsequently, tests were conducted in an external pilot plant, aimed at the recovery of metal fractions through oxide reduction. The activities included the selection of the most suitable by-product mixes, the development of compaction methods and the preparation of the size, also thanks to the collaboration with an external company for briquetting, useful for future applications. The results of the activities led to the preparation of a technical-economic feasibility analysis for the industrial continuation of the project proposal, both through a dedicated external plant and in EAF, supplemented by environmental, scenario and dissemination

studies in cooperation with partners. The Coralys project, which ended in March 2025, demonstrated both the industrial symbiosis between industry, research and institutions and an enabling factor for the activation of circular economy pathways and the optimisation of recovered materials.

The "Steel Zero Waste" project, co-funded by the MISE and launched in 2021, aims to improve the environmental sustainability of the steel-making process through innovative technologies aimed at reducing waste and solid, liquid and gaseous emissions. In 2025, testing and evaluation activities were completed on the heating of billets via electrical induction with hot charge and welding, as well as the development of a system for the dewatering of production sludge, useful for reducing its volumes and promoting its reuse. In a parallel fashion, tests were completed for the recovery of white and black slag as building materials and trials on the use of plastic materials as a substitute for traditional polymers and fossil carbon in EAF. Analyses were also carried out on the performance of the scrap shredding machine, with the aim of optimising melting and increasing the recovery of oxides, by integrating an acoustic monitoring system for melting in EAF. The project ended in April 2025.

The ModHeaTec project (Modular HEATing Technology through renewable resources for steel production), launched as part of the European R&S Horizon – Twin Transition call, continued in 2025 at Feralpi Siderurgica in collaboration with other production sites and research bodies. The initiative aims to develop and test alternative heating systems to gas, based on electrical sources, with the aim of significantly reducing CO₂ emissions in steel production. During the year, Feralpi Siderurgica completed the evaluations and basic design for the construction of a small-scale experimental plant for billet heating by means of next-generation electrical conduction. The solution, whose implementation and experimental testing phase will be completed in 2026, aims to improve the technology of electric conduction heating and improve process control as well as the reliability of the technology. At the same time, ESF Elbe-Stahlwerke Feralpi GmbH, in agreement with the project consortium, also started experimenting with electric induction heating technology and began collaborating with Feralpi Siderurgica, contributing with tests and experiments on its billet

samples and assessing the potential application of the technology in its plant configuration.

Modiplant Project, (MODular hybrid technology in the Steel PLANT production), continued in 2025 and conducted by Feralpi Siderurgica with the participation of ESF Elbe-Stahlwerke Feralpi GmbH, within the European programme RFCS-2022-CSP-Big Tickets for Steel. The initiative aims to develop an innovative system for billet heating by electricity, as an alternative to induction, to be implemented in an industrial-scale demonstration. During the year, analyses and operational simulations were carried out, and a cycle simulator was developed to define the most efficient configuration in terms of consumption and costs, in relation to the different productivity levels of the line. During the year, the operating and setting tests of the system's working cycles were started. The objective of this phase is to evaluate the functionality and acquire know-how regarding the new heating method, with a view to maximising its use within Feralpi's rolling cycle.

Project Sunshine, launched in 2024, aims to improve the quality of billets, with a focus on shape and rhomboid defects, through the introduction of innovative technologies and advanced monitoring approaches. The activities include the adoption of new casting practices with dedicated ingot moulds, the implementation of advanced sensors for continuous control such as the measurement of billet shape, the development of advanced solidification models and the application of artificial intelligence criteria to identify the causes of defects. The ultimate objective is to optimise the geometric quality of the billets, with positive effects not only in the casting phase but also in the subsequent rolling process. In 2025, the measurement instrumentation was acquired, the new monitoring system was tested, and new casting configurations were implemented. In addition, thanks to collaborations with research partners, data analysis was initiated to enable the identification of correlations between shape defects and continuous casting management.

KEY



Industrial commitment



Environmental commitment



The **E-Ecodownstream project** ("Development of heating technologies for the Efficient renewable Energy CONsumption of CO₂-neutral DOWNSTREAM-processes"), launched in 2025 and co-financed under the Horizon Europe Twin Transition Call, aims to promote the use of alternative energy resources to methane and consequently reduce CO₂ and greenhouse gas emissions. The project also aims to reduce consumption through the study of energy recovery methods associated with rolling mills or other dispersed plant sources. To this end, a mapping of the dispersed energies was carried out to assess possible reuses. A heating burner was also configured to be converted to the use of H₂, to be tested in a pilot plant owned by the research partners.



The **Thelma project** ("THERmochemical conversion of Municipal biowaste into a sustainable, biogenic coal Alternative"), launched in 2025 and co-funded under the RFCS (Research Fund for Coal and Steel) call, aims to promote the construction of an industrial plant for the production of Biocoal within the consortium. It aims to test this material on an industrial scale with the main consequence of minimising CO₂ emissions to the environment. During 2025, the activity with the research partners were set up.

Steel for Construction Germany business unit

ESF Elbe-Stahlwerke Feralpi GmbH



ModHeaTec Project - ESF Elbe-Stahlwerke Feralpi GmbH is continuing its support activities for Feralpi Siderurgica in defining the configuration of the pilot plant to be built and in assessing a potential test phase, taking into account the production processes and layout of ESF's plants. The tests will use samples of blums from ESF to evaluate both the impact on product quality and the technical, economic and scalability aspects of the proposed solutions. The project was started in 2023. In 2025, ESF participated in the machinery design phases in collaboration with Feralpi Siderurgica.



Modiplant project. ESF Elbe-Stahlwerke Feralpi GmbH has started analysis activities regarding the plant engineering solution for an innovative electric billet reheating system. Specifically, the company is supporting Feralpi Siderurgica S.p.A. in evaluating the industrial implementation of this technology and in monitoring the testing phase. The aim is to verify the feasibility of replicating the solution at the ESF plant, taking into account both the know-how acquired and the plant constraints, while simultaneously exploring various possible installation configurations within the rolling mill department. The project was started in 2023. In 2025, ESF participated in the plant developments for Feralpi Siderurgica, which also included monitoring the test phases to evaluate the potential application within the production layout defined for ESF.



FlexHybHeat Project. This project focuses on simulating billet heating using various energy sources (such as electricity, hydrogen, natural gas or ammonia) and assessing potential combinations to determine the most suitable technological mix and ensure maximum flexibility for a future heating concept. This assessment is ongoing during 2025. A second area of activity concerns the development of a new heating control system, which includes the calculation of CO₂ emissions and a real-time cost analysis, simultaneously considering the stability of the electricity grid and the quarterly fluctuations of the energy market.



InduGasHeat project. The InduGasHeat project, launched in July 2025, focuses on the implementation of innovative gas heating systems based on ultra-high temperature induction (UHT-TJ) and aims to test this technology by replacing fossil fuel burners both in preheating furnaces for forging and in ladle preheating stations, demonstrating the feasibility of a *plug-and-play* implementation. At the ESF Elbe-Stahlwerke Feralpi plant in Riesa, the project involves the complete replacement of a gas-fired ladle preheating station with an equivalent electric solution, demonstrating a total reduction in CO₂ emissions and an improvement in energy efficiency in the preheating phase.

Specialities Business Unit

Acciaierie di Calvisano S.p.A.



