DEXELANCE

ANNUAL FINANCIAL REPORT AS AT 31 DECEMBER 2025

CRAFTING DESIGN
FOR EXCELLENCE

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LETTER TO SHAREHOLDERS

Dear shareholders,
This year, Dexelance has once again chosen to present an integrated annual report, which incorporates the Group's financial results and sustainability reporting within the management report, in line with the adoption of the Corporate Sustainability Reporting Directive (CSRD). This approach reflects our business model, which is based on the coordinated and synergistic management of the Group's companies, in which sustainability is being progressively incorporated into our strategy, governance and operational management.
With regard to ESG, we stepped up our efforts to fight climate change in 2025 through investments aimed at improving the energy efficiency and self-sufficiency of our production sites, whilst promoting an increasingly efficient use of resources throughout the entire production cycle. At the same time, we continue to pay close attention to our business ethics principles and to fostering an inclusive working environment that supports a healthy work-life balance, a commitment further reinforced by the adoption of Group-wide policies that address sensitive issues such as diversity, inclusion and the management of working hours. Our people are one of the most important assets underpinning the Group's long-term growth and stability.

For the year 2025, we have also measured and certified, in accordance with the international standard ISO 14064-1:2018, the greenhouse gas (GHG) emissions inventory for operations across the entire scope of Dexelance's consolidation, which has been fully offset through the purchase and retirement of credits on the voluntary carbon market, thereby contributing to the financing of projects for the generation of electricity from renewable sources. Although the purchase of carbon credits does not replace targeted measures to gradually reduce the Group's carbon footprint – as evidenced by our ongoing investments in this area – the funding of these initiatives enables Dexelance to continue operating on a carbon neutral basis, thereby reaffirming its commitment, even at the financial level, to responsible and sustainable development on a global scale.

2025 was also a year marked by complex and unpredictable events, which were also aggravated by the continuing political and military tensions of the conflicts between Russia and Ukraine and between Palestine and Israel, confirming yet again a strong instability at a macroeconomic and geopolitical level.
As a result, the high-end design market is still undergoing a process of 'normalisation' and overall stability, though with two opposite trends: the retail sector is in decline, as is the contract sector within the luxury segment; conversely, there has been growth in projects within the residential and hospitality sectors.

The Dexelance Group ended 2025 with a full revenue of EUR 372.7 million, representing 15% growth compared with the previous year, driven by the acquisition of Mohd, a 'Made in Italy' brand of excellence that operates globally through an innovative omnichannel model. As a result, we are firmly established among the top 10 groups in the world in the high-end and upper-mid-range design sector. With regard to M&A transactions, we would also like to highlight the acquisition of a 25% stake in the Roda Group, a leading manufacturer of high-end outdoor furniture, and the remaining shares in Flexalighting S.r.l., which has given us full ownership of the company.

For the first time during our tenure, organic growth has slowed down, due, on the one hand, to a more conservative approach to retail spending among key clients in the luxury sector within the Luxury Contract segment, and, on the other hand, to certain non-recurring factors that have affected the residential sector.
Due to the investments made to support brand development and the inclusion of new talent to strengthen the organisation, the year closed with a full adjusted EBITDA of EUR 34.4 million, representing 9.2% of full revenue, and a full adjusted net profit of EUR 6.2 million, representing 1.7% of full revenue.

At the start of 2026, the situation remains complex and difficult to assess, with further conflicts in Iran and across the Middle East adding to the challenges. Once again, the leading indicators suggest that the target market remains broadly stable, but we are confident that we can continue to grow organically, as set out in our Mid-Term Ambition Plan, without taking into account the effects of the capital increase to be carried out likely by June, which will help us further capitalise on M&A opportunities arising in a sector that is increasingly tending towards consolidation.
We firmly believe that the priority today is not simply to 'grow further', but to manage the complexities of this growth by establishing a direct link between the group's vision and the organisation's ability to execute, ensuring that every brand, project and role contributes in a coordinated and synergistic manner to furthering a single strategic direction. This delicate balance is nevertheless the fundamental and defining feature of the Dexelance model, which aims to preserve the autonomy and identity of each brand, highlighting their culture and entrepreneurial talent, whilst still fostering real synergies at the group level. This model is what truly distinguishes Dexelance.
I would like to take this opportunity to thank all of our stakeholders for their continued support, especially our shareholders, our Board of Directors and, above all, all of the more than one thousand people who form part of our community.

Thank you all,
Andrea Sasso

CORPORATE BODIES

Board of Directors[1]

Fabio Sattin	Honorary Chairman
Andrea Sasso	Chair and CEO
Giorgio Gobbi	Executive Director
Paolo Colonna	Director
Giovanni Tamburi(*)	Director
Alessandra Rollandi	Director
Piero Generali	Director
Alessandra Stea	Director
Giovanni Gervasoni	Director
Cristina Finocchi Mahne(*)(**)	Independent Director
Lea Lidia Lavitola(*)(**)	Independent Director
Paola Mungo(**)	Independent Director

Board of Statutory Auditors[2]

Filippo Annunziata	Chairman and Statutory Auditor
Marzia Nicelli	Standing Auditor
Fabio Buttignon	Standing Auditor

Supervisory Body[3]

Fausto De Angelis
Anna Maria Magro
Nicola Traverso

Supervisory Body[4]

EY S.p.A.

[1] In office until the approval of the financial statements for the year as at 31 December 2025
[2] In office until the approval of the financial statements for the year as at 31 December 2025
[3] In office until the approval of the financial statements for the year as at 31 December 2027
[4] In office until the approval of the financial statements for the year as at 31 December 2031
(*) Member of the Appointments, Human Resources, and Remuneration Committee
(**) Member of the Control and Risks, Related-Party Transactions and Sustainability Committee

FINANCIAL HIGHLIGHTS

The following table shows the Group's main financial highlights (expressed in thousands of euros) as at 31 December 2025, compared to the results achieved in the previous year, as if the acquisitions had taken place on 1 January of each year.

It should be noted that:

- The **EBITDA** was determined without considering non-recurring costs (adjusted EBITDA);
- The **EBIT** was calculated gross of the amortisation and depreciation of intangible assets with a finite useful life recorded during PPA (Purchase Price Allocation) (adjusted EBIT);
- The **net result**, on the other hand, was determined without the positive and negative economic effects of imputed charges and the remeasurement of put and call options and earn-outs due to minority shareholders and the related tax effect (adjusted net result).

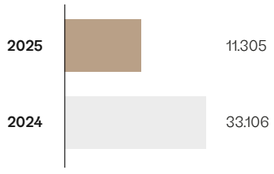
For the reconciliation of the figures, please refer to paragraph Economic and Financial Result of the Management Report accompanying the Consolidated and Separate Financial Statements as at 31 December 2025.

ADEMPIMENTI ESEF (EUROPEAN SINGLE ELECTRONIC FORMAT) COMPLIANCE

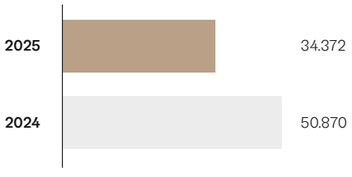
The consolidated financial statements as at 31 December 2025 have been prepared in the XHTML format and have been marked in accordance with the provisions of the European Commission's Delegated Regulation (EU) 2019/815 and subsequent versions on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF).

Full Revenue

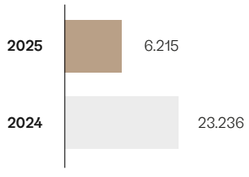
Gross result full adjusted



Full Adjusted EBITDA



Net result full adjusted



Full Adjusted EBIT

MANAGEMENT REPORT, CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

CONSOLIDATED SUSTAINABILITY STATEMENT

GENERAL INFORMATION– BASIS FOR PREPARATION – ESRS 2

METHODOLOGY NOTE

Consolidated Sustainability Statement (or also the "Statement" or the "Disclosure") provides the reader with clear, accurate, transparent and comprehensible information on the environmental and social impacts generated by the Dexelance Group, as well as impacts regarding personnel, respect for human rights and supplier relations management caused directly or indirectly by the company, or to which it has contributed. It provides a thorough understanding of the main risks associated with the Group's business activities, as well as its achievements and performance in the area of sustainability.

The Dexelance Group, as an organisation already subject to the non-financial reporting obligation pursuant to Legislative Decree no. 254/2016, is publishing its second annual consolidated sustainability statement in accordance with the requirements of the new EU Directive 2022/2464 (the "CSRD"), which has been transposed into Italian law by Legislative Decree 125/2024.

[BP-1] General basis for the preparation of the sustainability statement

This Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), specifically defined by EFRAG to meet EU regulatory requirements under the CSRD. The qualitative and quantitative data and information contained within this document refer to the financial year ended 31 December 2025. The reporting scope coincides with that of the Dexelance Group's Annual Consolidated Financial Statements, meaning that it includes the financial reporting data of the parent company (Dexelance S.p.A.) and the fully consolidated companies[5]. Please note that the company Roda S.r.l. (hereinafter "Roda"), acquired in July 2025, is not included in this statement because, as the Dexelance Group acquired a minority stake in the company, it does not fall within the scope of consolidation; whereas for the company acquired in September 2025, Mollura & C. S.p.A. (hereinafter "Mohd"), this Statement considers only the data for the period during which the company was actually consolidated within the Group's scope (from October 2025 to December 2025), and not for the full financial year.

[5] For further details, please refer to the section "Operating conditions and business development" in the "Management Report Consolidated and Separate Financial Statements as at 31 December 2025 – Economic and financial results", included in this document.

The information provided in this Sustainability Statement is prepared in such a way that it includes information on the Group's relevant impacts, risks and opportunities arising from its direct and indirect business relationships in the upstream and/or downstream value chain.

In this document, Dexelance has chosen not to report sensitive information of a strategic, product-related nature, while making sure not to compromise the overall relevance of the disclosure. The Group complies with its disclosure obligations by providing all other information requested and having made all reasonable efforts to ensure that the omission does not affect the completeness and relevance of the Reporting.

Dexelance did not make use of the exemption from the disclosure of information concerning upcoming developments or matters under negotiation, pursuant to Articles 19 bis, paragraph 3 and 29 bis, paragraph 3 of Directive 2013/34/EU.

[BP-2] Regarding specific circumstances

Definition of short, medium and long-term time horizons

In preparing the Sustainability Statement, Dexelance adopts the short-, medium-, and long-term time horizons defined by ESRS 1, as follows:

- Short-term: one year, the period adopted as the reference for its financial statement;
- Medium-term: up to five years after the end of the short-term reference period;
- Long-term: more than five years.

The choice of time horizons was made to ensure a consistent assessment capable of integrating sustainability into the company's business. The short-term horizon, coinciding with the annual accounting cycle, makes it possible to combine sustainability information with financial data and to monitor the effectiveness of initiatives in a timely manner. The medium-term, which covers up to five years from the end of the short term, allows for planning sustainable strategies, monitoring the achievement of relevant objectives and assessing risks and opportunities within a more predictable time frame. Finally, the long-term, which exceeds five years, is crucial for considering long-term environmental, social and governance impacts, including emerging risks such as climate change.

Value Chain Estimation

As far as the organisation's GHG calculation is concerned, the collection of data, its processing and the subsequent quantification of emissions were based on the core principles of the reference standard UNI EN ISO 14064-1:2018, which has been adopted since the first year of this inventory's calculation and reporting, i.e. the financial year 2023.
For the purposes of the inventory calculation, data on significant direct and indirect emission sources were collected, as well as the data required to process them.
Regarding to indirect emissions, Dexelance has defined a set of criteria to identify the significant ones, which are subject to quantification and reporting.

To do so, the following criteria were considered:

- **Magnitude:** This criterion assesses the magnitude/volume of emissions on the basis of already published studies for similar realities, or on the basis of qualitative-quantitative assessments that include expert opinions and/or quick estimates.
- **Level of influence and control**: This criterion assesses the organisation's ability to influence the specific emission source. The objective of this criterion is to circumscribe the indirect emissions on which the organisation can effectively intervene with reduction plans, thereby avoiding efforts in reporting on aspects on which the ability to influence is nil.

Roda

- **Access to information**: The aim of this criterion is to measure the availability of the information needed to quantify the emissions associated with the source, so that an assessment can be made of the effort-benefit ratio, cross-referencing it with information on magnitude and the capacity to influence..

For the purposes of this report, the categories found to be significant, following the application of the above criteria according to ISO 14064, have been transposed according to the nomenclature and clustering provided by the GHG Protocol. More information on the relevant categories and their associated GHG emissions can be found under the "Energy and Emissions" section of the chapter titled "Environmental Information".
The selection of activity data followed a clearly defined hierarchy, prioritising physical data (e.g. mass, volume) as the first option, followed by estimated physical data (derived from sampling or conversions of economic data) or economic data.
In accordance with ISO 14064, a two-tier uncertainty analysis was carried out to ensure that the results of the GHG emissions inventory are presented transparently and interpreted correctly.
The first regards the method used to quantify activity data. Each method has been assigned a level of uncertainty that increases in line with the degree of approximation of the data, distinguishing between measured, sampled or estimated physical data and economic data. This approach reflects the varying degrees of reliability of the available information and makes it possible to highlight the areas that are most dependent on assumptions or indirect conversions.
The second source regards the uncertainty of emission factors, which is estimated differently depending on the source database. For factors derived from Ecoinvent and the World Food LCA Database, uncertainty was quantified using a statistical analysis carried out using Simapro software, in accordance with the approach described by Muller et al. A standard uncertainty was applied to factors derived from EPD, whilst a higher level of uncertainty was used for those from Exiobase, consistent with the macroeconomic nature of that database.

The overall uncertainty for each emission source was therefore calculated by aggregating the two components (activity data and emission factor) using the square root of the sum of the squares, in line with established practice.
For transport and end-of-life processes, the level of uncertainty is inherently higher. Although the mass can be accurately measured, estimates of distribution distances and end-of-life treatment – based on simplified assumptions and statistics with limited representativeness – entail the classification of this quantification approach as an estimated physical value.
Lastly, the emission factors used are derived from the main databases (Ecoinvent, DEFRA, Exiobase), and they consider all the main GHGs (i.e. CO2, CH4, N2O, HFCs, PFCs, SF6 and other fluorinated gases), which were then translated into CO2-equivalent units using the characterisation factors released by the IPCC (AR6 of 2021), the most authoritative institution on climate change. For further information on the specifications of the factors used, please refer to the chapter titled "Main Calculation Criteria".

Sources of estimation and outcome uncertainty

Where estimates have been made in the quantification of data with a high level of uncertainty, an appropriate indication is given at the bottom of the relevant figure included in the relevant section. The Group endeavours to monitor possible changes in regulations or reference standards used (e.g. ISO 14064) to reduce the level of uncertainty of reported information whenever possible.

Changes in preparation or presentation of sustainability information

As this is the second year of reporting in accordance with the ESRS Standards, Dexelance has provided comparative figures for the previous financial year. Consequently, there is no change in the sustainability information compared to the previous reporting period.

Reporting errors in prior periods

From this financial year onwards, comparability has been restored, and based on the verifications conducted, no material errors were identified, nor were any adjustments or the use of alternative measures necessary.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Other than the information required by ESRS, Dexelance did not include information required by other legislation containing sustainability reporting requirements or generally accepted sustainability provisions. Therefore, there are no references to additional applied reporting principles or frameworks.

Incorporation by reference

The text includes, for each ESRS reporting obligation, a referral to the "Management Report of the Consolidated and Separate Financial Statements as at December 31, 2025 – Economic and financial result", with an indication of the corresponding section.

This disclosure requirement is not applicable to the Group, as the number of employees as of 31/12 is greater than 750.

SUSTAINABILITY GOVERNANCE

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

The corporate governance system adopted by Dexelance is aimed at creating synergies between the different companies and is geared towards ensuring a responsible and transparent management of the Group. Since its listing, and as subsequently confirmed at the meeting on 7 February 2024 of the Board of Directors (hereinafter the "BoD" or the "Board of Directors"), Dexelance has adhered to the Corporate Governance Code of Listed Companies approved in January 2020 by Borsa Italiana's Corporate Governance Committee.
Therefore, its governance model consists of a Board of Directors (BoD), which is responsible for managing the company, supported by the Board of Statutory Auditors, a supervisory body responsible for monitoring compliance with the law and company rules, in addition to ensuring the adequacy of the company's internal oversight systems and organisational departments that monitor the directors' compliance with the by-laws and the law.
The BoD pursues the objective of creating sustainable value for the long-term by defining the strategies of the Group and its member companies and by monitoring, through regular update meetings, the implementation and impacts of its management on the company. The Board is also called upon to deliberate whenever the Company assesses an opportunity for external growth, to ensure its adherence and consistency with the Group's development strategy.

As of 31 Decem[GOV-1] The role of the administrative, management and supervisory bodiesber 2025, the Board of Directors of the Group, unanimously appointed by the ordinary shareholders' meeting on 9 May 2023 and which took office after the completion of the listing on 18 May 2023, consists of 11 members, six men (55%) and five women (45%), of which 36% belong to the age 30-50 group, and the remaining 64 %, to the 50+ age group. 27% of the members of the Board of Directors are independent. In addition to these 11 members of the Board, there is an Honorary Chairman, who has the right to participate in all board meetings, but without the right to vote. The executive members within the bodies are Andrea Sasso (Chairman & CEO) and Giorgio Gobbi (Executive Director).
The Board of Statutory Auditors consists of three full members, one of whom is a woman, and two alternate auditors, one of whom is a woman. Considering the total membership, including full and alternate members, 20% of the members of the Board are in the 30-50 age bracket, and the remaining 80% are in the over-50 age bracket.
Andrea Sasso, Chairman of the Board of Directors, also holds the position of Managing Director and Chief Executive Officer (hereinafter the "CEO"). This position was confirmed unanimously at the meeting

on 23 May 2023, the first meeting held after the effective appointment of the new Board of Directors. This meeting also confirmed the appointment of Giorgio Gobbi as Executive Director, the independence requirements of the independent directors, the appointment of the Lead Independent Director, and the composition and chairmanship of the Board's own internal committees.
The interests of the stakeholders, the diversity within the Board of Directors, and the competencies of its members were taken into account by the aforementioned shareholders' meeting to warrant the appointment of the current Board, which will remain in office until the approval of the financial statements as at 31 December 2025.