The MultisensEAF project ("*Multi-Sensor Systems for an optimised EAF Process Control*"), launched in 2023, aims to develop innovative strategies for optimising the EAF process through the integration of advanced sensors, process simulators and control systems based on artificial intelligence techniques. During 2025, the implementation of the online process simulator, developed with internal resources, was completed, and the testing of the main sensors continued: acoustic for electric arc coverage and monitoring of scrap melting; radar in the LF (Ladle Furnace) for the position and stability of the liquid bath; "OES" and "Fast Slag Analysis" systems for real-time analysis of slag; and water flow sensors in the cooling panels. At the same time, management rules based on the composition of the slag were refined, with the aim of optimising the coverage of the electric arc, reducing the erosion of the refractory and supporting decisions relating to additions during the tapping phase. Also in 2025, the development phases of predictive modelling in EAF were completed, together with the integration of the sensor systems under development. In particular, the estimated temperature of the steel in the EAF was made available to operators to support the management of the production cycle. In addition, adaptation to different steel grades is underway with the aim of optimising the model created for the different configurations of scrap charge mixes.



The Biorecast project, launched in 2023, aims to develop innovative solutions to replace the coal injected into EAFs with alternative materials such as biocoal and polymers. The aim is to contribute to the improvement of the slag foaming process and the coverage of the electric arc, with particular attention to the production of special steels and the reduction of the environmental impact. As part of the project, Acciaierie di Calvisano plays a central role in the study and validation of these substitute materials, through tests aimed at evaluating their effects and operational performance under real conditions. To support these activities, the plant has implemented an innovative EAF material storage and propulsion system, which made it possible to carry out an extensive experimental campaign during the year. In 2025, tests were completed that made it possible to collect useful data for the analysis of the reference conditions with the injection of polymers as an alternative to coal, with the aim of proceeding with the comparison with the tests to be carried out with Biocoal during the project. In a parallel fashion, all the elements for defining the necessary characteristics for Biocoal obtained from the recovery of other production processes were provided, and the first samples were received for validating the necessary characteristics for injecting the material into the EAF.



6. Production

The production **of billet steel** and **finished product in the year 2025** is increasing compared to the value reported in the previous year; the growth was particularly significant at the Calvisano site. The volumes of **finished products and cold processing** in 2025 are also up compared to the values achieved in the year 2024.

Billet Steel (tonnes)	Production			
	Nation	2025	2024	% change
Feralpi Siderurgica S.p.A. - Lonato del Garda	Italy	1,211,411	1,164,368	4.0%
Acciaierie di Calvisano S.p.A. - Calvisano	Italy	511,338	425,592	20.1%
ESF Elbe-Stahlwerke Feralpi GmbH - Riesa	Germany	982,917	994,266	(1.1%)
Total		2,705,667	2,584,227	4.7%

Finished Product (rebar in bars - rebar in coil - Wire rod) - (tonnes)	Production			
	Nation	2025	2024	% change
Feralpi Siderurgica S.p.A. - Lonato del Garda	Italy	1,461,362	1,347,244	8.5%
Caleotto S.p.A.	Italy	226,742	265,115	(14.5%)
ESF Elbe-Stahlwerke Feralpi GmbH - Riesa	Germany	877,293	863,718	1.6%
Total		2,565,397	2,476,077	3.6%

Cold processing - Derivatives (tonnes)	Production		
	2025	2024	% change
Total	1,499,057	1,343,571	11.6%

7. Non-GAAP indicators

In order to allow for a better analysis of management performance, additional income statement and balance sheet indicators are presented in addition to those already provided for by IFRS. These indicators are not to be regarded as alternatives to IFRS indicators, whose calculation is not required by the accounting standards.

In particular, the **alternative performance indicators** used in this document are as follows:

EBITDA (or GOP)

An indicator used by the Group as financial targets in internal and external reports, and is a useful unit of measure for assessing the operating performance of the Group as a whole and of individual companies. This indicator is in addition to the operating profit. EBITDA is an intermediate economic indicator derived from the operating result, excluding depreciation, amortisation, provisions and any impairment of tangible and intangible assets.

Net Working Capital

This item consists of the value of inventories, trade receivables, current tax receivables and other receivables, from which the value of trade payables, tax payables and other payables are subtracted.

Net Invested Capital

This is the value of Net Working Capital plus the value of intangible and tangible fixed assets, equity interest, other fixed assets, and deferred tax assets, from which deferred tax liabilities, employee benefits and provisions for contingent liabilities and charges are subtracted.

Net Financial Position

This measure is the gross financial debt less cash and cash equivalents and other current financial receivables. The net financial position was determined in accordance with paragraph 175 of ESMA Recommendation 32-382-1138 of 4 March 2021.

Workforce

This is given by the number of employees on the register on the last day of the reporting period.

8. Analysis of the economic and financial situation

REVENUES
BY GEOGRAPHICAL AREA
(€/000)

2025

665,618

ITALY
39.1%

430,676

GERMANY
25.3%

2025

170,744

FRANCE
10.0%

159,618

OTHER COUNTRIES
9.4%

104,158

POLAND
6.1%

89,729

SWITZERLAND
5.3%

27,322

AUSTRIA
1.6%

55,321

CZECH REPUBLIC
3.2%

2024

626,648

ITALY
37.9%

389,787

GERMANY
23.6%

2024

175,029

FRANCE
10.6%

171,902

OTHER COUNTRIES
10.4%

123,180

POLAND
7.5%

94,992

SWITZERLAND
5.7%

14,078

AUSTRIA
0.9%

57,368

CZECH REPUBLIC
3.5%

8.1 REVENUES BY GEOGRAPHICAL AREA

	2025 (€/000)	2024 (€/000)	% change	tot 2025	tot 2024
Italy	665,618	626,648	6%	39.1%	37.9%
Germany	430,676	389,787	10%	25.3%	23.6%
France	170,744	175,029	(2%)	10.0%	10.6%
Switzerland	89,729	94,992	(6%)	5.3%	5.7%
Austria	27,322	14,078	94%	1.6%	0.9%
Poland	104,158	123,180	(15%)	6.1%	7.5%
Czech Republic	55,321	57,368	(4%)	3.2%	3.5%
Other countries	159,618	171,902	(7%)	9.4%	10.4%
Total	1,703,187	1,652,984	3%	100%	100%

The revenues reported in the year 2025 are on the rise compared to the values reported in the year 2024. The growth was achieved with higher sales volumes, accompanied by a contraction in sales prices. Revenue growth was significant in Germany, Italy and Austria, while the other main markets reported a contraction. However, Poland and the Czech Republic remain among the Group's main markets.

8.2 RECLASSIFIED ECONOMIC SITUATION

Reclassified income statement (summary)	2025	%	2024	%	Change %
Revenues from contracts with customers	1,703,187	100.0%	1,652,984	100.0%	3.0%
EBITDA	87,242	5.1%	27,644	1.7%	>100%
Depreciation, amortisation and write-downs	(71,637)	(4.2%)	(70,306)	(4.3%)	1.9%
EBIT	15,605	0.9%	(42,662)	(2.6%)	<100%
Net interest expenditure	(14,231)	(0.8%)	(6,477)	(0.4%)	>100%
Exchange gains and (losses)	231	0.0%	(144)	(0.0%)	<100%
Share of profit of associates and joint ventures	531	0.0%	3,069	0.2%	(82.7%)
Pre-tax result	2,136	0.1%	(46,214)	(2.8%)	<100%
Income taxes	(1,735)	(0.1%)	8,472	0.5%	<100%
Net result	401	0.0%	(37,742)	(2.3%)	<100%
Minority interest result*	2,588		56		
Result for the Group	(2,187)		(37,798)		

* Result attributable to minority shareholders

The expectations of uncertainty evident at the start of 2025 have manifested their effects on the market environment. Nevertheless, Feralpi Group achieved a significant recovery in operating profitability. This result was driven by an increase in sales volumes together with growth in the benefits associated with the fixed components of the cost of energy and the reduction in the cost of scrap. These effects had a greater positive impact than the reduction in sales prices. It should also be noted that during the year 2025, the Alpifer Group was consolidated using the line-by-line method. In this regard, for more information, refer to paragraphs 2 and 4 of the "Consolidated Annual Financial Report as at 31 December 2025" in this document.

Despite an increase in net interest expenditure, in the year 2025 the Group achieved a slightly positive overall Net Result, resulting in a turnaround compared to the result achieved in the year 2024.

8.3 RECLASSIFIED STATEMENT OF FINANCIAL POSITION

Reclassified statement of financial position (€/000)	31.12.2025	% Revenues	31.12.2024	% Revenues	Change %
Net Fixed Assets	872,475	51.2%	809,380	49.0%	7.9%
Inventories	409,785	24.1%	375,983	22.7%	9.0%
Trade receivables	191,229	11.2%	292,202	17.7%	(34.6%)
Trade payables	(406,797)	(23.9%)	(438,084)	(26.5%)	(7.1%)
Commercial Working Capital	194,217	11.4%	230,101	13.9%	(15.6%)
Net Non-Commercial Working Capital	45,056	2.6%	11,721	0.7%	>100%
Net Invested Capital	1,111,748	65.3%	1,051,202	63.6%	5.8%
Net financial position	196,943	11.6%	155,552	9.4%	26.6%
Shareholders' equity	914,805	53.7%	895,650	54.2%	2.1%
Total Sources	1,111,748	65.3%	1,051,202	63.6%	5.8%

Net Invested Capital as at 31 December 2025 increased compared to the value reported as at 31 December 2024 due to the increase in Net Fixed Assets, as a result of the investment activities in progress at the main Group companies. Commercial Working Capital as at 31 December 2025, on the other hand, reported a reduction in absolute value and as a percentage of revenues, compared to the values reported as at 31 December 2024.

NFP Consob Amounts in thousand euros	31/12/2025	31/12/2024
A Cash	121,749	50,720
B Cash equivalents	-	-
C Other current financial assets	-	-
D Liquidity(A+B+C+D)	121,749	50,720
E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	5,063	4,057
F Current part of non-current financial debt	98,744	107,545
G Current financial debt (E + F)	103,807	111,601
H Net current financial debt (G - D)	(17,942)	60,881
I Non-current financial debt (excluding current portion and debt instruments)	214,885	94,671
J Debt instruments	-	-
K Trade and other non-current payables	-	-
L Non-current financial debt (I + J + K)	214,885	94,671
M Total financial debt (H + L)	196,943	155,552

As at 31 December 2025, the consolidated Net Financial Position showed a net debt value of €196.9 million, compared to €155.6 million as at 31 December 2024. The increase is due to investment activities carried out during the year, even if accompanied by a reduction in working capital.

9. Significant transactions and events during the year

In accordance with the industrial plan, new plants were launched during 2025 and a new company was made operational in Sicily with the aim not only of expanding the range of products with a reduced environmental impact, but also of strengthening the verticalisation process with a greater presence in markets in which an increase in the infrastructure sector is expected.

In fact, Feralpi completed and inaugurated a new "spooler" rolling mill at the Riesa site in Germany in May. The plant is at the forefront of the global steel industry, being the first in Germany to operate with zero direct emissions (Scope 1) thanks to electrically powered induction furnaces replacing traditional methane gas furnaces to accelerate decarbonisation. Feralpi has also become the first company in the world to produce spoolers with a format of up to 8 tonnes, ensuring that customers can optimise their production processes.

Also with a view to extending the range, a new spooler line was started up at the Lonato del Garda production site with innovative technology that increases production flexibility and the quality of the finished product, contributing to reduced waste and increased productivity for shaping centres and end customers.

In the spirit of verticalisation, the new Presider pre-shaping centre was launched in Misterbianco (Catania). The investment responds to a precise logic of geographical proximity to the market of southern Italy, an area with high potential thanks to the expansion cycle marked by the construction sector.

On 22 July 2025, Feralpi Power On S.r.l. completed the purchase of the shares of the corporate vehicle that owns the necessary permissions to build a 4.0 MWp photovoltaic power plant located in the municipality of Castenaso (Bologna).

10. Risk management

The continuous monitoring and effective management of risks in the *Finance and ESG* areas are key elements in protecting the Group's value generation tools, especially in the current operating environment, characterised by significant volatility and uncertainties at global level.

Feralpi has adopted an Internal Control and Risk Management System (SCIGR) that is inspired by the provisions contained in the best reference practices, such as those set forth in Article 6 "Internal Control and Risk Management System" of the Corporate Governance Code - 2020 edition and, more generally, by the principles outlined in the "Enterprise Risk Management (ERM) framework - Integrating with Strategy and Performance", of June 2017, published by the Committee of Sponsoring Organisations of the Treadway Commission (CoSO). This system constitutes the set of organisational structures, rules and procedures aimed at enabling the identification, measurement, management and monitoring of the main corporate risks within the Group, contributing to the sound and correct management of the company in line with the objectives defined by the Board of Directors and promoting the taking of conscious decisions consistent with the risk appetite, as well as the dissemination of a correct knowledge of risks, legality and corporate values.

Feralpi Group's business activities involve the assumption of various types of risk; the Group has defined the scope of its risk management model in light of the objectives contained in the business plan and in consideration of its organisation.

The Group's risk management strategy is aimed at identifying the main uncertainties and minimising the negative effect on results. The monitoring of the main risks and the definition of adequate prevention, mitigation and remediation policies are responsibilities allocated to the Parent Company's top management:

these management policies are actually defined and approved, in agreement with the administrative body, by the Top Management, which provides principles for risk management and the use of the appropriate tools.

The Risk Model adopted by Feralpi is divided into heterogeneous categories, enabling a holistic, high-level view of the Group's risk exposure.

A first level of categorisation divides the **business risks** into the following subcategories:

- a) **Strategic Risks:** risks associated with internal or external events and or decisions that could threaten the achievement of the Group's strategic objectives;
- b) **Operational Risks:** risks arising from events or circumstances that may adversely affect the efficiency and/or effectiveness of business processes and the safeguarding of assets;
- c) **Financial Risks:** risks related to the availability of financing sources, efficient liquidity management and volatility of currencies and interest rates;
- d) **Legal and Compliance Risks:** risks related to compliance with national and international laws, regulations and contractual agreements governing the Group's activities;
- e) **Reporting Risks:** risks related to the reliability of internal and external reports, financial and non-financial information.

The list of main risks and related scenarios for the Group includes the definition of the risk register for Environmental, Social and Governance (ESG) areas, which are of central importance in addressing sustainable development objectives.

Risks are also given an additional categorisation:

- ◆ external, relating to factors not directly controllable by the company;
- ◆ process-related, concerning internal processes;
- ◆ information and decision-making, related to external and internal information flows, as well as to the decisions resulting from such information.