Further bodies established at the Shareholders' Meeting of 9 May 2023, also effective upon completion of the listing process are the Appointments, Human Resources, and Remuneration Committee and the Control, Risk, Related Party Transactions, and Sustainability Committee.

There is no employee representation on administrative, management and supervisory bodies.
The members of the bodies have extensive and consolidated experience in the business sectors, the Group's products and Dexelance's target markets. Their careers have developed in leading roles in areas such as finance, investment, private equity, corporate governance, marketing, operations and strategic development, with across-the-board experience in leading national and international companies. With diverse and complementary backgrounds ranging from manufacturing, design and retail to strategic consulting and sustainability, each member brings distinctive skills that contribute to Dexelance's growth and innovation.

	Men		Women		Total	
	N	%	N	%	N	%
BoD[6]	6	55%	5	45%	11	100%
Board of Statutory Auditors	2	66%	1	33%	3	100%
Hiring, Human Resources, and Remuneration Committee	1	33%	2	67%	3	100%
Control, Risk, Related Party Transactions, and Sustainability Committee	0	0%	3	100%	3	100%
Total	**9**	**45%**	**11**	**55%**	**20**	**100%**

Table 1 Percentages of members of administration, management and control bodies broken down by gender

Management, sustainability team, and management of IROs

The Board of Directors plays a control and approval role, drawing on the support of the Board's own internal committees for operational assessments. In particular, the Control and Risk, Related Party Transactions and Sustainability Committee provides proposing and advisory functions, thereby guaranteeing an adequate preliminary activity to support the Board's decisions on the internal control, risk management and sustainability system. Given the key importance of sustainability, Dexelance has set up a Sustainability Team within the Parent Company, consisting of an ESG Manager and an ESG Specialist, who work in close synergy with the Group's Chief Financial Officer (hereinafter the "CFO"), and with the ESG Ambassadors, who are the point persons at the subsidiaries involved in implementing the actions concerning the sustainability objectives. The ESG Ambassadors, supervised by the Group's management, namely, the CEOs of the subsidiaries, actively cooperate with the Parent Company's Sustainability Team to implement ESG strategies, thereby ensuring coordinated and effective action on all sustainability issues.

[6] The average ratio of male to female members of the Board of Directors is approximately 1.3.

On 12 November 2025, the Board of Directors approved the double materiality analysis carried out for the purpose of the 2025 Sustainability Statement, which identifies relevant Impacts, Risks and Opportunities (IROs) for the Dexelance Group.
During the current financial year, in line with the provisions and plans set out in the Manifesto approved last year, the Group is continuing to implement the measures and objectives outlined in the 2025–2027 Business Plan[7], which have been designed to address environmental, social and governance issues involving all Group companies in order to ensure a consistent, integrated approach. These actions and objectives have been reaffirmed and incorporated into the new, current Business Plan covering the three-year period of 2026–2028.

This year as well, the Plan was prepared in cooperation with the ESG Ambassadors, thereby ensuring the concreteness and feasibility of the defined initiatives. The objectives, which were approved by the Parent Company's management[8] and the Board of Directors, were carefully evaluated to ensure a close connection with the material IROs and to foster strategic synergies and effective supervision.
Progress was monitored during this reporting year on a quarterly or half-yearly basis, depending on the specific nature of the objectives.
This monitoring has enabled us to continuously assess the progress of our initiatives, ensure that pre-defined deadlines are met, and reinforce the Group's commitment to sustainability.
The Board of Directors has a control and approval role on issues regarding impacts, risks and opportunities, and it receives support from the Control and Risk, Related Party Transactions and Sustainability Committee. This committee performs a proposing and advisory role, providing adequate preparatory work for the Board's evaluations. In particular, it supports the definition of sustainability guidelines, the periodic review of impacts, risks and opportunities, and the monitoring of actions taken to manage them.
The Parent Company's Sustainability Team is in charge of operationally supporting these processes, also with the involvement of any external advisors who may be appointed at any given time.

The Group's management manages impacts, risks and opportunities through a governance that takes place at two levels: the Parent Company's management, which is responsible for the overall strategy, and Group Management, which is in charge of operational implementation. The Parent Company's Sustainability Team works with the CFO to coordinate the integration of ESG strategies, with the support of the ESG Ambassadors. Control and monitoring are entrusted to the BoD and the Control and Risk Related Party Transaction and Sustainability Committee, which oversee the effectiveness of the actions taken.

The effectiveness of the Group's governance mechanisms is supported by continuous training and a focus on developing the skills of management and of the directors in the area of sustainability. The Company encourages the Group's management's participation in events dedicated to sustainable development, and/or Dexelance's participation in awards, calls for tenders, projects and communities whose areas of focus also touch on sustainability issues. In addition, the Control and Risk, Related Party Transactions and Sustainability Committee and the Board of Directors receive regular reports from the Parent Company's management on the actions carried out by the Group with a view to sustainable development. At the same time, formal and informal meetings are held with members of the Group's management and their direct reports on sustainability issues, in which any external advisors specialised in ESG issues who may be identified at any given time may also take part. Finally, as was the case for the first time in 2024, a workshop was organised in 2025 to address various sustainability related issues, including regulatory developments, strategic priorities and emerging operational challenges. The meeting provided an opportunity for all participants from the subsidiaries involved to exchange views, with the aim of jointly assessing the urgency, impacts and needs in the area of sustainability

[7] It should be noted that the scope of the Business Plan covers the Group's Italian subsidiaries.
[8] The CEO; Managing Director; CFO; CDO; Corporate Development, IR & ESG Manager.

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

Dexelance's Parent Company management and the Board of Directors are routinely informed about relevant impacts, risks and opportunities as well as their related policies and objectives, which are reported to them by the Sustainability Team at committee meetings convened on an annual basis. Where necessary, the BoD is aligned with the results and effectiveness of policies and actions carried out by the Group or the individual subsidiaries.
The 2026-2028 Business Plan integrates the sustainability related strategic lines resulting from the double materiality analysis, ensuring consistent alignment with the pillars and strategic lines identified in the Group's ESG Manifesto and with the needs of the individual subsidiaries. In particular, the role of the Board of Directors is fundamental in identifying and pursuing the Group's strategic objectives. It evaluates the general management performance and takes the information received from the delegated bodies into account. In the meetings dedicated to defining and reviewing the corporate strategy, in conjunction with the assessments conducted for the Business Plan, the administrative, management, and supervisory bodies address the issues relevant to the Group arising from the identification of the most significant impacts, risks and opportunities (IROs) for Dexelance. This allows for a thorough and balanced assessment of any trade-offs between growth objectives, sustainability and long-term value creation.
The list of significant impacts, risks and opportunities addressed by the administrative, management and supervisory bodies during the reporting period can be found in the section "Dexelance's double materiality" in this chapter.

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

Members of the administrative, management and supervisory bodies are not currently offered incentive schemes linked to sustainability targets, with the exception of the two directors Andrea Sasso and Giorgio Gobbi. In fact, after the Shareholders' Meeting of 22 April 2024 approved the 'Italian Design Brands 2024-2029 Performance Shares Plan', an incentive plan based on financial instruments with a vesting period running from 2024 to 2029 and having as its beneficiaries Dexelance's Strategic Managers, namely the CFO, the CDO, and the Corporate Development, IR & ESG manager, as well as Andrea Sasso, Chair and CEO, and Giorgio Gobbi, Executive Director. 20% of the units accrued by the Plan's beneficiaries are linked to ESG performance objectives. These were confirmed following the approval of the 2025-2027 Business Plan, which, as described above, also includes actions and objectives regarding sustainability issues.
In addition, starting in the year 2025, with reference to the objective "Implementation of an incentive system linked to ESG KPIs", provided for in the current Business Plan, annual bonuses linked to sustainability goals set for the individual companies will be provided for the Group management, as well as for the ESG Ambassadors.

[E1 GOV-3] Integration of sustainability related performance in incentive schemes

No climate change related incentive schemes are currently being offered to members of the non-executive administrative, management and supervisory bodies.

[GOV-4] Statement on due diligence

At present, the Group does not have an active, formal due diligence system for sustainability, but it implements various controls that help to ensure the supervision and management of risks in the relevant areas. The adoption of standards such as ISO 14064 complements the other management systems of some Group companies (ISO 14001, ISO 9001, and ISO 45001[9]). This constitutes a real safeguard for the management and control of environmental and social impacts.

[9] ISO 14001 – Gervasoni; ISO 9001 – Gervasoni, Saba Italia, Flexalighting, Cubo Design; ISO 45001 – Gervasoni

Furthermore, the Supervisory Body, pursuant to Legislative Decree 231/2001 and within the companies where it holds office, carries out spot checks on issues such as governance and health and safety, with a view to monitoring the adequacy of internal processes and ensuring compliance with regulations and company procedures.
These tools not only ensure compliance with applicable regulations, but also promote continuous improvement, the identification of risks and opportunities, and the implementation of corrective and preventive actions.

[GOV-5] Risk management and internal controls over sustainability reporting

During 2025, Dexelance drew up the "Procedure for the Preparation of the Consolidated Sustainability Statement", which was approved by the Board of Directors on 12 November 2025, with the aim of establishing an internal control and risk management system dedicated to reporting and ensuring the reliability, accuracy and compliance with the CSRD Directive and ESRS standards. In accordance with the Procedure, the reporting process is coordinated by the Parent Company's Sustainability Team, under the supervision of the CFO and the CEO, with the involvement of the Board of Directors and the Control, Risk, Related Party Transactions and Sustainability Committee. In 2026, following the completion of the double materiality analyses, the Company will carry out a scoping exercise to identify the disclosure requirements relevant to the Internal Control System, with the aim of formalising the Risk Control Matrix for a disclosure requirement identified as a pilot, in order to continue ensuring the Group's alignment with best practices in the areas of governance and internal control.

Considering the changing regulatory landscape in sustainability, the Dexelance Group has worked to develop an internal control and risk management system for sustainability reporting (ICSR), which includes processes, procedures and controls to ensure the quality, reliability and transparency of the sustainability information. The system is integrated with the Enterprise Risk Management (ERM) process and is supported by the Internal Audit Office to verify the adequacy and effectiveness of all controls. Reporting activities are led by the Parent Company's Sustainability Team, which coordinates the double materiality analysis process and, in collaboration with the Internal Audit Office, supports management in identifying the sustainability issues most relevant to the Group and its stakeholders, planning and implementing the stakeholder engagement activities deemed necessary under the Directive and in line with the reporting standard. It also manages the collection, analysis and validation of data with the involvement of the ESG Ambassadors and the Data Owners of the individual subsidiaries.

The Group uses the double materiality analysis to identify and prioritise sustainability risks. In particular, the development of the financial materiality process is based on the Enterprise Risk Management process and the annual updating of the Risk Register, thereby harmonising sustainability risks with financial risks. Working in collaboration with the CFO, the Sustainability Team conducts the assessments and presents the results to the CEO, the Board of Directors, and the Control and Risk, Related Party Transactions and Sustainability Committee.

The main sustainability related risks that emerged included those concerning physical climate and transition risks that pose a significant threat to both corporate infrastructure and the value chain, also in terms of an adaptation to new regulatory requirements in this area. Another critical element is the dependence on key raw materials, whose possible price increase or scarcity could affect the Group's production capacity and profitability. Waste management is also a significant risk, as non-compliance with environmental regulations could expose the company to financial penalties and damage its reputation, undermining the credibility of its sustainability commitments. In terms of safety and human capital, the Group has identified the risk of occupational accidents and illnesses, which could result from exposure to hazardous substances and/or repetitive/ergonomic movements, and which could entail additional insurance costs, as well as

repercussions on the Company's reputation. Finally, dependence on key figures is a further critical factor; the absence of succession plans for the Group's management and strategic roles could lead to a skills shortage and thereby compromise the quality of management and competitiveness in the long run and reduce the capacity for strategic development.
For each of these risks, Dexelance has identified mitigation strategies that will include, for example, the adoption of specific policies and procedures that establish clear and consistent guidelines for managing risks and defining roles and responsibilities to ensure that each risk is monitored and managed by specific, qualified company figures. As part of these policies and procedures, the control procedures have been structured to ensure that business processes are carried out in compliance with internal and external regulations, through an effective separation of duties (SOD), thereby avoiding conflicts of interest and improving the reliability of the controls. In addition, periodic risk assessment through audits and continuous monitoring allows for the early detection of any areas of vulnerability and the adoption of corrective actions.
The findings arising from the risk analysis and the operation of the internal control system are incorporated into the sustainability reporting process, thereby ensuring a consistent link between risk management, control measures and the information disclosed to stakeholders. In line with the approach taken for the risk analysis, Dexelance has instituted specific verifications of the sustainability data with the aim of ensuring their accuracy and completeness in accordance with the disclosure requirements set out in the reporting standards. The Parent Company's Sustainability Team, with the support of the ESG Ambassadors and the Data Owners, is responsible for the accuracy and completeness of the information collected. The validation process involves the Parent Company's Sustainability Team's annual review of the data, including the analysis of deviations from the previous year through internal verifications that ensure the information's completeness and reliability.
The Sustainability Statement is submitted to the Group's CFO and CEO, who review, examine and approve it; to the Control, Risk, Related Party Transactions and Sustainability Committee, which examines its content in relation to the applicable reporting principles; to the Board of Directors, which reviews and approves it, verifying that it has been prepared and published in accordance with current legislation in force, consistently with the requirements for the consolidated financial statements; to the Board of Statutory Auditors, which monitors compliance with the relevant legislation and the adequacy of the organisational, reporting and control systems; the Independent Auditors, who carry out a limited assurance engagement through verification procedures, taking into account the documentary evidence, data sampling and analysis of the information contained in the Report, and who issue a Report pursuant to Article 14-bis of Legislative Decree 39/2010.

SUSTAINABILITY STRATEGY

[SBM-1] Strategy, business model, and value chain

The Group's business area, products, and companies

Dexelance Group is active in the furniture and lighting sector. The 12 manufacturing companies belonging to the Group are divided into five strategic business areas (SBAs): "Furniture", "Lighting", "Luxury Contract", "Kitchens and Systems" and "Omnichannel go-to-market".
Gervasoni, Meridiani, Saba Italia, Gamma Arredamenti and Turri work in the "Furniture" strategic business area, providing a wide range of products for interior and exterior furnishings; Davide Groppi, Flexalighting and Axo Light belong to the "Lighting" strategic business area; the "Luxury Contract" strategic business area includes two companies, Modar and Cenacchi International, which focus on creating bespoke, prestigious furnishings for luxury stores, showrooms, residences, hotels, and offices; the "Kitchen & Systems" strategic business area consists solely of Cubo Design, which focuses on designing, manufacturing and marketing modular kitchen solutions and systems through the Binova and Miton Cucine brands; the "Omnichannel go-to-market" strategic business area consists solely of Mohd, which distributes high-end design products and manages furnishing projects worldwide through a highly innovative, single omnichannel business model.

The foregoing description of the business areas aligns with the information prepared in accordance with IFRS 8, as reported in the "Sector information" section of the "Management Report, Consolidated and Separate Financial Statements as at 31 December 2025" of the Dexelance Group.

Business Area	Company	Products[10]
Furniture	Gervasoni	Furniture, sofas, sofa beds, rockers, lamps, beds, benches, armchairs, poufs, chairs, stools, tables, end tables
	Meridiani	Sofas, sofa beds, armchairs, benches and poufs, chairs and stools, tables, end tables, writing desks and consoles, storage cabinets, beds, nightstands, accessories
	Saba Italia	Sofas, armchairs, poufs, chairs, stools, beds and sofa-beds, tables, and accessories
	Gamma Arredamenti International	Sofas, armchairs, poufs, beds, tables, nightstands, lamps, accessories
	Turri	Sofas, armchairs, sideboards, tables, chairs, end tables, beds, nightstands, benches and poufs, consoles, accessories, lighting, office
Lighting	Davide Groppi	Suspended, ceiling, wall, table, and floor lamps, recessed lamps, outdoor lamps
	Flexalighting	Indoor and hanging lamps, various types of recessed lamps, path markers, projectors, linear systems, ceiling and wall systems, RGB systems, outdoor lamps (ceiling and ground recessed lighting, path markers, ceiling and wall lighting, projectors, and bollards)
	Axolight	Designer chandeliers, wall lamps, table lamps, pendant lamps, wall and ceiling lamps, floor lamps
Luxury Contract	Cenacchi International	Production and installation of furniture for luxury shops, showrooms, offices, hotels, and homes
	Modar	Production and installation of furniture for luxury shops, residences, hotels, and offices
Kitchen & Systems	Cubo Design	Kitchens, storage cabinets, accessories
Omnichannel go-to-market	Mohd	Distribution of furnishings and accessory products

[10] No products offered by Dexelance were found to be prohibited in certain markets.

One of Dexelance's objectives is to support the sales structures of its subsidiaries and to promote growth and revenue acceleration also through expansion and increased penetration into new markets. In 2024, the majority of Dexelance revenue was generated from the retail channel, mainly due to the presence of the above mentioned independent, multi-brand stores located in more than 130 countries that feature the Group's brands. The remaining share of revenue comes from the B2B or "Contract" channel, in which Dexelance companies have specific expertise in various target sectors, such as luxury brand retail stores and boutiques, residential, high-end hospitality, and boating. In addition to the domestic market, the Group's main areas of operation are the countries of Central Europe, such as France, Germany and the United Kingdom, and North America, namely the United States and Canada.
For information on the number of employees per geographic area of the Dexelance Group, please refer to the section "Characteristics of the Group's people" in the chapter "Company Information".

Turri

Group Strategic Sustainability Guidelines and ESG Manifesto

In the ESG Manifesto defined and approved in the course of 2024, Dexelance defined and formalised the strategic guidelines of the Group's journey to sustainability, which have been transposed by all the subsidiaries in a three year action plan with the aim of addressing the main challenges related to this issue, working on a common ground and taking into account the material ESRS identified with the double materiality analysis. The Group's sustainability strategy is structured around three macro impact areas: environment, people, and ethical and sustainable business management.
In the environmental field, the Group is committed to reducing the impact of climate change by controlling climate changing emissions and adopting energy efficiency initiatives. Furthermore, Dexelance has set itself the goal of making its offices and warehouses more sustainable by adopting responsible operational practices and promoting eco design and circularity across its various business units, all with a view to optimising the use of available resources, reducing waste and, more generally, gaining an advantage in terms of economic efficiency and long-term competitiveness.
By virtue of these commitments, in 2025, several Group companies carried out targeted energy related initiatives, primarily involving the installation of solar panels. In particular, Gamma Arredamenti has expanded its existing system, increasing its capacity to generate energy from renewable sources and further reducing its reliance on traditional energy sources; at the same time, Turri, Saba Italia and Mohd have begun installing new solar systems at their respective factories, thereby taking a significant step towards greater energy self-sufficiency with the aim of the full operation of these systems in 2026.
In addition, most of the Group's companies have installed drinking water dispensers in their offices and production departments for use by all employees, and have provided branded, reusable water bottles. This initiative is designed to reduce the consumption of single use plastic and the generation of waste.
These initiatives form part of a broader Group strategy to improve energy efficiency, reduce the impact of its activities on the surrounding environment and cut CO_2 emissions. As further evidence of its commitment, the Group has adopted a Group Environmental Policy that establishes common principles and guidelines on environmental sustainability.
As regards its people, Dexelance has committed to keeping the protection of human rights and to promoting the creation of a fair and inclusive working environment at the centre of its strategy, raising awareness among employees about the principles of equality, diversity and inclusion and setting itself the goal of launching initiatives aimed at cultivating employee satisfaction and motivation to promote their well-being and their professional development. The Group is also committed to strengthening ties with local communities by contributing to the development of craft skills and to economic growth.
In line with these principles, in 2025 the Group adopted a Diversity and Inclusion Policy and a Working Hours Management Policy, with the aim of ensuring equal opportunities and fair working conditions, as well as promoting a healthy work-life balance. In particular, in line with Dexelance's commitment to implementing organisational measures designed to improve the quality of the working experience, several Group companies have introduced flexible working arrangements for their employees.
Furthermore, most of the companies have joined the Group's corporate welfare programme, a structured platform that grants employees a comprehensive range of financial benefits, as well as dedicated services and initiatives. The programme forms an integral part of the overall remuneration package, designed to boost employees' purchasing power and effectively meet their key needs.
Finally, with the aim of consolidating its governance structure, the Group aims to integrate more and more ESG criteria into its decision making and operational processes.
Dexelance will work to extend the Group's ESG commitments to additional levels in the value chain by involving suppliers and retail partners in responsible management practices.
The ESG Manifesto and the strategic guidelines of Dexelance's sustainability journey are integrated into the Group's overall strategy in a way that considers the different business areas to which the subsidiaries belong.

Specifically, for the companies belonging to Dexelance's Furniture, Lighting and Kitchen & Systems strategic business areas, the strategy is based, on the one hand, on targeted actions to increase the visibility of the brands in the various channels and markets to support their positioning within the competitive landscape of their respective sectors, and on the other hand, on activities and tools dedicated to the retail partners that provide a constantly improved performance and are designed for the needs of the different markets, all in order to increase the degree of loyalty of the distribution network and establish long-term partnerships. In terms of products, companies of the Group cultivate relationships with architects and designers to promote the creation of new products and collections that are increasingly innovative in terms of function and quality, long lasting and with less environmental impact, terms of production and end-of-life and disposal, as well as identity design, with the aim of embracing market trends that are progressively evolving towards an increasingly holistic approach in the evaluation of consumer brands.
Regarding the Luxury Contract strategic business area, the growth strategy implemented by the Dexelance companies focuses more on expanding the customer base, whilst maintaining the very high quality of the products and service offered to customers. This objective entails a continuous effort and investment in the company structures to make production processes more and more efficient, flexible and sustainable from an economic standpoint, as well as in terms of reducing energy and emission impacts, as well as to attract and train new talent, technically and professionally, thereby cultivating the internal know how generated by the many years of experience in the sector. The impetus from major customers, who are active in the world of fashion and luxury jewellery and who are increasingly aware of sustainability issues, acts as a strong driver for ESG engagement and implementation not only for the companies in the Dexelance segment, but also for all upstream actors in the value chain.
Finally, regarding the Omnichannel go-to-market strategic business area, the growth strategy is based on strengthening and enhancing the omnichannel model, which comprises digital presence, physical presence and advanced design services. The ongoing development of e-commerce and digital tools is aimed at enhancing the customer experience and accessibility, with a view to supporting complex projects on an international scale and further strengthening partnerships with architects, interior designers and industry professionals. Sustainability is a key focus of this development model. In addition to applying eco-sustainability criteria when selecting the brands we distribute and our suppliers – prioritising responsible production, high quality materials and supply chains geared towards durability – the strategy also aims to reduce the carbon footprint of our internal operations. This initiative includes the installation of a solar power system at the main warehouse in Torregrotta, which aims to improve energy efficiency and reduce the environmental footprint of our logistics operations, in line with a vision of responsible, long-term growth.

Value chain

The Dexelance value chain was developed through a structured consultation process with the point persons at the Group's subsidiaries. These point persons provided a detailed mapping of the stages that make up the respective value chains, as well as the products and processes involved. The information gathered was then consolidated into a unified representation of the Group's value chain that takes into account the diversity of each individual company and enhances the synergies between them. Through this approach, the data presented are not the result of estimates but derive directly from the in house know how of the individual companies, which have made their knowledge and operational experience available, thus ensuring a high degree of accuracy and reliability to the analysis.

The Dexelance Group offers a diverse range of high-quality products and solutions with a strong aesthetic, innovative and sustainable content. For customers and consumers, Dexelance aims to provide distinctive, tailor-made solutions that emphasise craftsmanship and technological innovation to deliver premium experiences in terms of quality, functionality and design. Investors can benefit from a solid and diversified business model, supported by a portfolio of prestigious brands and a strategy geared towards sustainable growth and expansion in international markets. In addition, for other stakeholders, the Group is committed to promoting responsible production practices, favouring the circularity of materials, the adoption of low environmental impact processes and the involvement of local communities, with the aim of creating shared value and strengthening the Group's long-term positioning.
The products made and distributed by the Group's companies may vary considerably, but the search for excellence, quality of design, and attention to detail remains a common denominator throughout the value chain. More specifically, the Dexelance Group's value chain is divided into three phases:

Upstream - Manufacturing & Procurement: concerns the primary activities preceding the production and distribution of finished products. This phase comprises operations related to the procurement of raw materials, semi-finished products and finished products, as well as the initial processing phases. The Group companies carefully select their suppliers (who are mainly Italian) to produce and distribute objects of excellence that help maintain the high quality reputation of the 'Made in Italy' designation. More specifically, we find the following phases:

- *Procurement and processing of raw materials:* the phase of obtaining and processing natural resources, in which the companies' suppliers procure raw resources such as marble, iron, rubber, wood and chipboard, and, to a lesser extent, animal hides, down feathers, and textile fibres, and then process them to render them suitable for use in subsequent production stages;
- *Transport from suppliers of raw materials to suppliers of semi-finished products:* the transport of raw materials to suppliers of semi-finished products;
- *Creation of semi-finished products:* the creation of semi-finished products from the raw materials. The semi-finished products mainly used by Group companies include painted materials, electrical components, wooden structures covered with upholstery, upholstery fabrics, metals and glass;
- *Transport from suppliers of finished products:* the transport, within the Omnichannel-go-to-market strategic business area, of finished products to Group companies;
- *Packaging production:* the phase in which packaging is produced to enable the product to be properly preserved during transport and sale. This phase involves the use of packaging such as cardboard, bubble wrap, wood, polystyrene, and plastic products (labels, envelopes, adhesive tape, etc.);
- *Inbound logistics:* Inbound logistics

The Dexelance Group's Own Operations – Product Development and Production: this covers the internal activities that Group companies carry out to develop new products and manage production.
This phase is considered crucial to ensure that the final products meet the needs of the market while reflecting the required standards of quality, image, sustainability and competitiveness.

In particular, this comprises the following activities:

- *Product design definition*: this involves the aesthetic, functional and technical design of the product, drawing on the expertise of architects, designers and other creative professionals. In the process of defining the design, industrial designers and architects work to ensure that the product is designed to have an aesthetic that is consistent with the image of the Group's various brands, a design that is functional in use, excellent quality, functional to the durability of the product and, where possible, a lower environmental impact of the product in all its life stages, starting with the selection of materials with a lower environmental impact, such as recycled and recyclable materials, and ending with the search for solutions that allow for easy future restoration and reduce the need for new natural resources. At this stage, attention is also paid to the efficiency of the production process and the reduction of waste. The product design phase can be in-house or outsourced;
- *Research and development*: the phase in which new materials and technologies are tested with the aim of creating cutting-edge products that respond to market needs, anticipating trends and offering solutions that meet high quality, high performance and sustainability criteria. The research and development phase tends to be in-house;
- *Support processes:* this includes the prototyping, testing and validation of designed products. Once the product concept is defined, prototypes are developed to test functionality, quality and performance. The prototyping phase allows for modifications and optimisations before large-scale production;
- *Production:* the phase that includes production planning (management of human resources, machinery and raw materials) and the actual production processes through the use of specific machinery or, in the case of products with a high craftsmanship content, with the support of experienced, local craftspeople. This phase is accompanied by specific checks to ensure the correctness of all operations. As with design and R&D, some production steps may be in house and others external, depending on the type of product or the materials needed to make it;
- *Product assembly and finishing*: a process in which the various product components that have been prepared in previous stages (such as production and semi-finished products) are brought together to form the final product. Assembly can be automated with machine or manual support. The aesthetic finishing is essential to make the product attractive and conform to the required visual standards. This may include sanding, painting, chrome plating or the application of surface treatments to improve the product's appearance. To improve the product's durability and protect it from wear, corrosion or environmental conditions, treatments such as galvanising or powder coating (especially for metals) may be applied. Assembly and finishing include the packaging stage, which ensures the integrity of the product during transport and sale;
- *Production waste management*: responsible waste management helps Dexelance reduce its environmental impact, comply with waste regulations and improve the overall efficience of production processes. The types of waste most commonly produced are material waste (e.g. metals, textiles, glass, and wood), process waste (e.g. chips, powders, paint waste), packaging waste (plastic, cardboard, plastics, and filling materials), and electronic waste (when the manufacturing involves electronic components, these can be defective or obsolete circuits, wires, or electronic components). The Group works to minimise waste generation through careful production planning and process optimisation.

Downstream – Sales, Use & Waste Management: this refers to the phases following production and covering the distribution, sale, consumer use of the product and, finally, the management of waste and post-consumer materials.

In particular:

- *Warehouse management*: a phase that enables the company to optimise inventory, reduce operating costs and improve overall efficiency;
- *Customer care*: a phase that includes the management of orders, pre and post sales advice, and the offer of warranties or support for the resolution of any problems related to the products purchased;
- *Outbound logistics*: transport of finished products to points of sale, with a view to optimising costs and lead times;
- *Sales to customers and consumers*: in the retail channel, the Group mainly uses a network of business retail partners to bring its products to the market. These business retail partners may include multi brand retailers, online shops, and distributors. Sometimes, as in the case of Directly Operated Stores (DOS) or the Omnichannel-go-to-market, the Group is directly involved in the sale of products to consumers. Regarding the contract sales channel, Dexelance directly reaches different types of B2B (business-to-business) customers;
- *Use of the product by the end consumer*: the phase of the product's use by the end consumer. For complex or technological products, manuals are offered to facilitate the proper use of the product;
- *Product end-of-life and waste disposal*: the Dexelance Group promotes the circular economy by providing instructions for maintenance and replacement of product components. Some products that reach the end of their useful life can be dismantled, and reusable materials, such as textiles, metals, plastics, can be separated for recycling. As regards Lighting, even though dismantling instructions are not provided, the consumer is provided with disassembly instructions that enable the identification of the light source, in accordance with EU Regulation 1542/2023. This approach ensures compliance with European regulations to facilitate the proper replacement and subsequent recovery of components.

[SBM-2] Interests and views of stakeholders

Stakeholders and dialogue channels

Dexelance identified, through specific activities, the main stakeholders for its Group.. They are:

- Customers and consumers;
- Employees;
- Suppliers;
- Architects and designers;
- Government bodies and the public sector;
- Shareholders and investors;
- Trade unions and professional associations;
- Media;
- Partners and retailers;
- Local communities

Subsequently, for each stakeholder category, the main channels and tools in place to ensure a transparent and timely dialogue were identified.

Stakeholder category	Main channels of dialogue
Customers and consumers	• Corporate website and social media • Direct contacts • Events and trade fairs
Employees	• Internal communications (newsletter, intranet) • Company policies • Business meetings • Channels of communication to the Supervisory Board under the 231 Model
Suppliers	• Direct contacts • Qualification and monitoring activities
Designers and architects	• Collaboration on specific projects • Continued cooperation in the research and development of new products
Government bodies and public administration	• Documentary exchange
Shareholders and investors	• Shareholders' Meeting • Annual and half-yearly consolidated and separate financial statements and additional quarterly financial information • One-to-one meetings and conference calls • Participation in conferences dedicated to the financial community
Trade unions and professional associations	• Dialogue • Documentary exchange
Media	• Corporate website and social media • Press releases • Management interviews
Partners and retailers	• Direct contacts
Local community	• Corporate website and social media • Donations and sponsorships

Dexelance has an ongoing interest in gaining an in depth understanding of the interests and opinions of key stakeholders as a way to ensure alignment with the company's strategy and business model. This enables it to identify and integrate their expectations into business decisions. The Dexelance stakeholder engagement process is conducted in the manner described in the table above. In particular, for 2025, the stakeholder engagement process for the assessment of relevant IROs excluded the involvement of external stakeholders, focusing instead on the activation and direct involvement of the internal stakeholders. In particular, the Parent Company's Sustainability Team held regular meetings with the ESG Ambassadors to keep each other informed and to gather expert input, thereby encouraging an ongoing dialogue. For a detailed analysis of the relevant impacts, risks and opportunities that emerged, please refer to the section "Dexelance's double materiality" in this chapter.
The opinions gathered during the periodic meetings with the ESG Ambassadors helped to further align the company's strategy with the expectations of internal stakeholders by heightening the focus on issues such as sustainable innovation, responsible end-of-life management of products, and the cultivation of employee satisfaction, motivation, and well-being. For further information on current and planned activities, please refer to the section entitled "Group Strategic Sustainability Guidelines and ESG Manifesto" in this chapter.

The organisation of these meetings has strengthened the relationship with internal stakeholders by increasing their involvement and trust in the Group's strategic path. Monitoring and listening to the opinions of the ESG Ambassadors contributes not only to improving internal alignment, but also to fostering a more participative corporate culture by creating a continuous and constructive dialogue that can also positively influence the overall perception of external stakeholders.

The Parent Company management, the Group management, the Control and Risk, Related Party Transactions, and Sustainability Committee, and the Board of Directors are kept up to date on any needs that emerge from the different channels of dialogue used, as well as on regulatory and market developments, so that they have a clear, in-depth view of the interests and expectations of the stakeholders involved, who are integrated into the decision making process and the definition of the Group's strategic priorities.

Turri

DEXELANCE'S DOUBLE MATERIALITY

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

List of material impacts, risks and opportunities

The table provides a brief description of the relevant impacts, risks and opportunities that emerged from the materiality assessment, specifying in the "value chain" column whether they are concentrated in the company's own operations or in the value chain, both upstream and downstream. The description includes the current and anticipated effects that these impacts, risks and opportunities have on the business model, value chain, strategy or decision-making process, a description of how the negative and positive impacts affect or may affect people and the environment, and reasonably expected time horizons.