In the context of the evolution of global dynamics, characterised by increasing attention towards ESG issues, Feralpi Group conducted an integration of financial risks with ESG risks. This approach reflects the growing awareness of the profound implications that ESG factors can have on business performance and sustainability in the long term. ESG risk integration is a proactive response to emerging challenges, offering organisations the opportunity to mitigate risks associated with reputation, regulation and investor pressures, while simultaneously fostering a responsible and future-oriented corporate culture.

The main risk factors for Feralpi Group are summarised below. The order in which they are listed does not imply any classification, neither in terms of the probability of their occurrence, nor in terms of their possible impact. The description of material risk factors contains a brief illustration of the uncertainties that may significantly affect the Group's business in the immediate future. It should also be considered that the Group has long had a Supervisory Board, which, through the 231 organisational model, contributes to the monitoring of risks relating to the various corporate functions.

		F	E	S	G
 STRATEGIC RISKS	Deterioration of the global macroeconomic environment	◆	◆	◆	◆
	Price fluctuation and shortage of commodities	◆	◆	◆	
	Energy sector dependence, price fluctuation and supply discontinuity	◆	◆		
	Transition to a sustainable product	◆	◆		
	Customer concentration and business relations	◆			
	Physical impacts of climate change	◆	◆		
	Impacts of the energy transition	◆	◆		
 STRATEGIC RISKS	Product quality and liability	◆	◆	◆	
	Computer systems operation and cybersecurity	◆	◆	◆	◆
	Pollution from radiation sources and radioactive materials	◆	◆		
	Waste disposal		◆		
	Occupational health and safety	◆		◆	
	Lack of professionalism and expertise			◆	
 FINANCIAL RISKS	Credit risk	◆			
	Interest rate fluctuation	◆			
	Exchange rate fluctuation	◆			
	Liquidity risk	◆			
	Risks associated with possible covenant breaches	◆			
 LEGAL AND COMPLIANCE RISKS	Antitrust and business ethics	◆			◆
	Compliance with environmental and occupational health and safety regulations	◆	◆	◆	
	Violation of human rights or discrimination	◆		◆	
 PLANNING AND REPORTING RISKS	Financial Reporting and Voluntary Consolidated Sustainability Statement	◆			◆



Strategic Risks

Deterioration of the global macroeconomic and geopolitical environment

Feralpi Group companies are exposed to the risks associated with the economic trends of the specific markets in which they conduct their business activities. Sales of the Group's products are mainly influenced by investment activities in infrastructure, but also in residential housing and investments in the industrial sectors targeted by the Group's products. Economic events such as an economic recession, high inflation and persistent high interest rates together with unpredictable events such as pandemics or environmental disasters could lead to a reduction in the volume of purchases and/or a reduction in the sales prices of the Group's products and affect the health and safety of people and the continuity of production, causing absenteeism and blocking of the production system as well as having a significant negative effect on the Group's economic, financial and equity situation. In addition, the emergence of global wars and crises, the imposition of economic sanctions and embargoes on certain countries, anti-dumping and anti-subsidy tariffs, the establishment of protectionist policies in export countries, and possible restrictions on exports, could lead to difficulties in sourcing inputs with subsequent delays or business interruptions and the loss of markets and customers.

Feralpi Group has no operations in territories where there are ongoing wars or in countries characterised by major political instability. In addition, the Group does not trade in these markets. However, ongoing war events and geopolitical crises lead to indirect impacts on operating costs in view of trends in the cost of electricity and gas.

In response to past emergencies, the Group formed specific task forces and promptly took necessary measures to prevent, manage, and limit the negative impacts arising from such events, while also striving to

ensure production continuity wherever possible. This approach, already effective in that circumstance, is configured as a replicable model for dealing with future emergencies in an equally timely and structured manner.

Price fluctuation and shortage of commodities

These risks arise from the fluctuations, including significant, that the price of strategic raw materials, such as ferrous scrap and ferro-alloys, can experience even in the short term. Such cost increases may originate from supply market dynamics as well as inflationary trends.

The current conflicts, the regulatory developments on the ecological transition and logistical constraints have aggravated the difficulties in sourcing raw materials and further increased price volatility with consequences for supply obligations.

Given the current market environment, it is not always possible for the Company to increase, even if not in full, the selling price of the finished product as a result of the increase in the cost of ferrous scrap and ferro-alloys, while safeguarding its contribution margin. In addition, significant increases in sales prices could lead to losses in market share. Hedging transactions are assessed in light of the liquidity of the official markets where the main trades are executed and the visibility of sell orders.

In addition, the Company's responsible management of supplier relations and careful control of raw material quality are key to preventing risk and customer dissatisfaction, as well as offering opportunities in the circular economy and generating positive impacts on competitiveness and availability risk management.

Energy sector dependence, price fluctuation and supply discontinuity

Energy risks include possible disruptions, price volatility and taxation of energy-intensive activities. Geopolitical evolution and regulatory developments, aimed at the transition to renewable energy sources, have increased the risk of price volatility. The steel sector is highly exposed: on the one hand, it has rethought its energy strategy (supply and efficiency measures) to contain costs and meet decarbonisation targets, and on the other, it is preparing for possible energy supply disruptions and consequent production stoppages.

The need to reduce energy costs and consumption remains the main priority for Feralpi in terms of business continuity. The Company is committed to continuously exploring different options to reduce its energy consumption and increase the efficiency of its processes.

Transition to a sustainable product

The regulatory, social and economic environment makes it necessary to develop increasingly sustainable products in order to maintain a high level of competitiveness on the market. Feralpi Group believes that the development of a competitive offer linked to sustainability is of fundamental importance in order to meet growing customer expectations and to prepare adequately for possible sudden changes in market demands. The complexity of this path is reflected in the need for major investments, difficulties in forecasting and evolving market demand, and significant regulatory uncertainty combined with bureaucratic complexity for environmental authorisations.

Indeed, any failure to meet product sustainability requirements could result in the loss of strategic suppliers, contracts and customers. To systematically address this challenge, the Group has crafted a strategy to offer its customers a full spectrum of low-carbon products.

The certification framework for steel, with the definition of various standards, primarily aims to enhance transparency and sustainability; however, it remains complex and fragmented, with the risk of divergent standards and implementation difficulties for producers.

Customer concentration and business relations

The target markets are characterised by a relatively small number of global and regional players and a high number of customers. Also due to the volatility of market prices, customer relations are mainly based on specific purchase orders in the absence of long-term contracts; this situation makes it difficult for the Group to make medium-term sales forecasts. The occurrence of such risks could lead to a reduction in revenues with significant negative effects on the Group's economic, financial and equity situation.

Feralpi has established and maintained long-lasting business relations with its customers; however, it cannot be ruled out that the Group may have difficulties in the future in maintaining business relations with current customers or in developing business relations with new customers. Constant commercial supervision, continuous dialogue with long-standing and newly acquired customers, and the ability to provide high quality products at competitive costs and adequate service levels are elements that mitigate exposure to the aforementioned risk.

Physical impacts of climate change

The uncontrollable phenomena include physical aspects resulting from ongoing climate change. These risks have special characteristics that must be taken into account, such as the magnitude of the impact in terms of scope and scale, an uncertain and longer-term time horizon, and dependence on short-term initiatives. Physical risks from climate change are divided into:

- ◆ **Acute:** event-based risks, including an aggravation of extreme weather events such as storms, hail, fire, heat waves, etc.). These events are happening more frequently both regionally and globally.
- ◆ **Chronic:** refer to risks associated with long-term changes in climate, such as changes in temperature, wind and precipitation patterns, water stress and sea level rise. They can be identified as change processes rather than single events and are bound to become more significant in the long run.