Impact	Description	Current/ Potential	Positive/ Negative	Value Chain	Time Horizon
Contribution to climate change due to GHG emissions from own activities	The Group's operations generate greenhouse gas emissions related to the use of non-renewable energy sources in production activities and in the operation of its various facilities. Climate-changing emissions contribute to climate change and generate impacts that are global in level.	Actual	Negative	Own Operation	Short -term
Contribution to climate change due to GHG emissions of Group suppliers	Negative impact on climate change due to greenhouse gas emissions from the operational activities involving the use of energy and fuels by suppliers from which the Group obtains its supplies.	Actual	Negative	Upstream	Short -term
GHG emissions from logistics and transport activities	The negative impact on climate change due to greenhouse gas emissions produced by the company's logistics (road, ship, aeroplane, and rail) is determined by the use of fossil fuels for the transport of semi-finished products to the Group's facilities and of final products to customers (B2B or B2C).	Actual	Negative	Upstream - Downstream	Short -term
Product use	Negative impact on climate change due to greenhouse gas emissions associated with the use of some of the products (e.g. lighting) and, in particular, with their disposal.	Actual	Negative	Downstream	Short -term
Consumption and depletion of raw materials	The Group contributes to the depletion of raw materials by purchasing materials from its suppliers such as timber, plastics, paper, metals, minerals, textiles, and leather.	Actual	Negative	Upstream	Short -term
Impact on environmental quality due to waste generation	The Group's activities involve the generation of waste (e.g. leather, textiles, paints, and plastics) which, if not disposed of properly, can have a negative impact on the quality of the environment.	Potential	Negative	Own Operation	Medium to long-term
Impact on environmental quality due to waste generation	The activities of the Group's suppliers result in the generation of waste which, if not disposed of properly, can have a negative impact on the quality of the environment.	Potential	Negative	Upstream	Medium to long-term
End-of-life environmental impacts	The Group manufactures and sells products, such as lighting fixtures, sofas and tables, which, by their nature, cannot always be reused or recycled, generating a significant environmental impact related to the end-of-life management of these items by the user-customers.	Potential	Negative	Downstream	Medium to long-term
Failure to protect the welfare of employees	Non-responsible management of employees with respect to working hours and failure to ensure adequate wages can increase stress and fatigue, compromise physical and mental health and hinder a proper work-life balance.	Potential	Negative	Own Operation	Short -term
Negative impact on employee health and safety	Due to the particularities and diversity of the activities carried out by the Group, employees may be exposed to cases of accidents related to the handling and processing of products, including contact with hazardous chemicals (e.g. paints, substances for the surface treatment of materials such as waterproofing agents, and waxes) and potentially harmful substances, with a consequent negative	Actual	Negative	Own Operation	Short -term
Lack of employee skill development	The Group may not ensure an adequate degree of skill development of its employees to perform management (e.g. soft skills, leadership) and operational tasks (e.g. carpentry, cutting and sewing, painting, etc.) through adequate technical training, which may negatively affect the professional growth of employees.	Potential	Negative	Own Operation	Short -term
Supporting local communities through charity, cultural and artistic promotion and environmental protection projects	Through philanthropic initiatives, such as financial donations, support for social projects and charitable work, the Group demonstrates a true commitment to the welfare of the various communities in which it is present. These activities contribute to meeting local needs, promoting social and economic development and strengthening the link between the company and the local area.	Actual	Positive	Downstream	Medium to long-term
Non-compliance with ESG criteria long the supply chain	Potential non-compliance with minimum standards of ethical conduct along the value chain with potential need to sever relationships with key suppliers for the Group's activities.	Potential	Negative	Upstream	Medium to long-term

Risk	Description	Dependencies	Value chain	Time horizon
Physical climate risks for the Group's operations	The risk that acute climatic phenomena (e.g. floods and extreme rainfall, floods, earthquakes, landslides, etc.) may impact, limit or interrupt the Group's activities due to structural damage and/or limited access to company sites with economic repercussions on operations (higher costs and/or lower sales).	Natural resources Contribution to climate change due to GHG emissions from own activities	Own Operation	Short -term
Physical climate risks for the value chain	The risk that acute and chronic climatic phenomena (e.g. droughts, floods, variability in weather patterns, and rising temperatures) may cause the temporary unavailability of raw materials and/or semi-finished products with consequent negative effects in terms of lower sales revenue and/or higher operating costs.	Natural resources Contribution to climate change due to GHG emissions of Group suppliers GHG emissions from logistics and transport activities	Upstream - Downstream	Medium -term
Climate transition risks	Transition risks associated with climate change arising from regulatory and legislative changes (e.g. carbon pricing), technological and market developments, with the potential for increased costs associated with adapting to regulations, market demands and technological advancements.	Human resources	Upstream	Medium -term
Dependence on key raw materials	Risk arising from the difficulty of optimising the use of renewable and non-renewable raw materials, such as timber, plastic, paper, metals, minerals, textiles and leather, in a market environment characterised by a heavy reliance on these resources. In particular, the lack of rationalisation in production, as well as the inability to explore new solutions by using alternative materials, could expose the Group to problems arising from shortages or the increased cost of these resources. This scenario could lead to higher operating costs and disruptions to the supply chain, potentially limiting production capacity.	Natural resources Consumption and depletion of raw materials	Upstream	Medium -term
Incorrect waste management	Failure to comply with waste management regulations, due to the use of improper disposal methods or failure to adhere to regulations and guidelines, could expose the Group to fines, penalties and a loss of credibility with regard to its environmental sustainability commitments. Such breaches could have significant consequences that would affect both the business and the company's reputation.	Human resources Impact on environmental quality due to waste generation	Own Operation	Medium to long-term
Workplace accidents or occupational illnesses	The risk that workplace accidents or the occurrence of occupational illnesses (e.g. related to employee exposure to hazardous chemicals) may expose the Group to extra costs (e.g. reimbursements, insurance premiums, etc.) that generate economic and reputational damage.	Negative impact on employee health and safety	Own Operation	Medium -term
Dependence on key figures	The risk that the absence or ineffectiveness of succession plans for the Group's key personnel (e.g. top management, managers, designers and creators) could lead to a shortage of critical skills, resulting in higher personnel replacement costs and/or lower revenues associated with inadequate service levels. Furthermore, the difficulty in ensuring managerial succession could weaken the quality and effectiveness of management, undermine competitiveness and reduce the capacity for strategic development.	Lack of employee skill development	Own Operation	Short -term

Opportunities	Description	Value chain	Time horizon
Production/showroom modernisation and energy supply	Opportunities arising from the modernisation of buildings (e.g. energy efficiency of production facilities and/or showrooms) and self-production of energy from renewable sources, resulting in reduced operating costs and the Group's improved reputation and attractiveness to investors.	Own Operation	Short-term

For more information on how the Company plans to respond to the current and predicted effects of its own significant impacts, risks, and opportunities, please refer to the section "Sustainability strategy" in this chapter.

For the current reporting year, there were no material current financial effects associated with the identified material risks. Nevertheless, the Group has already implemented several prevention measures, including insurance coverage tied to physical climate risks and to workplace accidents and occupational illnesses, and long-term incentive plans to encourage the retention of key figures. For more details on the financial impacts of climate risks, please refer to relevant section "Risks tied to climate change" in the "Notes to the Consolidated Financial Statements as at 31 December 2025".

For the current financial year, the Group uses the phase-in as set out in Appendix C of ESRS 1, which provides for the omission of information on expected financial effects.
Dexelance has not yet formalised a specific resilience plan to address relevant impacts and risks, nor has it conducted a quantitative analysis of its adaptive capacity. However, as part of its commitment to a structured approach to sustainability, the Group has defined time horizons for assessing impacts, risks and opportunities in the short-, medium- and long-term, in line with ESRS standards. The time horizon considered for current impacts is the short term (i.e., one year), as the nature of these impacts requires constant monitoring and timely management. This methodological choice reflects the Group's need to assess the immediate consequences of business activities, ensuring effective alignment with control tools, operational strategies and the management of the related impacts.

As part of the update to the double materiality framework, new material impacts and risks have been identified, taking changes in the business environment and the updated analysis of the external context into account, in order to ensure a consistent and comprehensive assessment of developments in the Group's operating environment and strategic priorities.
It should be noted that specifically the positive impact "Support to local communities through charity, cultural and artistic promotion and environmental protection projects" identified as significant by the company, was not associated with any ESRS scope, but it was considered as specific to the company.
Impact refers to Dexelance's ability to generate positive effects on external stakeholders through its support of local organisations, mainly in the cultural and artistic sphere. For further information, please refer to the section titled "Entity-specific information".

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

Relevance assessment process

The process adopted to identify and assess impacts, risks and opportunities (IROs) is based on the double materiality methodological approach, as required by the CSRD regulation and supported by the EFRAG IG 1 Guidelines: "Materiality Assessment Implementation Guidance". This approach combines the analysis of the impacts generated by the company on people and the environment with the assessment of risks and opportunities, which echoes the analysis and assessments of the company's Enterprise Risk Management (ERM), that could affect financial performance.

The Double Materiality methodology followed a structured process that includes:

- **Understanding the organisation's context**: identification of ESRS topics related to areas of sustainability inherent to the Group's business, taking into account value chain mapping and the internal and external context analysis conducted by considering ESG strategies and best practices for the sectors;Identificazione degli impatti, rischi e opportunità (IRO):
- **Identification of Impacts, Risks and Opportunities (IROs)**: identification of the impacts, risks and opportunities associated with ESRS Topics, achieved through the update and integration of a long list of potentially relevant IROs. This process took into account the results of the previous double materiality analysis. The evidence from the company's Enterprise Risk Management (ERM), carried out by the Risk Assessment Office, was also analysed, and the objectives, actions and commitments outlined in the 2025-2027 Business Plan were considered
- **Assessment of IROs**: definition of the methodology and assessment of impacts (impact materiality) and risks and opportunities (financial materiality) with the subsequent definition of the short-list of IROs deemed material. The evaluation of the short-list was carried out through specific meetings involving the Group's Sustainability Team and the Group's Central Managemen

The monitoring of sustainability related risks and opportunities that have or could have financial effects is integrated within the company's Enterprise Risk Management (ERM) process.
The assumptions adopted in the evaluation of each IROs were based on data available internally within the company, allowing for a relevance analysis contextualised to the nature of the sector in question.

Impact materiality

Considering the Dexelance's entire perimeter, the identification of impacts took into account the specific context (both in terms of geography and business) in which the individual subsidiaries of the Group operate, also considering the diversity of countries, the typology of sites, and the business models.
By mapping the upstream and downstream value chain, with a specific focus on the type of suppliers and type of supply, impacts related to the Group's business were identified. To this end, each impact was classified taking into account the three levels of contribution generated by Dexelance – caused, contributed and directly related[11] – in line with international due diligence principles, to ensure a complete and thorough assessment of the relevance and priority of the identified impacts.
For the current financial year, the Group has not carried out any stakeholder consultation or engagement activities in relation to the double materiality analysis. As part of the context analysis phase, using external sources to support the analysis, we identified the current and potential impacts – both positive and negative – of environmental and social issues.
During the assessment, in line with the requirements of ESRS 1, section 3.4, "Impact Materiality", specific thresholds were defined for impacts with reference to the assessment dimensions: severity of impact and likelihood of occurrence in the short, medium and long term. In particular, the severity of each negative impact was assessed on a four-level scale for "scale" (negligible, moderate, significant, very significant)

[11] For more information, please refer to FAQ 2 of the document *"EFRAG IG 1: "Materiality Assessment Implementation Guidance"*.

and “scope” (limited, medium, extensive, very high), and on a three level scale for “irremediable character” (remediable impact, partially remediable, irremediable). For positive impacts, the possible benefit was assessed on a four-level scale for “scale” and “scope”. The probability scale was defined with values defined on five levels (rare, unlikely, possible, probable, very probable), where the maximum probability of occurrence corresponds to the occurrence of a current impact.
The overall significance of an impact is the sum of the three components of severity multiplied by the probability component.

Financial materiality

The Group has adopted an integrated approach that systematically considers the links between impacts, dependencies, risks and opportunities throughout the value chain. This process is based on an in-depth analysis of the interactions between the company’s activities, business relationships and the socio economic environment in which the Group operates. In particular, Dexelance, following the definition of dependencies in ESRS 1, RA 14, assessed how its impacts – both positive and negative – can generate risks, such as potential operational, reputational and/or financial damage, and/or opportunities, such as innovation, improved operational performance and stronger stakeholder relations. This assessment took into account critical dependencies on the natural and social environment.
The Group has assessed the likelihood, magnitude and nature of the effects of the identified risks and opportunities, through a structured approach that considers three main aspects: economic financial, operational and reputational. The magnitude is divided into five levels (Marginal, Low, Medium, High, and Critical), defined according to quantitative criteria that consider the impact on revenues and EBITDA, and qualitative criteria, meaning how reputational and operational issues might impact the expected change in costs or revenues. At the same time, the probability assessment examines the frequency with which the event has occurred in the past and/or the likelihood that it may occur along the short, medium or long-time horizon following the definition of time horizons in ESRS 1, Section 6.4.
From an operational point of view, the effects on business processes were analysed, with particular attention to their critical nature and the need for Management’s intervention, also measuring the duration of any potential interruption of key processes.

At the reputational level, the Group assessed potential damage to the brand image, both locally and globally, taking into account media resonance and stakeholder expectations.
For more information on how the probability, magnitude, and nature of the IROs identified were kept into account in conducting the impairment test at 31 December 2025, please refer to the section “Intangible assets” in the “Notes to the Consolidated Financial Statements as at 31 December 2025”.
To assess and monitor these risks proactively, the Group has integrated its own risk assessments, which also considered sustainability related risks, including ESG (environmental, social and governance) issues into its strategic guidelines, and integrated the impacts, risks, and opportunities identified within the Group’s “Risk & Opportunity Universe” consistently with the risk management model adopted by Dexelance according to the practice of Enterprise Risk Management (ERM).
For details on the decision-making process and related internal control procedures, please refer to the section “Sustainability Governance” within this chapter.
The process of identifying, assessing and managing impacts and risks is managed through the adoption of the Enterprise Risk Management (ERM) Framework, a comprehensive company risk management system that enables the development of a consistent and systematic approach, under the supervision of the Internal Audit Office. The ERM aligns the management of impacts and risks, and the related dependencies, with the Group’s overall risk profile, fostering a unified and strategic vision. Through the evaluation of scenarios and identification of priorities, the process contributes to the definition of corporate strategies, supporting informed decisions and the optimisation of mitigation processes.

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The identification, evaluation and management of opportunities is incorporated, where relevant, into the overall Group management process. This allows potential synergies between dependencies with the IROs to be exploited, ensuring that emerging opportunities are considered within the strategic and operational framework. The integrated structure facilitates a proactive approach, which aims not only to mitigate risks, but also to capitalise on opportunities in line with business objectives and the market environment.

Parameters, Estimates and Changes in the Materiality Analysis

The input parameters used in the process of identifying and assessing the IROs associated with sustainability are based on a multi-level approach. In the first phase of understanding the context, the Group has used data from public documentary sources and industry standards corroborated by internal analyses. The second phase, dedicated to the identification of IROs, involved the integration of a diversity of parameters to capture the complexity of the Group’s business, including the geographical and business diversity of the various subsidiaries. In the assessment phase of IROs, the process focused on minimising the use of estimates, preferring the use of hard data and shared assumptions, consistent with the methodological definitions of the Materiality Assessment Implementation Guidance (EFRAG).
As was described earlier, specific methodologies have been defined for assessing the materiality of impacts (impact materiality) and risks and opportunities (financial materiality), the thresholds for which have been described in the preceding paragraphs.
The double materiality assessment process has not undergone any substantial changes from the previous reporting period. During the financial year, the focus was on making additions and improvements to last year’s version in order to enhance the accuracy and comprehensiveness of the analysis.
The next review of the process is scheduled for 2026, barring any extraordinary circumstances, such as significant acquisitions or divestments that might require an earlier update.

NON-RELEVANT ESRS TOPICS

ESRS 2 IRO-1 - Description of processes to identify and assess material pollution-related impacts, risks and opportunities

The approach for determining impacts, risks and opportunities is described in the section "Description of the process for identifying and assessing relevant impacts, risks and opportunities". The issue of pollution was evaluated in the context of the Group's activities, considering both its financial significance and the potential negative impact on stakeholders and the environment.
Detailed analyses have confirmed that the impact associated with the use of substances is in fact confined to only some of the Group's companies and is in any case limited, as the chemical agents are being used within the legal limits. Other companies within the Group do not use hazardous substances, given the types of products they manufacture and sell, and are therefore not subject to the requirements of the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals) and the RoHS Directive (Restriction of Hazardous Substances).
The analysis showed that the topic does not present risks or opportunities that could materially influence the Group's financial performance or generate significant negative impacts that would make it a relevant ESRS topic for reporting purposes.

ESRS 2 IRO-1 - Description of processes to identify and assess material waters and marine resources related impacts, risks and opportunities

The approach for determining impacts, risks and opportunities is described in the section "Description of the process for identifying and assessing relevant impacts, risks and opportunities". The ESRS E3 topic with its related subtopics and sub subtopics was analysed considering both its financial relevance and potential impact of the Group's operations and value chain. The assessment was based on the operational characteristics of the Group's companies, which do not tend to use large amounts of water in production processes, and on the characteristics of the main production processes that use water within the value chain. However, a detailed analysis of the assets was not conducted, nor were specific consultations with the communities concerned. In light of these considerations, it was assessed that the topic does not present risks or opportunities that would significantly affect the Group's financial performance or generate material adverse impacts, and, therefore, it was not identified as a relevant ESRS topic for reporting purposes.

ESRS 2 IRO-1 - Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The approach for determining impacts, risks and opportunities is described the section "Description of the process for identifying and assessing relevant impacts, risks and opportunities" in this chapter.
The topic of biodiversity was analysed considering the Group's operations and their potential impact, as well as the related dependencies on environmental resources and on current and future generations, with a focus on the availability of natural resources. The analysis showed that, even though wood materials are one of the main materials purchased by the Group, in reality only 5% of the wood materials purchased are virgin wood, meaning wood that comes directly from trees and not from a previous use. In fact, most of the wood materials purchased by Dexelance comprise wood panels, which are materials derived from the secondary processing of virgin wood, which is the result of recycling or the reuse of waste wood (e.g. chipboard).
With respect to impacts on biodiversity along the value chain, these are characterised by a non-specific geographic scope and are mainly attributable to the upstream phase of the Group's value chain, generated by Tier 3 suppliers with whom the Group has indirect relationships. The use of recycled and FSC® (Forest Stewardship Council) certified materials, promoted by some Group companies such as Gervasoni, Cenacchi International, Modar and Cubo Design, significantly reduces the direct or indirect link with deforestation activities.

Although no detailed analysis (analysis of scenarios related to biodiversity and ecosystems) and no consultations with affected communities have been conducted, the analysis of the Group's own operations and along its value chain revealed that the topic does not currently present any risks or opportunities that could materially affect the Group's financial performance or generate significant negative impacts that would make it a relevant ESRS topic for reporting purposes.

Description of processes to identify and assess relevant impacts, risks, dependencies and opportunities related to social aspects

The Group has not identified any relevant IROs regarding the issue of affected communities; therefore, it has not investigated their interaction with its strategy and business model. An analysis of the company's business activities was nevertheless performed, which showed that, with respect to the topics and subtopics related to the ESRS S3 theme, the topic does not present risks or opportunities that could materially influence the Group's financial performance or generate significant negative impacts that would make it a relevant ESRS topic for reporting purposes.
As a result of the analyses conducted, the Group did not identify any material impacts, risks or opportunities (IROs) in relation to the issue of workers in the value chain that would justify its reporting according to ESRS standards. This analysis took into account that the majority of the Group's procurement budget comes from suppliers within the Italian perimeter. In Italy, occupational health and safety is regulated by the Legislative Decree 81/2008 (Consolidated Workplace Safety Act), which imposes strict requirements to ensure worker protection. Supplier companies are obliged by law to comply with these standards, and failure to do so results in penalties. This makes working conditions that pose a significant risk to health and safety unlikely. Furthermore, it is hereby emphasised that, although the Group does not yet have an ESG monitoring/ranking system for suppliers, the Group's knowledge of working conditions at its suppliers is based on routine site visits to its suppliers. In addition to the Group, Italian inspection agencies, such as the INL (National Labour Inspectorate), carry out regular checks to ensure compliance with regulations. This control mechanism minimises the risk of unsafe working conditions in local suppliers and the possible negative impact along the value chain. Finally, in the Group's supplier base, considering the nature of the work, there are many artisans or small manufacturers and suppliers operate mainly in sectors with low to medium risk levels (e.g. non intensive production and/or processing of non-hazardous products and substances), which further reduces exposure to serious health and safety hazards. Therefore, the Group considers that the topic does not present materiality elements that would require reporting under the ESRS standards.
As a result of internal assessments, the Group has not identified any significant impacts, risks or opportunities (IROs) in relation to the issue of Customers and Consumers. The absence of significant IROs is attributable to the sector in which Group companies operate and the existence of well-established controls and processes aimed at guaranteeing the quality and safety of products and services and the protection of customer data to ensure compliance with applicable regulations. In light of these elements, it is deemed that the issue does not present impacts that would materially affect the Group's financial performance or generate significant negative effects on customers and consumers. Consequently, the topic is not considered material for reporting purposes according to ESRS standards.