Feralpi Group is most exposed to transition risk, described below, but also considers physical risks for business continuity and the resilience of its business plan and sustainability strategy. Recently, the first physical climate risk assessment was conducted to understand short- and long-term exposure and to take management measures for the sites most at risk. The first phase involved a Climate Self Risk Assessment and verification of prospective climate indicators according to an ensemble of three GCM-RCM (Global Circulation Model - Regional Climate Model) models guided by the RCP 8.5 scenario for sites included in the scope of the Taxonomy Regulation⁹ in the short and long term. Subsequently, the Lonato del Garda and Riesa sites were analysed in detail, using various climate scenarios to understand the evolution of the risk up to 2050, with possible indications of worsening by the end of the century. A further detailed analysis was then carried out, based on different climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5) on the plants considered most strategically relevant: Lonato del Garda

and Riesa. The assessment was expressed through the following metrics:

- I. Maximum Value-At-Risk (MVAR): the MVAR corresponds to the estimated value in economic terms of the potential damage caused by a climate risk. The overall MVAR represents the aggregation of the estimated Value-At-Risk (VAR) for each physical risk.
- II. Maximum Annual Loss (MAL): estimated value of damage to an asset for all climate risks combined, expressed in current currency, without discounting or adjustment for other transaction costs.
- III. Failure Probability (FP): annual probability that a climate risk may cause disruption or malfunction of an asset with or without damage.

The Climate Self Risk Assessment indicated that the company's assets present a medium to low physical risk from climate change. The more specific risks to which the Group will pay more attention through preventive mitigation actions mainly concern extreme wind conditions and flash floods from heavy rain and thunderstorms.

The in-depth analysis, according to MVAR% metrics, assessed the overall risk for the Lonato del Garda site as medium. As far as the Riesa site is concerned, however, the overall risk is rated as low.

Impacts of the energy transition

Transition risks in the context of Feralpi Group indicate the potential financial loss that the company may suffer, both directly and indirectly, during the process of adapting to a low-carbon and more environmentally and socially sustainable economic model. The continuous evolution of climate and environmental regulations, technological developments and changes in market expectations and preferences (Green Steel) can have a major impact on the Group's economic performance.

⁹ For more details on the European Taxonomy, refer to Section 20. Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

These risks can be divided into the following types:

- ◆ **Executive Risks:** arising from delays or lack of expertise in strategic projects, which may result in strategic projects not being identified or slowing down their implementation, also due to a lack of skills to manage them.
- ◆ **Regulatory Risks:** arising from evolving regulatory actions to limit negative impacts or promote adaptation to climate change, including potential litigation;
- ◆ **Technological Risks:** related to the introduction of new technologies that support the transition to a low-carbon economy, with possible interference on existing business systems;
- ◆ **Market Risks:** related to possible changes in the demand for products and services by the Group's customers.

The adoption of a climate transition strategy, which is fundamental to Feralpi Group's industrial strategy, requires close attention to be paid to this type of risk. The Group has therefore conducted an analysis to identify and assess the types of risk, as defined above, probability (low, medium, high) and severity (low, medium, high) - of the risks associated with this process, as well as to develop strategies to effectively mitigate and manage the risks. The risks to which the Group will pay more attention are related to possible difficulties in implementing its strategy of self-generation of renewable energy and to the evolving context regarding the use of alternative fuels such as biomethane and hydrogen.



Operational risks

Product quality and liability

The Group's products must comply with different quality, safety and regulatory standards, including through a careful selection of suppliers, consistent with the regulations required in the countries where they are marketed. If products do not meet the requirements of the different applicable regulations, it may be legitimate to return them, which could lead to increased costs and possible damage to the image of Group companies and also negatively affect their ESG performance. This type of risk is most relevant for the Specialities Business Unit, where product quality is crucial for the safety of the end consumer (automotive).

To this end, the Group carries out strict controls on its products: each production company has a quality risk management protocol, with specific control activities and procedures. There are dedicated functions at production units and audits at major scrap suppliers. In addition, the Group has product liability insurance coverage.

However, it is not possible to exclude the possibility of manufacturing defects or, in certain circumstances, the inadequacy of the above-mentioned insurance coverage.

Computer systems operation / cybersecurity

The growing use of digital technologies increases the cybersecurity risk, with possible impacts on business continuity, data protection and privacy. Cyber attacks or human error can compromise confidentiality, reliability, information integrity and corporate reputation. Failure to comply with regulatory requirements can lead to sanctions and loss of reliability, affecting relations between employers and employees. A cyber attack could also endanger the health and safety of workers and cause environmental damage by compromising software and monitoring equipment. Any errors, malfunctions and/or unauthorised access to the Group's software and related

systems of suppliers and/or customers may also damage the production activities of the Group's suppliers and/or customers. The occurrence of such risks could have an adverse material effect on the Group's economic, financial and equity situation.

The Group considers the operational continuity of its management and operational information systems to be of major importance; therefore, it has carried out a specific risk analysis concerning internal and external attacks on information systems aimed at blocking their normal operation, or at extracting or corrupting Group information. In addition, the Group is finalising the implementation of a framework for managing these risks, with the aim of ensuring business continuity, availability, integrity and confidentiality of data, while also enabling compliance with the European GDPR regulation and applicable national regulations in individual EU member states, with particular reference to NIS2 regulations. The centrality of information systems, as a lever of value for the Group, is also testified by the considerable investments made to update and digitalise systems and processes; in this context, the launch of programmes to optimise processes and automate certain activities, also through Robotic Process Automation solutions and solutions based on Business Intelligence and "data analytics" was emphasised in particular.

Pollution from radiation sources and radioactive materials

Pollution due to radioactive isotope decay could affect the input scrap, the melting furnace process and the finished products. This can lead to non-compliance with environmental and health and safety regulations, contamination of water, soil and air, fines and reputational damage, as well as production stoppages for clean-up operations.

The Group has adopted specific procedures, as part of its management system, to define and implement radioactivity control measures throughout the production chain, right from the material input stage.

Waste disposal

Monitoring risks related to regulatory changes in the use of by-products is crucial; keeping up with these developments prevents production slowdowns, economic and reputational damage. Strategic pavement and sealing maintenance is essential to prevent soil and groundwater contamination.

The Group's management of waste and production residues mainly involves recovery and/or qualification as by-products, with only residual disposal in landfills. Processes and facilities are organised to minimise the volumes to be landfilled. The Group is also committed to reducing the handling of raw materials and production residues, to reducing inputs and to raw material substitution.

Occupational health and safety

Health and safety risks to workers include exposure to chemical agents, physical agents, equipment, and for Acciaierie di Calvisano and Feralpi Siderurgica, major accident hazards. An inadequate level of control over health and safety risks present in plants and workplaces can cause injuries, occupational diseases, fires, and explosions, with social, legal, and reputational consequences. The company risks facing penalties for non-compliance with safety regulations, which may include shortcomings in risk assessment, training, and the adoption of preventive or protective measures. The failure to control such risks, particularly following incidents leading to physical damage, fire, explosion, or workplace injuries requiring investigations, can also cause production downtime.

The Group carefully monitors the issue of health and safety based on its own Group policy and following the regulations of the countries where its plants operate, and it has different management approaches depending on the type of production processes in place. Feralpi Siderurgica S.p.A. has an Occupational Health and Safety Management System certified according to the international ISO 45001 standard. This system ensures the constant monitoring of risks and the identification of

improvement measures. The system was also extended to Acciaierie di Calvisano S.p.A., Arlenico S.p.A. and Caleotto S.p.A., with certification obtained in May 2025 and the official certificate issued in June 2025.