POLICIES [MDR – P]

ESRS	Sustainability	Code of Ethics	Environmental Policy	Policy on Diversity and Inclusion	Policy on Working Hour Management
ESRS E1	Climate change adaptation		×		
	Climate change mitigation	×	×		
	Energy		×		
ESRS E5	Resource inflows, including resource use		×		
	Resource outflows relate to products and services		×		
	Waste	×	×		
ESRS S1	Working conditions	×		×	×
	Equal treatment and opportunities for all	×		×	
ESRS G1	Corporate culture	×			
	Management of relations with suppliers, including payment practices	×			

Code of Ethics

The Dexelance Group's Code of Ethics (hereinafter referred to as the "Code") is the key policy through which the company manages its sustainability issues, including ethics, the protection of people, transparency, the environment, stakeholder relations and corporate integrity. The Code reflects the Group's commitment to operating in a fair, honest and transparent manner, safeguarding people's dignity, promoting safe and inclusive working environments, preventing all forms of discrimination, and recognising talent through fair recruitment processes based on merit and free from favouritism. Particular attention is paid to the health and safety of workers and to the prevention of occupational risks, through the adoption of measures that comply with national and international guidelines and promote the physical and mental wellbeing of individuals.
The Code also addresses the responsible management of relationships with customers, suppliers, business partners, intermediaries and competitors, with the aim of ensuring proper conduct, avoiding anti-competitive practices, preventing conflicts of interest and safeguarding the confidentiality of information.
The Code of Ethics applies to all the Group's operations, to all persons acting on behalf of the Group, regardless of their contractual status, and to suppliers, subcontractors and retail partners, in all geographical areas where the Group operates. No exceptions are provided, and in the event of a conflict with internal organisational rules, the Code shall prevail. Regulatory references include applicable national and international legislation, health and safety provisions, environmental protection regulations, anti-money laundering legislation, competition law and the 231 Organisational Model, of which the Code forms an integral part.
The process of monitoring and overseeing the Code is entrusted to senior management and the Supervisory Board, which is autonomous, independent and has investigative powers. The Board of Directors approves and updates the Code, whilst the Group's management ensures that its contents are understood and applied within their respective operational areas.
The Code is made publicly available on the websites of the Parent Company and its subsidiaries. It is also disseminated through internal communication and training initiatives. Everyone who has dealings with the Group is informed of the obligations set out in the Code; compliance with these obligations is a prerequisite for establishing and maintaining a professional relationship.

Environmental Policy

The Dexelance Group's Environmental Policy, approved and adopted during the final quarter of 2025, sets out the organisation's commitment to integrating environmental protection as a fundamental principle and a strategic element for the sustainable and responsible development of its business activities. This commitment applies to the Parent Company and all its subsidiaries, to which the Policy applies directly, with the aim of establishing a common framework for conduct and environmental management, applicable both in Italy and abroad, in full compliance with all local regulations.
The Policy recognises that environmental protection must translate into specific actions that cover the entire life cycle of products and processes. Consequently, the Group focuses its efforts on continuously improving its environmental performance, promoting energy efficiency, reducing the consumption of fossil fuels and gradually adopting renewable energy sources. At the same time, it prioritises responsible waste management, promoting prevention, recycling and reuse, and it encourages the use of sustainable and certified materials, thereby reducing environmental impacts throughout the value chain. A key role is also assigned to raising awareness among employees, business partners, suppliers and the local community, so that all stakeholders can play an active part in the Group's sustainability journey. Furthermore, a focus on innovation drives the integration of environmental criteria into design, operations and product development.
The Environmental Policy is based on the main international and regulatory standards on sustainability, including the SDGs, the Global Compact and ISO 14001, and it ensures compliance with current environmental regulations. Dexelance also participates in voluntary industry initiatives and is preparing to implement emerging new European policies. Environmental management is integrated into corporate governance through the principles of the 231 Model and the Code of Ethics.

Ultimate responsibility for implementing the Policy lies with the Board of Directors as the highest decision-making body within the company's governance structure. In this regard, the Board of Directors will be assisted by the Control, Risk, Related Party Transactions and Sustainability Committee, which is responsible for making proposals, providing advice, defining policies and monitoring environmental issues. The Group's CEOs and ESG Ambassadors will, each within their respective areas of responsibility, ensure the proper implementation of operational measures and will collaborate on the process of updating the Policy.
The Policy has been extensively disseminated through official internal communication channels and is publicly available on the websites of Dexelance and its subsidiaries, so that all stakeholders can familiarise themselves with it and act accordingly.
Monitoring and reviewing the effectiveness of the Policy will involve periodic verifications, assessments of environmental performance and regular updates to ensure that it remains in line with regulatory developments and best practices.

Policy on Diversity and Inclusion

The Dexelance Group's Diversity and Inclusion Policy, approved and adopted during the final quarter of 2025, sets out the Group's commitment to promoting a fair, inclusive and respectful working environment, recognising diversity as a strategic asset for innovation and sustainable development. The policy aims to ensure equal opportunities, prevent any form of discrimination or harassment, value individual differences, and create conditions that enable everyone to freely realise their potential. It addresses the impacts and risks associated with potential direct or indirect discrimination, cultural biases, and barriers to career development and participation, whilst also capitalising on the opportunities offered by an open, diverse and inclusive culture. The Policy's effectiveness is monitored through periodic verifications of its implementation, assessments of results and regular updates, supported by mechanisms for reporting non-compliance on the whistleblowing portal, which is managed jointly by the relevant departments.

This Policy applies to all the Group's operations, both in Italy and abroad, and covers the entire organisation, including employees, contractors, retail partners, suppliers and stakeholders with whom Dexelance interacts in professional contexts, both internally and externally. It does not provide for any exceptions within the Company and is aligned with local regulations, always applying the most stringent legal framework among those in force in the countries where the Group operates. Stakeholder engagement is an integral part of the Policy. It recognises the active role played by employees, management, partners and HR departments in creating and safeguarding an inclusive environment.
Ultimate responsibility for the implementation of the Policy lies with the Board of Directors as the highest decision-making body within the company's governance structure. In this regard, the Board of Directors will be assisted by the Appointments, Human Resources and Remuneration Committee, which provides suggestions and advice to support the assessments regarding the human resources management. The Group's CEOs and ESG Ambassadors are responsible for monitoring the effectiveness of this Policy; they will be in charge of its operational implementation, monitoring and the promotion of an inclusive culture within the Group.
The Policy refers to the main international and regulatory standards on human rights and equal opportunities, including the Universal Declaration of Human Rights, the ILO Conventions, Directive 2000/78/EC, the United Nations Global Compact Principles and the Sustainable Development Goals of the 2030 Agenda. The Policy is consistent with the Group's Code of Ethics and with the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, in its incorporation of ethical and accountability criteria in its corporate governance.
The Policy has been made available to all stakeholders through a variety of channels: it is published on the websites of Dexelance and its subsidiaries, disseminated via internal communication channels, and provided to every new employee upon joining the company, thereby ensuring maximum transparency and accessibility.

Working Hours Management Policy

Dexelance regards the management of working hours as a key factor in promoting employee well-being and balancing organisational and personal needs. The main objectives are to prevent overworking and burnout, to promote a healthy work-life balance, to ensure compliance with current regulations, and to encourage flexible working arrangements that are compatible with employees' roles and the Company's operational requirements. The Group's Working Hours Management Policy, which was approved and adopted during the final quarter of 2025, promotes a culture of sustainable productivity that values the time spent working.
The Policy is guided by international standards and principles, including the ILO Conventions, the Charter of Fundamental Rights of the European Union, Directive 2003/88/EC, the Sustainable Development Goals (SDGs 5, 8 and 10) and the principles of the United Nations Global Compact. It applies to all the Group's subsidiaries, both in Italy and abroad, and it covers the entire internal value chain, extending these principles to partners, suppliers and external collaborators as well.
The Board of Directors is responsible for implementing this Policy, assisted by the Appointments, Human Resources and Remuneration Committee, whilst the Group CEOs, the Group's Human Resources Departments and the ESG Ambassadors will periodically monitor its effectiveness and outcomes.
The Policy takes into account the interests of key internal and external stakeholders and is made available to all staff via official internal communication channels. It is also provided to every new employee upon joining the company, thereby ensuring maximum transparency and accessibility.

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ENVIRONMENTAL INFORMATION – ESRS E1 AND ESRS E5

CLIMATE CHANGE

Impact, risks and opportunities		Value chain	Time horizon
Contribution to climate change due to GHG emissions from own activities	Impact	Own Operation	Short-term
Contribution to climate change due to GHG emissions of Group suppliers	Impact	Upstream	Short-term
GHG emissions from logistics and transport activities	Impact	Upstream - Downstream	Short-term
Physical climate risks for the Group's operations	Risk	Own Operation	Short-term
Physical climate risks on the value chain	Risk	Upstream - Downstream	Medium-term
Climate transition risks	Risk	Own Operation	Medium-term
Production/showroom modernisation and energy supply	Opportunities	Own Operation	Short-term

Dexelance is aware of the urgency of addressing climate change challenges and is committed to contributing to a transition to a low carbon economy. In this regard, from 2023 onwards, the Group has begun a process of quantifying the GHG emissions generated by its own operations, carried out in accordance with the ISO 14064 standard and certified by an independent third party. This quantification, which from 2024 onwards has been extended to a reporting scope that fully aligns with the financial scope of consolidation in accordance with an 'operational control' consolidation approach, has enabled Dexelance to fully offset its emissions through the purchase of credits on the voluntary carbon market, thereby contributing to the financing of projects for the generation of electricity from renewable sources.

INFORMATION ON ENVIRONMENTAL IMPACTS, RISKS AND OPPORTUNITIES

[ESRS 2 IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities.

The approach for determining impacts, risks and opportunities and the list of IROs on climate change factors considered relevant can be found in the section "Dexelance Double Materiality" in the "General "Information" chapter. To identify current and potential impacts related to climate change, the Group examined the operational activities carried out internally and along its value chain, identifying the main sources of emissions by taking into account both the production and processing, from upstream to downstream, as well as all inbound and outbound logistics activities. Actual and potential impacts on climate change were assessed by taking into account total GHG emissions including Scope 1, 2 and, where possible, Scope 3. The recognition of the Scope 3 categories was carried out in accordance with the GHG Protocol to ensure the accuracy and comparability of the data. This process also considered the requirements of EN ISO 14064, for which the Group has obtained the relevant certification. For more information on the relevant categories, please refer to the section "Energy and Emissions" in this chapter.

Physical climate risks were identified and assessed on the basis of the historical probability of their occurrence and the developments and changes under way, also with regard to new regulations and standards. The company's resources, including its properties, facilities, and equipment, were analysed to assess their exposure to extreme weather phenomena that may have already occurred for the Group's subsidiaries, and which could limit their use or require significant investments to repair them as the result of any damage. However, for the current financial year, apart from preliminary analyses of the climate risks to which its resources are and will be subject, Dexelance has not yet conducted a detailed analysis of climate scenarios for the identification and assessment of physical risks, opportunities and transition risks in the short, medium and long term. This is because the company does not yet have a transition plan that integrates a full range of analyses, and which takes climate scenarios into account. The implementation of this plan is planned for the future to ensure a more structured approach that complies with regulatory requirements.

[ESRS 2 SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model.

The detected climate related risks are the physical and the transition risks. Dexelance has not yet conducted a formal analysis of the resilience of its strategy and business model with respect to climate change.
However, the Group is committed to defining a path for adaptation and mitigation of climate change, caused directly and indirectly, which will involve conducting a climate scenario analysis to identify the areas of greatest vulnerability and opportunities for adaptation.
In this context, the Group has already instituted several prevention measures, such as insurance coverage for physical climate risks.
Through targeted energy efficiency strategies, the Group intends to mitigate its own environmental impact by promoting the responsible use of resources. In particular, Dexelance has provided material investments (CapEx) in its 2026-2028 Business Plan for the installation of independent energy production to increase its capacity to produce energy internally from renewable sources over what it has already installed at three of the group's production sites, namely at Gervasoni, Gamma Arredamenti, and Cubo Design.
To this end, Gamma Arredamenti has expanded its solar power system, further reducing its reliance on traditional energy sources, whilst Turri, Saba Italia and Mohd have begun installing new solar power systems at their respective factories, taking a significant step towards greater energy self-sufficiency and aiming for full operation in 2026.

The Group also plans to implement efficiency measures for its energy requirements, such as (CapEx) investments for the replacement of production machinery, the replacement of lighting systems at production sites not equipped with LEDs, and the promotion of more sustainable company mobility measures. The goal is to construct a sustainability path that combines growth with environmental protection in line with stakeholder expectations and the global challenges tied to climate. These initiatives will involve the reduction of consumption, and thus GHG emissions, as well as the seizing of opportunities to modernise showrooms and render buildings more efficient. For more details on the financial impacts of climate risks, please refer to the section "Risks related to climate change" in the Notes to the Consolidated Financial Statements as at 31 December 2025.

[E1-1] Transition plan for climate change mitigation

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

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

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

Dexelance has recognised the importance of integrating climate change issues into its strategic priorities; however, it has not yet set measurable, scientifically based objectives and targets, nor has it adopted a Transition Plan. The Group is aware of the challenges related to climate change and, within its strategic lines, is committed to reducing this impact by controlling climate changing emissions and increasing energy efficiency. Regarding the photovoltaic systems already installed at some of the Group's plants (Gervasoni Arredamenti and Cubo Design), investments were carried out in 2025 to install, expand, and maintain them to ensure the proper functioning and maintenance of the system's energy efficiency and durability over time. As a result of these efforts, in the financial year, capital expenditures of EUR 728 thousand were made, as reported in the section "European taxonomy" pursuant to Regulation 2021/2178.
The Group will also continue to take an active stance on climate transition, considering the adoption of specific tools or initiatives in the medium-term, in line with regulatory developments and its own strategic and operational priorities for sustainability issues.

ENERGY AND EMISSIONS

[E1-5] Energy consumption and mix

The Group's main energy carrier is natural gas, with a consumption of 5,827.01 MWh, which is used for heating and production. Electricity purchased from the grid, used for lighting, the operation of heat pumps and machinery, amounts to 6,557.89 MWh. Renewable energy, exclusively from photovoltaic systems, amounts to 494.58 MWh. In addition to self-production from photovoltaic systems, it is worth mentioning the use of the natural gas Tri generator by Cubo Design, which is used to cover part of the electricity, heat, and chilled water consumption. Electricity generation from the trigeneration unit amounted to approximately 113 MWh, which was used directly by Cubo Design. There is no consumption of energy from nuclear sources. Petroleum derived fuels account for a total consumption of 2,127.75 MWh.

Energy consumption and energy mix	2024 (MWh)	2025 (MWh)
Coal Fuels and Products	-	-
Crude Oil Fuels and Petroleum Products	**2,097.59**	**2,127.75**
Combustion Petrol (Automobile)	268.57	427.64
LPG combustion (Automobile)	0.54	-
Diesel Combustion (Automobile)	1,180.12	1,009.13
Diesel Combustion (Truck)	598.37	690.98
Diesel Stationary Combustion (heating)	49.99	-
Natural gas fuel	**7,344.00**	**5,827.01**
Natural gas for heating and production	7,344.00	5,827.01
Electricity purchased or acquired from fossil sources[12]	6,301.30	6,557.89
Total energy consumption from fossil fuel source	**15,742.89**	**14,512.65**
Share of fossil sources of the total energy consumption (%)	**97.16%**	**96.70%**
Total energy consumption from nuclear sources	**-**	**-**
Share of nuclear sources of the total energy consumption (%)	**0.00%**	**0.00%**
Fuels from renewable sources	**-**	**-**
Biomass (including industrial and municipal waste of biological origin)	-	-
Biofuels (bioethanol)	-	-
Biogas	-	-
Renewable hydrogen	-	-
Electricity purchased or acquired from renewable sources (Guarantee of Origin contracts)[12]	-	-
Heat purchased or acquired from renewable sources	-	-
Steam purchased or acquired from renewable sources	-	-
Cooling purchased or acquired from renewable sources	-	-
Self-produced and consumed renewable energy without the use of fossil fuels	**460.74**	**494.58**
from a photovoltaic installation	460.74	494.58
Total energy consumption from nuclear sources	**460.74**	**494.58**
Share of nuclear sources of the total energy consumption (%)	**2.84%**	**3.30%**
Total energy consumption	**16,203.63**	**15,007.23**

[12] The purchased electricity does not come from certified sources. As a precautionary measure, it has been decided to consider it entirely as coming from fossil sources. Additionally, it was decided not to consider the contribution of nuclear energy present within the residual mix.

The data basis and methodology used for the calculation are in line with the GHG report and inventory that was verified by an accredited third party (Bureau Veritas Italia S.p.A.) conducted according to the principles and requirements of ISO 14064, with a confidence level of the GHG Statement Mixed Engagement, i.e. reasonable for direct and indirect emissions of electricity and AUP (Agreed Upon Procedures) for other indirect emissions (Scope 3).
Electricity consumption drawn from the grid, expressed in MWh, was derived from the utility bills for the period under review. It is specified that, for Dexelance France and Turri UK, the electricity figure was obtained by re proportioning the Italian figure to the square metre surface area of the store.
In addition to electricity purchases, heat production in a condominium with a centralised natural gas boiler also falls into this category. For further information on the calculation methods, please refer to the section entitled 'Main calculation criteria'.

Energy intensity

With respect to the energy intensity of high impact sectors, Sections C (Manufacturing) and M (Professional, Scientific and Technical Activities) fall under Sections A to H and Section L of the NACE classification, respectively.
Therefore, NACE codes 31.09, 27.49, 31.01, 31.02 and 70.1, which cover the totality of the Group's activities, are considered to have a high climate impact. Information on the energy intensity associated with Dexelance's operations is given below.

(DR E1-5) Energy intensity (high climate impact sectors)	2024	2025
Total energy consumption of activities in high climate impact sectors (MWh)	16,203.63	15,007.23
Net revenue from activities in high-impact sectors (€)[13]	324,383,894.63	320,184,963.03
Energy intensity (MWh/€)	0.00005	0.00005

[E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions

The Group's greenhouse gas (GHG) emissions inventory was developed in accordance with ISO 14064, adopting a consolidation approach based on a review of its operations. No location was excluded from the scope of the calculation, and the table below provides detailed data for the financial year.
Please note that, as of October 2025, the company Mollura has come under the Group's operational control, with a corresponding impact on emissions performance. In particular, with regard to the Scope 3 categories 'Upstream transport and distribution' and 'End-of-life treatment of products sold', the figures show an increase (by 62.4% and 38.6% respectively), mainly due to the inclusion of Mohd, whose business model – characterised by direct distribution and shipping to the end customer, including in international markets – results in a more significant impact from logistics and end-of-life emissions compared to other Group companies.

[13] For more details, please refer to the section "Revenue" in the Notes to the Consolidated Financial Statements as at 31 December 2025.

Total emissions [tCO_2e] - Analysis by GHG Protocol subcategories

Subcategory	2024 (tCO_2e)	2025 (tCO_2e)	%
Scope 1			
Percentage of Scope 1 GHG emissions regulated under emission trading Schemes	2,170.71	1,845.52	-15.0
Direct emissions from stationary combustion	0%	0%	-
Direct emissions from mobile combustion	1,613.27	1,272.91	-21.1
Direct emissions from process sources	538.31	554.17	2.9
Direct emissions from fugitive sources	19.14	18.45	-3.6
Direct emissions from agricultural sources	-	-	-
Scope 2	-	-	-
Market based	**3,013.28**	**2,222.99**	**-26.2**
Location based	**1,468.79**	**1,742.44**	**18.6**
Scope 3	**63,058.19**	**78,783.40**	**24.9**
1. Purchased goods and services	51,347.06	64,912.20	26.4
Optional subcategory: Cloud computing and data centre services	-	-	-
2. Capital goods	-	-	-
3. Fuel and energy-related activities (not included in Scope 1 or 2)	1,667.40	1,608.80	-3.5
4. Upstream transport and distribution	1,226.21	1,991.40	62.4
5. Waste generated in operations	272.02	191.00	-29.8
6. Business travel	-	-	-
7. Employee commuting	-	-	-
8. Upstream Leased Assets	-	-	-
9. Downstream transport and distribution	6,649.67	7,451.90	12.1
10. Processing of sold products	-	-	-
11. Use of sold products	-	-	-
12. End-of-life treatment of sold products	1,895.84	2,628.10	38.6
13. Downstream Leased Assets	-	-	-
14. Franchising	-	-	-
15. Investments		-	-
Total emissions [tCO2e] (Scope 2 location based)	**66,697.69**	**82,371.36**	**23.5**
Total emissions [tCO2e] (Scope 2 market based)	**68,242.19**	**82,851.91**	**21.4**

Biogenic CO_2 emissions [tCO_2]

	2024 (tCO_2e)	2025 (tCO_2e)
Scope 1 emissions	4.90	3.80
Scope 2 emissions - MB	209.37	1,987.12
Scope 3 emissions	15,296.00	15,836.60

As part of the Group's strategic commitment to gradually reducing GHG emissions associated with corporate travel, Dexelance launched an initiative in 2025 to strengthen the monitoring and reporting mechanisms for its vehicle fleet, with the aim of ensuring an increasingly accurate and transparent picture of its emissions performance.
In this context, an environmental criterion was introduced during the financial year for new contracts for the purchase and leasing of company vehicles that requires the selection of vehicles with emissions of less than 100 grams of CO_2 per kilometre. At the same time, initiatives have been launched to collect and organise primary data on actual fuel consumption.

In this context, estimates of emissions from the vehicle fleet reveal a significant discrepancy between the figures obtained using standardised parameters – namely the emission factors declared in vehicle type approval data – and those derived from primary data on actual fuel consumption. Specifically, whilst the estimate based on kilometres travelled and declared emission factors stands at 833.59 tCO_2, the calculation based on actual fuel consumption yields a figure of 554.2 tCO_2, which has been adopted for the purposes of calculating indicator E1-6, in line with the methodology used for the year 2024. The discrepancy between the two figures is significant and can be attributed to the different methodological approaches adopted; however, it is considered appropriate to also present the estimate based on the declared emission factors to highlight, in future financial years, the Group's commitment to adhering to environmental criteria for the gradual replacement of its vehicle fleet.

There are no Scope 1 emissions subject to regulated emissions trading systems.
The analysis considered all relevant emissions and removal categories, the significance of which was determined by applying significance criteria based on: Magnitude (volume of emissions), level of influence and control (ability of the organisation to take action) and access to information (availability of data for reporting). Indirect emissions were evaluated on the basis of the organisation's ability to influence them.
The data used comes exclusively from the subsidiary companies, with no direct input from the upstream or downstream value chain. The data basis and methodology used for the calculation are in line with the GHG report and inventory that was verified by an accredited third party (Bureau Veritas Italia S.p.A.) conducted according to the principles and requirements of ISO 14064, with a confidence level of the GHG statement Mixed Engagement, i.e., reasonable for direct and indirect emissions of electricity and AUP (Agreed Upon Procedures) for other indirect emissions (Scope 3).
The methodology used in this study is based on the collection of operations data from the various selected processes (e.g. litres of diesel, etc.), which are multiplied by specific emissions factors, i.e. factors that translate a quantity of matter or energy into an equivalent quantity of greenhouse gases.
In the quantification, all major greenhouse gases (i.e. CO2, CH4, N2O, HFCs, PFCs, SF6 and other fluorinated gases) were taken into account and translated into CO2 equivalent units using characterising factors reported by the IPCC (IPCC, 2021), the most authoritative institution on climate change.
The emission factors were identified taking into consideration different parameters such as reliability and completeness of data, information and their sources, as well as temporal, geographical and technological correlation. The choice of this methodology responds to the lack of availability of direct GHG measurements of the identified and analysed sources. Characterisation factors consider the complete oxidation of the fuels used.

The emission factors were identified taking into consideration different parameters such as reliability and completeness of data, information and their sources, as well as temporal, geographical and technological correlation. Specifically, the accommodation of the different types of activity data available (in particular, the co-presence of physical and economic data) required the use of different databases. Specifically, the following were employed:

- Ecoinvent v3.9 dataset[14] and Ecoinvent 3.12 (for electricity);
- Dataset of World Food LCA Database (WFLDB)[15];
- Emission factors obtained by combining several Ecoinvent datasets through processing in the Simapro environment;
- Emission factors obtained through information in valid Environmental Product Declarations (EPDs) published on the public registers of the Programme Operator, the International EPD System[16]. It should be noted that the EPDs used do not refer to the specific suppliers of the companies, but were used to represent the impacts related to semi-finished products for which no representative datasets are available;
- Emissions factors from the Exiobase database v3.8.2. These emissions factors enable a correlation between the expenditure made in a specific product sector and the related emissions. Please refer to Section 4.2.3 for an introduction to the database's methodological approach. The correctness of the factors used was verified by comparing the previous series referring to 2019 (contained in the same source file) with the one reported in the Climatiq23 portal, thereby confirming the correctness of the calculations made.

[14] https://ecoinvent.org/
[15] https://quantis.com/who-we-guide/our-impact/sustainability-initiatives/wfldb-food/
[16] https://www.environdec.com/library

Emissions intensity

Information on the energy intensity associated with Dexelance's operations is given below.

Intensity of emissions versus revenue - location-based	2024	2025
Total emissions - location-based (t CO2 eq)	66,697.69	82,371.36
Net revenue (€)[17]	324,383,894.63	320,184,963.03
Emission intensity (t CO2eq/€)	0.00021	0.00026
Emission intensity versus revenue - market-based	**2024**	**2025**
Total emissions - market-based (t CO2 eq)	68,242.19	82,851.91
Net revenue (€)	324,383,894.63	320,184,963.03
Emission intensity (t CO2eq/€)	0.00021	0.00026

[E1-7] GHG removals and GHG mitigation projects financed through carbon credits

Dexelance is committed to providing transparent and factual information about its greenhouse gas (GHG) emissions management and climate change mitigation initiatives. The Group has no GHG absorption or storage activities; 100% of the initiatives to manage GHG emissions concern projects to reduce the emissions themselves. The carbon credits purchased in compensation of the inventory of emissions generated come from projects outside the value chain and have been verified according to recognised quality standards. The credits purchased by Dexelance belong to certified programme operators, such as the Verified Carbon Standard (VCS) managed by Verra, which guarantee the projects' observance of the eligibility criteria, such as permanence, the lack of double counting, a sound monitoring, reporting, and verification process, and additionality, which ensures that these projects would not have been carried out without the financing deriving from the carbon credits issued.
As far as geographical origin is concerned, there are no projects generated within the European Union.
During 2025, Dexelance purchased and retired a total amount of 90,000 carbon credits, related to GHG emission mitigation projects of the Group, with the following purposes: 16,301 credits in completion of the offset of the emissions inventory referring to the year 2025, already partially covered by the purchase of carbon credits in 2024 and 73,699 credits to offset future emissions[18]. For further details on the amounts allocated for the purchase of carbon credits, please refer to the section titled "Costs for services and use of third party assets" in the Notes to the Consolidated Financial Statements for the year ended 31 December 2025.
However, Dexelance's activity of purchasing carbon credits does not replace future commitments made or being finalised by the Group for the direct reduction of its emissions.

[17] For more details, please refer to the section "*Costs for services and use of third-party assets*" in the Notes to the Consolidated Financial Statements as at 31 December 2025.
[18] It should be noted that the number of credits purchased and retired refers to the total emissions certified by Bureau Veritas Italia S.p.A., the third party responsible for certifying the Group's GHG inventory. For further information, please refer to the section titled "Climate-changing emissions" in the chapter "*Main calculation criteria*".

EUROPEAN TAXONOMY

The European Commission, as part of the EU Action Plan on Sustainable Finance, has published with Regulation 852/2020 the European Taxonomy, a classification system for environmentally sustainable economic activities, which is fundamental for the achievement of the objectives set by the EU Green Deal. In addition to Regulation 852/2020, one must also consider:

- Commission Delegated Regulation (EU) 2021/2139 (hereinafter also referred to as the “Climate Delegated Regulation”) introducing the list of economic activities eligible for the EU Taxonomy for the first two climate objectives and the related technical screening criteria;
- EU Regulation 2021/2178 (hereinafter also the “Delegated Regulation on Art. 8" or the "Disclosure Delegated Regulation”);
- EU Delegated Regulation 2022/1214 with regard to economic activities in certain energy sectors, amending the Delegated Climate Regulation and the Delegated Art. 8 Regulation;
- Delegated Regulation 2023/2485 amending EU Delegated Regulation 2021/2139 by setting additional technical screening criteria;
- Regulation 2023/2486 (hereinafter also referred to as the "Regulation on the Remaining Environmental Objectives"), which supplements the EU Regulation 2020/852, and its technical screening criteria, and which amends the Delegated Regulation on Art. 8.;
- Delegated Regulation 2026/73 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed in relation to environmentally sustainable activities, and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards the simplification of certain technical screening criteria used to determine whether economic activities significantly undermine environmental objectives.

The Taxonomy is intended to represent a classification system to establish which economic activities can be considered environmentally sustainable to protect private investors from greenwashing and to support companies in understanding the types of investments needed to contribute positively to the transition of the economy.
The EU Taxonomy states that economic activities can be considered environmentally sustainable (“aligned”) only if they are covered by the “Climate Delegated Regulation” and the Delegated Regulation, while they may be classified under the remaining environmental objectives (“eligible”) if they meet specific criteria that allow them to contribute substantially to at least one of the following environmental objectives:

- Climate change mitigation;;
- Adaptation to climate change;
- Sustainable use of water and marine resources;
- Pollution prevention and control;
- Transition to a circular economy;
- Protection and restoration of biodiversity and ecosystems.

Since last year, non-financial companies have been required to carry out their own assessments of the six objectives, providing disclosures on the eligibility and alignment of their activities with these objectives. To be classified as aligned, eligible assets must:

- Contribute substantially to the achievement of at least one of the six environmental objectives;
- Do No Significant Harm (DNSH) to any of the other environmental targets;
- Respect minimum safeguards on human and labour rights, corruption, taxation and fair competition.

For each economic activity mentioned in the Delegated Regulations, the EU legislation has defined a set of specific technical screening criteria to assess the alignment of eligible activities with reference to the six environmental objectives.
The result of the analysis leads companies to identify for each reporting year eligible and aligned activities, on which they are asked to provide three summary KPIs, by filling in standardised tabular formats, on revenues, investments (CapEx) and expenses (OpEx) related to these activities.

Dexelance's Contribution to the European Commission's environmental goasl

The following paragraphs describe how the Group assessed compliance with Regulation (EU) 2020/852 and the prospectus with the required quantitative KPIs. Since this is a recently implemented international standard and is constantly being updated, all criteria and assumptions made and included in this section are based on currently available information and requirements, which may be subject to future revisions. It should be noted that the Group has exercised its right not to adopt the measures provided for in Delegated Regulation (EU) 2026/73.

Eligibility Analysis

In continuity with the activities carried out for the 2024 Taxonomy disclosure, Dexelance conductedt he 2025 eligibility assessment associating the Group’s economic activities:

- in the first instance, with the descriptions of eligible activities provided for in the Delegated Climate Regulation (Annexes I and II), and the Delegated Regulation on the remaining climate targets; and
- With the relevant activity codes of the Statistical Classification of Economic Activities of the European Community (NACE codes), reconciled with the relevant ATECO codes registered in the relevant Chambers of Commerce.

As required by the Regulation, the eligibility phase assessed the possibility of including Dexelance’s economic activities among those listed in the Delegated Regulations, and thus their ability to potentially contribute to European environmental objectives, regardless of whether these activities were capable of satisfying one of the technical screening criteria set out in the same regulation. This analysis identified Activity 3.5, “Manufacture of energy efficiency systems for buildings”, which is tied to the goal of mitigating climate change, and which concerns the activities conducted by Davide Groppi, Flexalighting, also through its Canadian subsidiary Flexalighting North America, and Axo Light
In the course of the admissibility analysis, the presence of the "Capex C" (Annex 1 of Delegated Regulation (EU) 2021/2178, para. 1.1.2.2 item (c)), relating to the purchase of products from eligible economic activities aligned with the Taxonomy was also examined. In particular, capital expenditures have been identified in relation to Activity 6.5 – Transport by motorbikes, cars and light commercial vehicles –, Activity 7.3 – Installation, maintenance and repair of energy efficiency systems–, and Activity 7.6 – Installation, maintenance and repair of renewable energy technologies –. Regarding to Activity 6.5, please note that “OpEx C” were also identified in association with the requirements set forth in Annex 1 of Delegated Regulation (EU) 2021/2178, para. 1.1.3.2, for the companies: Davide Groppi, Flexalighting, Axo Light, Gervasoni, Gamma Arredamenti, Turri, Modar, Cubo Design, Dexelance, Saba Italia, Cenacchi International and Mohd.

Objective	Relevant item in the financial statements	EU Taxonomy economic activities	Group companies involved
Climate change mitigation	Turnover, Opex C, Capex C	3.5 Manufacture of energy efficiency devices for buildings.	Davide Groppi, Flexalighting, Axo Light
Climate change mitigation	CapEx C, OpEx C	6.5 Transportation by motorcycles, passenger cars and light commercial vehicles	Davide Groppi, Flexalighting, Axo Light, Gervasoni, Gamma Arr., Turri, Modar, Cubo Design, Dexelance, Saba Italia, Cenacchi Int., Mohd
Climate change mitigation	CapEx C	7.3 - Installation, maintenance, and repair of energy-efficient devices	Gervasoni, Davide Groppi, Meridiani
Climate change mitigation	CapEx C	7.6. Installation, maintenance, and repair of renewable energy technologies	Cubo Design, Gamma Arr., Turri, Mohd, Saba Italia

The activities listed in the previous table have the same descriptions for both climate change mitigation and climate change adaptation objectives. For this reason, the Group conducted the analysis by considering the contribution of the activities to both objectives at the same time.
Given the objective of adapting to climate change, there are no associated revenue items for Activity 3.5, as this is not an 'enabling' activity. Additionally, for the same objective, considering activities 3.5, 6.5, and 7.6, no CapEx and OpEx items can be associated. This is because, as stated in the European Commission Communication C/2023/305 of October 20, 2023, regarding the eligibility assessment of "non-enabling" activities, the Group has not yet conducted a climate risk assessment nor implemented adaptation solutions that could enhance the resilience of economic activities to climate change.
Therefore, the activities described above are eligible only in relation to the climate change mitigation objective.

Alignment Analysis

In continuity with the previous year, Dexelance again conducted its alignment analyses this year by investigating its compliance with the technical screening criteria defined by the standard, identifying both areas already in line with requirements and those with room for integration and prospective improvement. By virtue of the gaps identified at present with respect to the provisions of the Technical Criteria, to date, the Group does not present aligned activities, but it is committed to taking the cues from the Criteria themselves to increasingly improve its sustainability performance in general and with particular reference to the eligible activities identified.
Below are some relevant elements in the assessment of the alignment of eligible activities for the Taxonomy.