Lack of professionalism and expertise

The current market presents risks related to the difficulty of attracting, developing and retaining key skills and appropriate professionalism. Business success depends on a qualified and motivated management team. Failures in this area could lead to production slowdowns, reduced innovation and product quality. Dependence on external suppliers of core competencies exposes the company to risks, as the disruption of such business relationships could seriously damage strategies and production activities. Lack of staff knowledge and skills can also reduce competitiveness, resulting in a loss of attractiveness. Adaptation to new systems and technologies and knowledge transfer are crucial.

Feralpi Group is committed to enhancing people's skills as a key factor for business success. With a view to Talent Attraction, the Group has developed eight different recruitment and selection formats to foster the placement of young talent by offering a practical choice for professional development. As far as talent development is concerned, Feralpi has implemented a framework to map, monitor and efficiently manage the skills - technical and organisational - of its staff and act on any gaps through a series of internal training offers and in cooperation with external partners.



Financial risks

Credit risk

Feralpi is exposed to credit risk arising from the business relations it establishes with its customers. Failure by customers to meet payment deadlines could jeopardise the Group's overall financial situation.

Commercial credit risk is mitigated by the application of the Credit Policy, the related Group procedures and guidelines for the selection and assessment of the customer portfolio, the definition of credit limits, the monitoring of expected collection flows and any recovery actions. In addition, the Group takes out insurance policies with counterparts of primary standing and, in some cases, requires customers to provide additional guarantees. Credit risk management and monitoring are the tasks entrusted to Group Credit Management, which is committed to ensuring the effectiveness of the policies adopted and to identifying possible areas for improvement. Credit risk is also mitigated by the use of the non-recourse rotary assignment instrument to specialised financial operators.

Interest rate fluctuation

Changes in interest rates affect the market value of the Group's financial assets and liabilities as well as net financial expenses. The interest rate risk to which the Group is exposed originates mainly from long-term financial payables which, at the date of this report, are at variable rates and partly hedged by Interest Rate Swaps and Collars. Fixed-rate payables expose Feralpi Group to fair value risk.

Exchange rate fluctuation

Exchange rate risk refers to the possibility that exchange rate fluctuations may adversely affect the value of the Group's assets, profits or financial exposure. Feralpi Group's exposure to exchange rate risk is structurally modest given the almost total denomination of commercial transactions in euro.

Liquidity risk

Liquidity risk refers to the ability of available financial resources to meet payment commitments to commercial or financial counterparts on pre-established terms and deadlines. Prudent management of liquidity risk, arising from the Group's normal operations, involves maintaining an adequate level of cash and cash equivalents as well as funds available through committed credit lines. The

Administration, Finance, and Control Department (AFC) of the Group undertakes financial planning aimed at equipping the Group with adequate credit lines that are consistent with the business's cash-generating capacity over the planning period. Additionally, the AFC Department monitors forecasts for the utilisation of the Group's liquidity reserves, starting with the analysis of expected cash flows, and arranges the necessary credit lines (Business Plan, Budget, Forecast, Report).

Risks associated with possible covenant breaches

In order to support the investment plan, the Group has medium- to long-term loan agreements in place; these loan agreements require compliance with certain financial and commitment covenants. The Group has reporting mechanisms in place to monitor historical and prospective compliance with the signed covenants and to define, where necessary, appropriate action plans aimed at preventing and mitigating any impacts related to covenant non-compliance.



Legal and compliance risks

Antitrust and business ethics

This risk refers theoretically to the possibility of conduct in breach of antitrust or competition law. As a result, the Group may face legal costs and reputational damage to stakeholders; in addition, it may receive sanctions, with similar impacts to those described above.

As a countermeasure, the Group has developed a compliance programme aimed at putting in place preventive measures relating to possible antitrust offences, including through the appointment of a top-level person who plays the role of "antitrust officer" and who has the task of verifying compliance with regulations by monitoring the individual conduct of the persons who could most expose the Group's companies to this risk.

Compliance with environmental and occupational health and safety regulations

The Group's industrial production is subject to administrative authorisations. Failure to renew or issue such authorisations could lead to legal-administrative liabilities of various kinds, resulting in production stoppage. The Group's main plants have started the process to obtain ISO 50001 certification for energy efficiency, while in the environmental field the EMAS and ISO 14001 certifications have already been obtained. All of the Group's production plants are required to adopt prevention and protection measures defined by current national regulations.

Furthermore, evolving European environmental regulations expose companies to the risk of late alignment, with negative business consequences and potential cost increases and business limitations. The biggest risks concern developments in the Emission Trading Scheme (ETS) and the adoption of a Carbon Border Adjustment Mechanism (CBAM).

Any workplace accidents, even minor ones, caused by non-compliance with the aforementioned regulations, could lead to criminal and administrative sanctions, with even serious consequences if they involve bans, even for limited periods, financial losses and/or reputational damage. The issuance of additional regulatory provisions applicable to companies, or changes to the regulations currently in force in the countries in which the Group operates, could require the Group to adopt stricter standards, also entailing costs for adapting production facilities.

Compliance with management measures and procedures reduces these risks and prevents emergency scenarios.

Violation of human rights or discrimination

The risks associated with inclusion and integration, arising from incidents of mobbing, harassment and discrimination based on nationality, faith, gender, or age, as well as those related to the protection of human rights, although generally more limited, require constant monitoring. The occurrence of such situations may lead to reputational damage, with possible financial repercussions and legal action.



Planning and reporting risks

Financial Reporting and Voluntary Consolidated Sustainability Statement

These risks are related to the possible negative impacts that irrelevant, untimely or incorrect information could have on the Group's strategic, operational and financial decisions. In order to mitigate the risk associated with financial information, some time ago now, the Group initiated a number of projects, including the implementation of a Corporate Performance Management tool for the preparation of the Consolidated Financial Statements, the Budget and the Business Plan. The Group has also adopted an Accounting Manual and materiality thresholds for the audit of the Consolidated Financial Statements have been used that conform to those applicable to public interest companies. In addition, to meet the requirements of process governance, a gap analysis was carried out related to the areas Information Technology General Controls and Segregation Of Duties. Finally, in order to better prepare for the Corporate Sustainability Reporting Directive (CSRD), to whose obligations the Group will be subject from the 2025 reporting, Feralpi is in the process of adopting integrated tools capable of monitoring the reporting and consolidation of financial and non-financial data in the ESG domain.

11. Other information

11.1 ORGANISATION AND HUMAN RESOURCES

In 2025, there was an overall increase in the workforce of 174 employees compared to 2024, with the consolidated figure rising from 1,972 to 2,146. This increase is largely due to the consolidation of Alpifer, with an average workforce of 116.

In addition to the above, in the Italian plants, staff growth was 25, mainly driven by the stabilisation of staff previously employed on temporary contracts and to a lesser extent by the recruitment of staff in training for specific projects in the technical and production areas. In the foreign plants, staff growth was 33, linked to the strengthening of the technical-production area for the Rolling Mill B plant in Riesa.