Activity 3.5 - Manufacturing of energy-efficient equipment for buildings

Substantial contribution to climate change mitigation

Commission Delegated Regulation (EU) 2021/2139 states that the production of light sources in the most efficient energy classes, as defined by Regulation (EU) 2017/1369, contributes substantially to climate change mitigation. Davide Groppi devices comply with the criteria set out in the regulations.

Do no significant harm (DNSH)

Annex I of the Climate Delegated Act establishes specific criteria to ensure that economic activities do not significantly harm other environmental objectives:

- Climate change adaptation: an analysis is required to identify and assess the vulnerability of the economic activity to chronic and acute physical climate risks. The Group companies have not yet carried out such detailed analyses. For these reasons, the DNSH criterion has not been observed;
- Transition to a circular economy: this includes the adoption of practices favouring the recycling and reuse of materials, environmentally sustainable design and waste management oriented towards the recovery of secondary raw materials. In adopting a prudential approach, as the Group has not yet implemented a similar, detailed analysis, it considers this activity as non-compliant with this criterion
- Sustainable use and protection of water and marine resources: an environmental risk analysis is required to ensure the maintenance of good water status, accompanied by a plan for the management and use of water resources. In adopting a prudential approach, as the Group has not yet implemented a similar, detailed analysis, it considers this activity as non-compliant with this criterion.
- Pollution prevention and control: the regulation bans the use of certain hazardous substances. In the absence of a thorough assessment, the Group deemed it appropriate to adopt a prudential approach and claim non-compliance with the criterion;
- Protection and restoration of biodiversity and ecosystems: compliance with this criterion requires an environmental impact assessment or equivalent analysis. As the Group has not yet implemented a similar, detailed analysis, it considers its operations to be non-compliant with this criterion.

Activity 6.5 - Transportation by motorcycles, passenger cars and light commercial vehicles

Substantial contribution to climate change mitigation

Expenditures incurred for the purchase and leasing of Euro V and Euro VI vehicles only count towards the climate mitigation contribution criteria if the vehicles comply with the emissions limit of 50 grams of CO_2 per kilometre. In the Group's vehicle fleet, this criterion is met by fully electric vehicles and plug-in hybrid vehicles, which currently account for a small proportion of the company's fleet, even though the Group introduced an emissions-based criterion for new contracts for the purchase and leasing of company vehicles in 2025.

Do no significant harm (DNSH)

For this activity, Annex I of the Climate Delegated Act provides DNSH criteria for three environmental objectives:

- **Adaptation to climate change**: an analysis of vulnerability to chronic and acute physical climate risks that may impact the activity is required. Since this analysis is the responsibility of the vehicle manufacturers and no information is available in this regard, the Group has adopted a conservative approach, considering its activity to be non-compliant with this criterion;
- **Transition to a circular economy**: vehicles must observe certain reuse and recycling requirements, and there must also be waste management measures for their use and end-of-life phases. Since no specific information was available from the manufacturers, the Group has adopted a conservative approach, considering the criterion not to be met;
- **Pollution prevention and reduction**: The regulation requires vehicles to comply with certain parameters in terms of emissions, approval and efficiency. In this case, the vehicles in the Group's fleet are compliant, as they meet the European regulations currently in force.

7.3 - Installation, maintenance, and repair of energy-efficient devices

Substantial contribution to climate change mitigation

Gervasoni, Davide Groppi and Meridiani have carried out refurbishment works involving the installation of energy efficiency systems, specifically lighting fixtures and heat pumps.
The criteria for a substantial contribution require that physical and non-physical measures ('adaptation measures') are implemented that are capable of substantially reducing the main physical climate risks affecting the business. This requires an analysis to identify and assess the vulnerability of the economic activity to chronic and acute physical climate risks. The Group companies have not yet carried out such detailed analyses. For these reasons, the substantial contribution criteria have not been met.

Do no significant harm (DNSH)

- Climate change mitigation: this requires an analysis to identify and assess the building's designated use. The Group companies have not yet carried out such detailed analyses. For these reasons, the DNSH criterion has not been observed;
- Pollution prevention and control: the regulation bans the use of certain hazardous substances. In the absence of a thorough assessment, the Group deemed it appropriate to adopt a prudential approach and claim non-compliance with the criterion.

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

Substantial contribution to climate change mitigation

The companies Gamma Arredamenti, Turri, Mohd, Saba Italia and Cubo Design made investments for the installation and maintenance of renewable energy technologies, which comply with the requirements of Article 9 of the Decree of the Ministry of Economy and Finance of 19 February 2007.

Do no significant harm (DNSH)

The only DNSH criterion for activity 7.6 concerns adaptation to climate change, which requires an analysis of the vulnerability to chronic and acute physical climatic hazards. Since these analyses have not yet been carried out by Group companies, the DNSH criterion has not been met.

Minimum safeguards

With regard to the minimum safeguard clauses, compliance with the criteria was assessed on the basis of Art. 18 of Regulation 852/2020 and the "Final Report on Minimum Safeguard Clauses" published in October 2022 by the Platform on Sustainable Finance (PSF), the advisory body set up by the European Commission to coordinate the development and implementation of the EU Taxonomy, as last supplemented on 27 June 2023. The analysis then focused on investigating how the Dexelance Group ensures compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.
Dexelance is committed to ensuring equal opportunities, respect for human rights, and combating discrimination, as further specified in the section "Human resources management" in the chapter "Company information".
Furthermore, the Group demonstrates compliance with the "do no significant harm" principle, as defined in SFDR, Article 2, point 17, by addressing the issue of the gender pay gap and gender diversity in governance bodies and disclosing the respective indicators within the Sustainability Statement.
However, while acting in full compliance with Italian and European legislation on tax, competition, corruption, and respect for human rights, the Group considered, on a conservative and prudent basis, that compliance with the minimum safeguards has not been fully met.

Dexelance is committed to increasing its monitoring of these issues over time through the formalisation of ad hoc procedures and policies, including the Code of Ethics, the Diversity and Inclusion Policy, the Working Hours Management Policy, and the Whistleblowing Procedure and Channel, a transversal tool with which the Group has equipped itself to monitor possible conflicts with its value and organisational system.

Indicators

Below are the KPIs required by Article 8 of the EU Taxonomy Regulation and detailed in the dedicated Delegated Regulation on Article 8 (hereinafter also referred to as the "Disclosure Delegated Act").
This paragraph summarises the assumptions and methodologies used to calculate the regulatory required KPIs (Turnover, CapEx, OpEx), based on the Annexes to the Disclosure Delegated Act by categorising the information according to eligible and possibly aligned activities. For each KPI, there is a discussion of its calculation methodology, its structure in relation to the different activities of the EU Taxonomy, and the process used to quantify the items included in the numerator. In accordance with the Regulation, the analysis excludes intercompany items from the calculation of the indicators.
The processing of the indicators involved the Group's administrative departments, which, on the basis of the information contained in Annex 1 to Delegated Act 2178/2021, identified the accounting items to be associated with the different KPIs, based on items in the consolidated financial statements as of December 31, 2025. Regarding to the requirements specified in Section 1.1.2.2 of Annex 1 to the Disclosure Delegated Act, for a plan to expand Taxonomy aligned economic activities or to allow eligible economic activities to be aligned with the Taxonomy, it is hereby clarified that the two KPIs of CapEx and OpEx do not include any elements concerning such considerations.[19]

Turnover

In accordance with the Disclosure Delegated Act, the Turnover KPI has been calculated as the ratio between the part of the net revenue obtained from the sale of products, associated with Taxonomy aligned economic activities (the numerator) and Group net revenue (the denominator). In accordance with IAS 1.82(a) quoted in the Regulation, any revenue item generated by the sale of intercompany products was excluded from the KPI's calculation to avoid double counting. As a result, the denominator of the Turnover KPI corresponds to the item "Revenue" in the consolidated income statement and is equal to EUR 320,184 thousand[20]. With reference to the numerator of the Turnover KPI, the Group considered the share of revenue included in the denominator that refers to Taxonomy eligible and/or aligned economic activities. Specifically, for the quantification of the Group's eligible revenues, precise figures were extracted from the companies in the scope of the consolidation in relation to the following economic activity: 3.5) Manufacture of systems for the energy efficiency of buildings.

[19] It should be noted that, as the gas and nuclear sector activities covered by the Complementary Delegated Act (Delegated Regulation 2022/1214) were not eligible, the relevant tables are not published.
[20] For further details, please refer to the section "Revenue from the sale of goods and services" in the Notes to the Consolidated Financial Statements for the year ended 31 December 2025.

CapEx

Under the Regulation, the calculation of the denominator of the CapEx KPI must include increases to tangible and intangible assets, including those arising from business combinations, considered before depreciations, amortisations, write downs, and any revaluation, including those arising from restatements and impairments, excluding changes in fair value. In accordance with Annex I of Delegated Act 2021/4987, the denominator of the CapEx KPI was calculated using the increases recorded during the 2025 financial year and reported in Note 4 Tangible assets, Note 2 Intangible Assets, and Note 3 Right of useRight of Use, excluding goodwill. On the basis of these considerations, the denominator of the CapEx KPI was EUR 18,848 thousand, whose composition is itemised below with reference to the asset categories mentioned:

- Intangible assets with a finite useful life: EUR 742 thousand;
- Tangible assets: EUR 11,406 thousand;
- Entry of rights of use: EUR 6,693 thousand

As defined in Section 1.1.2.2 of Annex I to the Disclosure Delegated Act., the numerator of the CapEx KPI is the proportion of investments considered in the denominator involving: (i) assets or processes associated with Taxonomy aligned economic activities, and/or (ii) the purchase of products resulting from Taxonomy aligned economic activities and individual measures that enable target activities to achieve low carbon emissions of greenhouse gas reductions.
To quantify the eligible investments, the Group carried out a detailed analysis of asset movements on the basis of individual company data within the scope of consolidation. The numbers concern investments deriving from the following activities eligible for the Taxonomy: i) 6.5 Transport by motorbikes, cars and light commercial vehicles, ii) 7.3 Installation, maintenance, and repair of energy efficiency systems, and iii) 7.6 Installation, maintenance and repair of renewable energy technologies.

Meridiani

OpEx

For the calculation of OpEx KPI, the Group's chart of accounts was carefully analysed to identify those cost items that fall within the categories defined in Annex I to the Disclosure Delegated Act, which are the following:

- Uncapitalised research and development;
- Short-term leases;
- Maintenance & repairs;
- Day to Day servicing of assets.

With reference to the European Commission Notice (2022/C 385/01), specifically FAQ No. 12, the expenses incurred by the Group under the category "any other direct expenses related to the ordinary maintenance of property, plant and machinery" have been included in the calculation of the denominator by isolating specific expense items included under the heading "Costs for services and use of third party assets" presented in the Consolidated Income Statement[21]. Based on these considerations, the denominator of OpEx KPI was 3,888 thousand. In accordance with the methodology used to quantify the numerator of the CapEx KPI, the analysis of the OpEx KPI numerator considered the expenses incurred by the Group as defined in the denominator associated with (i) assets or processes associated with Taxonomy aligned economic activities, and/or (ii) the purchase of products resulting from Taxonomy aligned economic activities and individual measures that enable target activities to achieve low carbon emissions of greenhouse gas reductions. Based on the eligible assets, the numerators were extracted and allocated to the numerator from the data of the individual companies within the scope of consolidation. The activities included in the numerator of the OpEx KPI are: i) 3.5- Manufacture of energy efficiency devices for buildings, ii) 6.5- Transport by motorbikes, cars and light commercial vehicles.

[21] For further details, please refer to the section titled "Costs for services and use of third-party assets" in the Notes to the Consolidated Financial Statements for the year ended 31 December 2025.

Legend

For the purposes of tabular representation, the following legend applies:
climate change mitigation: CCM (Climate Change Mitigation); adaptation to climate change: CCA (Climate Change Adaptation); Sustainable use and protection of water and marine resources; WTR (Sustainable use and protection of water and marine resources); transition to a circular economy: CE (Transition to a circular economy); pollution prevention and reduction: PPC (Pollution Prevention and Control); protection and restoration of biodiversity and ecosystems: BIO (Protection and restoration of biodiversity and ecosystems); Minimum safeguards: MS (Minimum Safeguards).
Yes - the activity is eligible for, and aligned with, the Taxonomy with respect to the relevant environmental objective. No - the activity is eligible for, but not aligned with, the Taxonomy with respect to the relevant environmental objective. N/A - Not applicable; technical screening criteria not listed in the Regulation.
The following legend applies when reading the eligibility section: AM - Taxonomy-eligible activity for the relevant objective. N/AM - activity not eligible for the Taxonomy for the relevant objective. N/A - Not applicable.

Financial Year		2025		Criteri per il contributo sostanziale						Criteri DNSH («non arrecare danno significativo»)									
Economic Activities	Code	Revenue	Shared of Revenues	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO	Minimum safeguards	Share of Taxonomy -aligned (A.1) or Taxonomy -eligible (A.2.) turnover, year 2024	Category of enabling activity	Category of enabling activity	Category of transition activities
		EUR	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	%	A	T	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%	NO	NO	NO	NO	NO	NO	NO	0%			
Of which enabling		0	0.0%	0%	0%	0%	0%	0%	0%	NO	NO	NO	NO	NO	NO	NO	0%			
Of which transitional		0	0%	0%	0%	0%	0%	0%	0%											
A.2. Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)																			
Manufacture of energy efficiency systems	CCM 3.5	32,523,908	10.2%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								8.1%			
Turnover from taxonomy-eligible but non-environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		32,523,908	10.2%	10.2%	0.0%	0%	0%	0%	0%								8.1%			
Turnover from taxonomy-eligible activities (A.1+A.2)		32,523,908	10.2%	10.2%	0%	0%	0%	0%	0%								8.1%			
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Turnover from activities not eligible for taxonomy		287,661,055	89.8%																
TOTAL		**320,184,963**	**100%**																

Objective	Revenue share/Total revenue	
	Aligned with the Taxonomy by objective	Eligible for the Taxonomy by objective
CCM	0%	10.2%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Financial Year	2025			Criteria for substantial contribution						DNSH (Do no significant harm) criteria									
Economic activities	Code	CapEx	Share of CapEx	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO	Minimum safeguards	Share of Taxonomy -aligned (A.1.) or Taxonomy-eligible (A.2.) turnover, year 2024	Qualifying act	Transition act
		EUR	%	Yes; No; N/AM	Yes; No; N/AM	Yes No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**0%**		
Of which enabling		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**0%**		
Of which transitional		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
A.2. Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)																			
Transportation by motorcycles, passenger cars and light commercial vehicle	CCM 6.5	165,652	0.9%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								2.8%		
Installation, maintenance, and repair of energy efficiency systems	CCM 7.3	231,625	1.2%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.0%		
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	728,306	3.9%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								1.8%		
CapEx from Taxonomy-eligible but non-environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		**1,125,583**	**6.0%**	6.0%	0%	0%	0%	0%	0%								4.5%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**1,125,583**	**6.0%**	6.0%	0%	0%	0%	0%	0%								4.5%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
CapEx of non-taxonomy-eligible activities		17,722,817	94.0%																
TOTAL		**18,848,400**	**100%**																

Objective	Share of CapEx/Total CapEx	
	Aligned with the Taxonomy by objective	Eligible for the Taxonomy by objective
CCM	0%	4.7%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Financial Year		2025			Criteria for substantial contribution						DNSH (Do no significant harm) criteria									
Economic Activities	Code	OpEx	Share of CapEx	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO	Minimum safeguards	Share of Taxonomy -aligned (A.1) or Taxonomy -eligible (A.2.) OpEx, year 2024	Category of enabling activity	Category of transition activities
		EUR	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operational expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**0%**		
Of which enabling		0	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**0%**		
Of which transitional		0	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
A.2. Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)																			
				AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM										
Manufacture of energy efficiency systems for buildings	CCM 3.5	340,750	8.8%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								10.5%		
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	197,405	5.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								4.2%		
Operational expenditure of activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities) (A.2)		**538,155**	**13.8%**	**13.8%**	**0%**	**0%**	**0%**	**0%**	**0%**								14.8%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**538,155**	**13.8%**	**13.8%**	**0%**	**0%**	**0%**	**0%**	**0%**								14.8%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Operational expenditure of non-taxonomy-eligible activities		**3,350,076**	**86.2%**																
TOTAL		**3,888,231**	**100%**																

Obejctive	Share of OpEx/Total OpEx	
	Aligned with the Taxonomy by objective	Eligible for the Taxonomy by objective
CCM	0%	13.8%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Meridiani

Nuclear and fossil gas-related activities

The Group does not engage in activities related to nuclear energy and fossil gases.

	NUCLEAR ENERGY-RELATED ACTIVITIES	
1	The Company carries out, funds or is exposed to the research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2	The Company carries out, funds or is exposed to the construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	NO
3	The Company carries out, funds or is exposed to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	FOSSIL GAS-RELATED ACTIVITIES	
4	The Company carries out, funds or is exposed to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The Company carries out, funds or is exposed to the construction, refurbishment, and operation of combined heating/cooling and electrical power generation facilities using fossil gaseous fuels.	NO
6	The Company carries out, funds or is exposed to the construction, refurbishment and operation of heat generation facilities that produce heating/cooling using fossil gaseous fuels.	NO

CIRCULAR ECONOMY

Impact and risks		Value chain	Time horizon
Product use	Impact	Downstream	Short-term
Consumption and depletion of raw materials	Impact	Upstream	Short-term
Impact on environmental quality from waste generation	Impact	Own operation	Medium to long-term
Impact on environmental quality from waste generation	Impact	Upstream	Medium to long-term
End-of-life environmental impacts	Impact	Downstream	Medium to long-term
Dependence on key raw materials	Risk	Upstream	Medium-term
Incorrect waste management	Risk	Own operation	Medium to long-term

Dexelance recognises the importance of a more sustainable production and consumption model based on the principles of the circular economy. By formalising internal awareness initiatives, Dexelance aims to strengthen a corporate culture in the coming years that prioritises circularity, with the goal of minimising its environmental impact throughout the value chain.