The table below shows the average number of employees for each company, comparing the figures for 2025 with those for 2024:

Company	Average 2025	Average 2024
Presider S.p.A. (Italy)	93	90
Caleotto S.p.A. (Italy)	7	6
Arlenico (Italy)	101	106
Feralpi Siderurgica S.p.A. (Italy)	554	538
Presider Armatures (France)	4	4
Acciaierie di Calvisano S.p.A. (Italy)	151	137
Defim Orsogrill S.p.A. (Italy)	77	82
Alpifer (Italy)**	116	-
ESF Elbe-Stahlwerke Feralpi GmbH (Germany)	824	797
Industria Expositores y parrillas S.A.(Spain)	91	87
Wire applications SL (Spain)	0	0
P.R. Soldadura SL (Spain)	12	12
Feralpi Stahlhandel GmbH (Germany)	9	10
Feralpi-Logistik GmbH (Germany)	31	29
Feralp-Algérie Sarl (Algeria)	13	13
Feralpi-Praha Sro (Rep. Republic)	46	39
Feralpi-Hungária Kft (Hungary)	16	22
Total	2,145	1,972

** consolidated in 2025

The analysis by geographical area, thanks to the consolidation of Alpifer, shows the prevalence of employees in Italian companies compared to foreign companies. The average breakdown is as follows:

Average workforce by geographical area	Average 2025	Average 2024
Italy	1,099	959
Foreign	1,046	1,013
Total	2,145	1,972

At the end of the year, the total number of employees increased by 187, from 1,986 to 2,173. The specific distribution by category is as follows:

Description	2025	2024
Executives	42	38
White-collars and middle managers	606	575
Blue-collars	1,525	1,373
Total	2,173	1,986

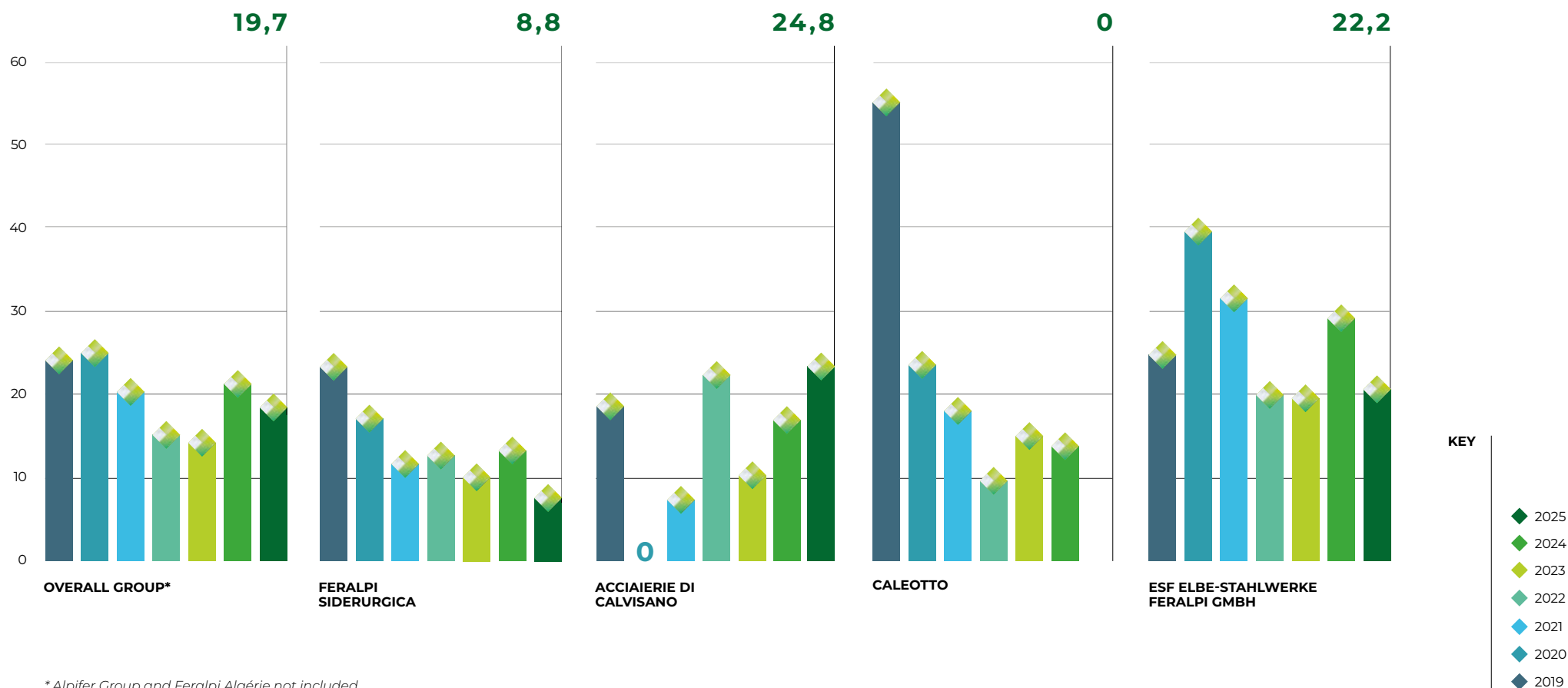


LTIFR
HOT PRODUCTION
STEEL MILLS AND ROLLING MILLS

Accident frequency index

The following graphs show the historical trend, from 2019 to 2025, of the frequency indices of the production companies within the scope of the consolidated financial statements, the most relevant figure being the value of the accident frequency index of 0 in 2025 for the companies that carry out service activities. In particular, the first graph relates to the companies

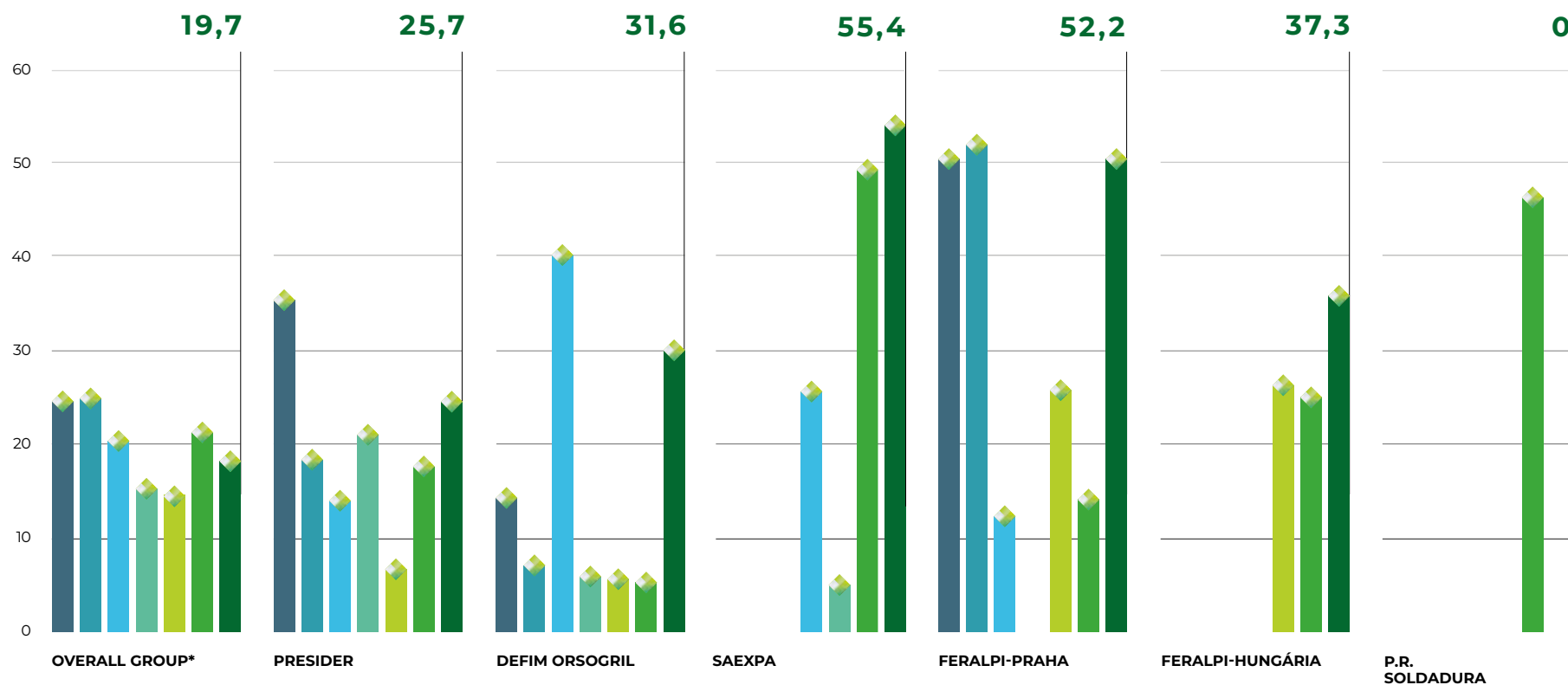
where the primary production of steel and its rolling take place, where most of the staff working in the group are employed. It should be noted that, within these, the Arlenico mill achieved the "0 accidents" target in 2025, and the parent company Feralpi Siderurgica achieved the lowest value in the entire historical series, with the index standing at 8.8. Both graphs show a comparison with the overall value for the entire Group *, which is 19.7.



* Alpifer Group and Feralpi Algérie not included.



LTIFR
COLD PROCESSING
 MESH, DRAWN, REWOUND, SHAPED, DERIVATIVES



It should be noted that the companies Feralpi-Praha, Feralpi-Hungária, and P.R. Soldadura have a reduced number of workers and hours worked during the year. For this reason, the frequency rate varies greatly from year to year and even a single injury incident results, in some years, in a high rate value.

* Alpifer Group and Feralpi Algérie not included.

11.2 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties do not qualify as either atypical or unusual, as they are part of the ordinary course of business of Group companies. Such transactions, when not concluded on standard terms or dictated by specific regulatory conditions, are in any case settled on market terms. For details of the economic and equity effects of transactions with related parties as at 31 December 2025, please refer to the relevant section of the explanatory notes to the consolidated financial statements.

11.3 NATIONAL TAX CONSOLIDATION, GROUP VAT AND TAX LIABILITY

Feralpi Group's individual companies operate in compliance with local tax regulations. The Group has not received any notifications from its stakeholders concerning tax matters, and if any were to arise, they would be managed by the appropriate corporate departments. The Group companies provide the competent Authorities with all the necessary information in terms of completeness, correctness, and timeliness in accordance with the principles of the Group's Code of Ethics. The Administration and Finance Department of the Parent Company Feralpi Siderurgica S.p.A. plays a supervisory, guidance and coordination role with regard to intercompany relations in tax matters, while responsibility for compliance in this respect lies with the Administration and Finance functions of each individual subsidiary.

It should also be noted that Feralpi Siderurgica S.p.A., as consolidating company, has adhered for the 2025 financial year to the national tax consolidation scheme pursuant to Articles 117-129 of the T.U.I.R.

As can be seen in the OP section of the Modello Unico (single tax return form) sent on 17 December 2025, other Group companies have adhered to this procedure: Acciaierie di Calvisano S.p.A., Defim Orsogrill S.p.A., Fer-Par S.r.l., Presider S.p.A., Immobiliare Feralpi S.r.l., Caleotto S.p.A. and Arlenico S.p.A.

Each company participating in the tax consolidation scheme transfers taxable income or a tax loss to Feralpi Siderurgica S.p.A., which recognises a receivable (equal to the IRES to be paid) from the companies that transfer taxable income, or a payable to the companies that transfer a tax loss.

Feralpi Siderurgica S.p.A., as consolidating company, is liable not only for any higher taxes assessed and related penalties and interest referred to its own individual total income, but also for any amounts that may be due, with reference to the consolidated tax return, also as a result of "formal control" activities pursuant to Article 36-ter of Presidential Decree no. 600/73, as well as, jointly and severally, for the amounts due corresponding to penalties imposed on companies participating in the consolidation that committed the breach in determining the individual position. Similarly, the consolidated companies are jointly and severally liable to Feralpi Siderurgica S.p.A., as consolidating company, for the higher taxes assessed in relation to the consolidated company's income tax return referring to adjustments to the income resulting from its own tax return, also as a result of "formal control" activities pursuant to Article 36-ter of Presidential Decree no. 600/1973. All this, as regulated by the Fiscal Consolidation Agreement stipulated and signed on 16 February 2026.

As for VAT, Feralpi Siderurgica S.p.A. opted into the Group VAT regime on 18 April 2025, as the "controlling entity or company", in section VK of form 2025 for the year 2024. This optional regime allows a single taxable entity to be considered for VAT purposes, offering certain benefits such as the simplification and reduction of tax obligations, the balancing of credit and debit positions of individual companies, the optimisation of liquidity management, and the reduction of the total financial burden.

The Group companies participating in this tax regime are the following: Acciaierie di Calvisano S.p.A., Defim Orsogrill S.p.A., Fer-Par S.r.l., Presider S.p.A., Caleotto S.p.A., Arlenico S.p.A. and Feralpi Villasar S.r.l..

It should be noted that the German companies Feralpi Stahlhandel GmbH and Feralpi-Logistik GmbH also adhere to the tax consolidation scheme in Germany where the consolidating company is ESF Elbe-Stahlwerke Feralpi GmbH.

11.4 NUMBER AND PAR VALUE OF SHARES OF THE PARENT COMPANY HELD BY THE COMPANY AND ITS SUBSIDIARIES

None of the Group companies hold shares in the company Feralpi Siderurgica S.p.A.

12. Subsequent events

On 15 January 2026, Feralpi Power On S.r.l. purchased all the shares of the corporate vehicle that holds the permit to build a photovoltaic plant with a capacity of 4.18 MWp in the municipality of Collesalveti (Livorno).

13. Business outlook

The year 2026 is expected to be influenced by elements of geopolitical instability, trade tensions, persistent inflation (especially in services) and high public debt, accompanied by volatility in energy prices, effects related to the monetary policy of central banks and the sustainability of investments in Artificial Intelligence. An additional source of uncertainty, which also impacts the competitiveness of steel producers, including those in Italy, is determined by the dynamics related to the export of scrap.

If resolved, some of these elements could lead to an increase in steel demand. On the other hand, in 2026, Italian steel prices could benefit from a combination of the effects of the Safeguard and the CBAM, if approved quickly, together with the expected recovery in Germany as a result of the investment plan announced by the German government. These elements could show their positive effects in the second half of the year.

For the year 2026, the Group expects economic results in line with industry dynamics.

For the coming years, the long-term growth drivers, mainly related to infrastructure, continue to be confirmed. In order to capture these growth opportunities, Feralpi Group's management plans to leverage its strong market presence, an expansive and varied product portfolio, high operational efficiency, an organisation-wide commitment to ESG principles, and a stable capital foundation. The substantial investments already made and those underway aim to further strengthen the focus on growth drivers and the Group's commitment as outlined in the ESG Scorecard.