[ESRS 2 IRO-1] Description of the processes to identify and assess the significant impacts, risks and opportunities related to the use of materials and the circular economy.

The approach for determining impacts, risks and opportunities and the list of IROs on the circular economy considered significant can be found in the section "Dexelance's Double Materiality" in the chapter "General Information – Basis for Preparation". The Group recognises that its activities generate environmental impacts arising from the use of resources and waste management, with particular reference to waste from leather, textiles, paints, plastics and other raw materials purchased from suppliers, such as timber, plastics, paper, metals, minerals, textiles and leather.
In the phase for the identification of the IROs related to the circular economy, an analysis was conducted of company resources (buildings, systems, plants, machinery, and raw materials) and the activities conducted (production processes, resource consumption and utilisation, waste generation and management) in order to identify impacts, risks and opportunities related to resource use and the circular economy, including the assessment of the use of natural resources and materials, energy efficiency and waste management.
By analysing the life cycle of products and their design, it was also possible to examine the amount of resources used and discarded, identifying their impacts, risks and opportunities, including related dependencies.
An approach was adopted for the analysis that was based on a direct, in-depth dialogue with the production managers of the individual subsidiaries in the form of ad hoc meetings. This method made it possible to capitalise on their specific know how and to collect factual data directly from their operations, thereby ensuring a formulation that is consistent with the Group's operations. Based on the information obtained, impacts, risks and opportunities (IROs) were identified, although consultations with affected communities were not conducted.

[E5-1] Policies related to resource use and circular economy policies

[E5-2] Actions and resources related to resource use and the circular economy

[E5-3] Target related to resource use and circular economy objectives

Dexelance recognises the significance of the circular economy as part of its journey of sustainable and responsible growth. In accordance with the Group's sustainability principles, a number of actions have been identified for possible implementation with the aim of optimising the use of resources, reducing waste and encouraging the reuse of materials throughout the entire life cycle of products. For the current reporting year, the Group has not set any specific, measurable targets in accordance with the requirements introduced by the CSRD.
Starting in 2025, Dexelance drew up and adopted an Environmental Policy covering issues relating to material sustainability and the circular economy (for further information, please refer to the section 'Policies' of the chapter 'General Information – Basis of Preparation – ESRS 2'). In 2025, also defined several Environmental Corporate Culture principles to improve the sustainability of offices and warehouses and to continue to reduce the environmental impact of its operations. These principles, which will be disseminated within the subsidiaries, form part of a process of awareness raising and involvement of the various corporate offices to foster a mentality focused on circularity and the conscious use of resources, both within its own operations and when participating in trade fairs, various exhibitions and events.
The Group is also committed to supporting and promoting initiatives that will be developed and implemented within its subsidiaries to reduce the impact of the materials used in the design of products, as well as the packaging used for their sale.

Davide Groppi

MATERIALS AND WASTE

[E5-4] Resource inflows

Dexelance places quality at the heart of its business, using a rigorous selection of raw materials, mostly from Italian suppliers, to guarantee the excellence and reputation of "Made in Italy".
The variety and complexity of the Group's businesses are reflected in the diversification of the materials used and the processing techniques adopted. The production processes vary accordingly: from carpentry to painting with ecological finishes, from handcrafted upholstery to advanced lighting design. The integration of traditional techniques and modern technologies meets market demands with customised, high-quality solutions.
Only some of the Group's companies use water in their production processes: in the spray booths, to reduce dust in carpentry and painting activities, and in the cutting processes of some inert materials for the 'Kitchen & Systems' strategic business area. The water comes from the municipal aqueduct, with the exception of Cubo Design, which is supplied by the reclamation consortium connected to the Tordino river.
Overall, different materials are used, but no critical raw materials or rare earth materials are used in the various processes. In general, the companies in the 'Furniture' strategic business area, such as Gervasoni, Meridiani, Saba Italia, Gamma Arredamenti, and Turri, predominantly use wood, textiles, plastics, and metals. Cenacchi Arredamenti and Modar, in the 'Luxury Contract' strategic business area, while being continuously subject to variations in the type of raw materials used due to the nature of their business, consume mainly wood, glass and metals. The companies in the 'Lighting' strategic business area, on the other hand, mainly use metals and glass. Cubo Design, part of the 'Kitchens and Systems' strategic business area, uses wood, metals, plastic and inert materials. Finally, Mohd, which operates in the 'Omnichannel go-to-market' strategic business area, does not engage in manufacturing. It instead sells furniture and lighting products similar to those produced by the Group's other companies.
In terms of environmental responsibility, each company within the Group adheres to specific criteria: Gervasoni, Cenacchi, Modar and Cubo Design, for example, combine wood with innovative materials to produce furniture and accessories, and they have obtained FSC® certification; Meridiani and Saba Italia have introduced the use of natural and recycled materials; Gamma Arredamenti stands out for its selection of LWG-certified leather. In the field of lighting technology, all Group companies guarantee that the products they market comply with the European Ecodesign Regulation for lighting, ensuring that the necessary instructions are provided for accessing and, where applicable, dismantling the light source, in accordance with Regulation (EU) 2019/2020. Furthermore, Flexalighting, which specialises in LED technology, optimises design and assembly whilst minimising material usage.
As regards packaging, the Group companies use mainly wood, paper and cardboard, and, to a lesser extent, plastic. In particular, the 'Luxury Contract' strategic business area uses mostly wood, while the 'Furniture', 'Lighting' and 'Kitchen & Systems' strategic business areas make greater use of paper and cardboard. Some companies, such as Davide Groppi, have also initiated projects to replace single use plastic packaging with reusable solutions (e.g. reusable blister packs) to reduce waste and limit the use of non-recyclable materials.
Although wood is the most widely used material, it is divided into two categories: 49% of the total material is in the form of wood panels, a material deriving from a secondary reuse of virgin wood (mainly in the form of MDF or chipboard), while only 3% is virgin wood.
It is hereby specified that, although the Group has made a reasonable effort, the percentage of products sourced sustainably and therefore covered by a certification scheme is not available for the reporting year in question.

Below is a representation of the materials used by the Group broken down by technical and biological materials:

Materials used to manufacture products and offer services *(tonnes)*

	2024			2025		
	Technical Materials	**Biological Materials**	**Total**	**Technical Materials**	**Biological Materials**	**Total**
Virgin wood	-	738.75	**738.75**	-	787.08	**787.08**
Processed wood (panels)	-	12,878.82	**12,878.82**	-	12,490.27	**12,490.27**
Metals	4,395	-	**4,395**	2,958.61	-	**3,104.70**
Inert Materials	1,806.93	-	**1,806.93**	2,781.42	-	**21,938.74**
Glass	1,051.93	-	**1,051.93**	1,227.52	-	**1,227.52**
Electrical and electronic equipment	708.31	-	**708.31**	916.66	-	**916.66**
Plastic	683.34	-	**683.34**	1,784.82	-	**1,784.82**
Paper and cardboard	-	610.98	**610.98**	-	845.74	**845.74**
Textiles	-	235.91	**235.91**	-	184.42	**184.42**
Skins	-	151.39	**151.39**	-	121.85	**121.85**
Down feather	-	83.26	**83.26**	-	76.02	**76.02**
Other	552.94	-	**552.94**	1,452.06	-	**1,452.06**
Total	**9,198.46**	**14,699.11**	**23,897.57**	**11,121.09**	**14,505.38**	**25,626.46**
Percentage	**38%**	**62%**	**100%**	**43%**	**57%**	**100%**

The company does not currently have a process that allows for the verifiability of the weight, in absolute value or as a percentage, of reused or recycled secondary components and intermediate secondary products and materials used by the company for its products and services.
The materials were classified into macro categories, as illustrated in the table, according to the following criteria:

- Wood: a distinction is made between processed wood, which mainly includes wood panels, as previously described, and virgin wood.
- Metals: include brass, steel and iron.

- Inert materials: include stone, marble, selenite, graphite, lime, gypsum, rock wool, mica, bone, stucco, gress, ceramics, cement and plasterboard.
- Electrical and electronic equipment: include LEDs, LED drivers, cables, small electrical parts, lighting accessories, hoods, dishwashers, washing machines, microwaves, electrified lighting rails, connectors, lamps, electrical components, magnets, electronic boards, power supplies, chips, batteries and signs.
- Plastics: include plastics used in raw materials, semi-finished products, finished goods and packaging.
- Other: includes lamp mounts, acetone, Velcro adhesives, wax, thinners, abrasive polish, anti-rust sprays, paints, glues, kitchen accessories, grooves, straps, ropes, various furniture items, adhesives, mattresses and upholstery.

Supplies for offices or showrooms for foreign subsidiaries were excluded, with the exception of Flexalighting North America, the only foreign production company.
The data basis and methodology used for the calculation are in line with the GHG report and inventory that was verified by an accredited third party (Bureau Veritas Italia S.p.A.) and conducted according to the principles and requirements of ISO 14064, with a confidence level of the GHG Mixed Engagement Statement that is reasonable for direct and indirect emissions of electricity and AUP (Agreed Upon Procedures) for other indirect emissions (Scope 3).
For the quantification of materials, a methodological ranking was adopted that involved: using weight data communicated directly by the company; calculating weight by sampling certain flows, with conversion factors (from economic to physical data) to be applied to similar materials. Compared with the 2024 financial year, the changes in quantitative data are attributable not only to changes in procurement strategies and business requirements, but also to the updating of certain conversion factors used to convert financial data into physical data. In particular, priority was given to the use of the Exiobase v3.3.18 database (version dated 23 March 2023) to ensure greater methodological consistency and uniformity in the data calculations.

[E5-5] Resource outflows

Dexelance mainly produces furniture products, such as sofas, chairs, tables, kitchen items and lamps (as stated in the section “Sustainability strategy” in the chapter “General Information – Basis for Preparation – ESRS 2”). Although the Company has not yet developed a formal assessment of the durability, reparability and recyclable content rate of its products, it plans to carry out more in-depth analyses in the future to optimise the use of resources and promote a more circular life cycle of its products.
Dexelance is nevertheless committed to integrating circular principles into its production process. In fact, principles of durability and repairability are already taken into account in product research, development and design. In particular, materials are selected that guarantee a long service life and the product is designed in such a way as to facilitate disassembly, allowing the different components to be easily recovered and only those that do not work to be repaired.

Waste

For the year 2025, Dexelance reports that 3,141,259 kg of total waste was generated from its operations, of which 31,359.07 kg was hazardous waste and 3,109,900.71 kg was non-hazardous waste.
Of the total, 3,030,932 kg went to recovery, while 110,327 kg went to disposal. Only a small portion of the waste produced was recycled (0.3%). The Group does not produce any radioactive waste.

Waste not destined for disposal

	2024			2025		
	Hazardous waste	Non-hazardous waste	Total	Hazardous waste	Non-hazardous waste	Total
Energy Recovery (R1)	-	-	**-**	-	-	**-**
Preparation for re-use (P)	-	-	**-**	-	-	**-**
Recycling (R3, R4, R5)	-	-	**-**	-	10,110.00	**10,110.00**
Other recovery operations (R12, R13)	**7,218.11**	3,244,084.64	**3,251,302.76**	13,313.07	3,007,509.71	**3,020,822.78**
Total	**7,218.11**	**3,244,084.64**	**3,251,302.76**	**13,313.07**	**3,017,619.71**	**3,030,932.78**

Waste directed to disposal

	2024			2025		
	Hazardous waste	Non-hazardous waste	Total	Hazardous waste	Non-hazardous waste	Total
Incineration (D10, D11)	-	-	**-**	-	-	**-**
Waste directed to landfill (D1, D2, D3, D5)	-	-	**-**	-	-	**-**
Other disposal operations (D4, D8, D9, D13, D14, D15)	54,333.00	119,009.70	**173,342.70**	18,046.00	92,281.00	**110,327.00**
Total	**54,333.00**	**119,009.70**	**173,342.70**	**18,046.00**	**92,281.00**	**110,327.00**

In 2025, the waste produced by Dexelance came mainly from wood waste, mixed packaging (plastic, paper, metal and wood), paint and varnish waste, used mineral oil for engines and gears, printer toner, chips, glass and mirrors, as well as bulky waste and insulation materials containing hazardous substances. This waste is generated by industrial activities, production processes and plant maintenance, and is sorted and managed in accordance with environmental regulations to ensure its proper disposal. Dexelance uses a methodology based on direct measurements and point calculations to determine data on the waste generated, avoiding estimates whenever possible. Waste is categorised according to EWC codes to distinguish between hazardous and non-hazardous waste. The criteria used for classification follow current regulations. Compared with the 2024 financial year, the increase in hazardous waste not intended for disposal is mainly due to a build-up of waste managed in 2025 but which had also been generated in 2024, as well as to the disposal of some end-of-life equipment.

SOCIAL INFORMATION – ESRS S1

INFORMATION ON SOCIAL IMPACTS, RISKS AND OPPORTUNITIES

Impact and risks		Value chain	Time horizon
Failure to protect the welfare of employees	Impact	Own Operation	Short-term
Human rights violations within the Company's workforce	Impact	Own Operation	Short-term
Negative impact on employee health and safety	Impact	Own Operation	Short-term
Lack of employee skill development	Impact	Own Operation	Short-term
Workplace accidents or occupational illnesses	Risk	Own Operation	Medium-term
Dependence on key figures	Risk	Own Operation	Short-term

[ESRS 2 SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

All employees of Dexelance, on whom there could be a material impact, are included within the scope of disclosure under ESRS 2. The impacts identified by the Group, such as those related to the wellbeing of its own workers (hereinafter also referred to as "employees"), occupational safety and skills development, are in fact generalised and transversal in nature and concern the entire workforce, independently of other factors.
The Dexelance workforce subject to significant impacts as a result of its operations is mainly composed of employees with permanent contracts, who are employed in the internal production phases at the subsidiaries, mainly in Italy, as well as in product sales and business support and coordination roles. A small part of the Group's workforce consists of non-employees, such as temporary workers, mainly involved in production, and trainees.
The risk of workplace accidents or occupational illnesses is closely linked to the impact generated by the Group's specific operations. The diversity and peculiarities of operations, which include the handling and processing, in some subsidiaries, of potentially hazardous chemicals (such as paints, waterproofing agents and waxes), create a direct dependency due to employee exposure to these substances.

Meridiani

This impact on workers' health is the primary cause of the risk, as working conditions that do not guarantee adequate protection and prevention measures can amplify the risk of accidents, occupational illnesses and related economic and reputational costs for the Group.
However, the Group already has some prevention measures in place, such as insurance coverage for workplace accidents and occupational illnesses. For further information, please refer to the section entitled "Costs for services and use of third-party assets" in the Notes to the consolidated financial statements for the year ended 31 December 2025.
Furthermore, regarding the risk of dependence on key figures, please note that the Group has adopted long-term incentive plans for top management, including the CEO and the Managing Director, which seek to incentivise the beneficiaries to pursue the Group's objectives and increase loyalty with a view to their retention. For further information, please refer to the section "Significant events during the financial year" regarding the medium- to long-term monetary incentive plan in the Notes to the Consolidated Financial Statements ended 31 December 2025.
In addition, within Dexelance's own operations, no cases or situations of serious risk of forced, compulsory or child labour were identified, either in relation to specific types of operations, such as production facilities, or in particular countries or geographical areas.
Regarding the assessment of the significance of impacts on its own workforce, Dexelance confirms that it has not identified types of workers with particular characteristics, working in specific contexts or engaged in particular activities, who may be more exposed to risks than the rest of the workforce.
Moreover, the significant risks identified in relation to impacts and dependencies in terms of employees do not concern specific groups of people, such as particular age groups or workers in certain geographical areas, but instead affect the entire workforce of the company, across the board.

PEOPLE MANAGEMENT

[S1-1] Policies related to one's own workforce

Currently, guidelines on the treatment of employees are outlined in Dexelance's Code of Ethics, the official document that establishes the ethical commitments and responsibilities in the conduct of company business. The Code clearly defines the values and principles that Dexelance recognises as essential elements of its mission, corporate culture and business model. It promotes respect for workers' rights and the creation of a safe and respectful working environment. It also provides a framework to guide the company's ethical behaviour, ensuring that all activities are conducted in accordance with the principles of fairness, dignity and well-being. For further information on the Code of Ethics, please refer to the section "Policies" of the chapter "General Information – Basis of the Preparation – ESRS 2". Dexelance has not adopted a specific policy on workforce management. However, recognising the importance of this issue and in accordance with its commitment to the protection and well-being of its workforce, the Group introduced a Group Diversity and Inclusion Policy and a Working Hours Management Policy in 2025 (for further information, please refer to the section "Policies" of the chapter "General Information – Basis of the Preparation – ESRS 2"). Furthermore, as part of the strategic corporate guidelines set out in the Group's ESG Manifesto and the 2026–2028 Business Plan, Dexelance has planned to adopt policies on human rights and corporate welfare and well-being, with a view to furthering certain initiatives already under way within the Group.

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

At the moment, the Dexelance Group has not adopted a structured process of engagement with these stakeholders but, as part of future initiatives, it plans to increase opportunities for employee involvement, both through corporate communication channels and Group initiatives, with the aim f establishing an open and constructive dialogue.

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

Dexelance Group has adopted a process for managing reports, also in anonymous form, to prevent the occurrence of offences, irregularities or conducts that do not comply with the Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, company procedures and the applicable regulations. The process enables the reporting of any negative material impacts on the workforce. It ensures the timely assessment of reports and, if necessary, the adoption of corrective measures to remedy the impacts identified. The effectiveness of remedial actions is monitored through regular audits and dedicated reports.
For the management of reports, Dexelance uses a dedicated IT platform, accessible via the official website, in full compliance with the General Data Protection Regulation (GDPR). This platform provides a channel through which employees can communicate their concerns, even anonymously. The Group promotes the use of these channels through the dissemination of ad hoc company policies, such as the Code of Ethics and the Whistleblowing Procedure.
Group companies independently adopt reporting management systems that are available on their respective company websites, thus providing simple and direct access in all areas of operations. To ensure the effectiveness of these tools, Dexelance constantly monitors the issues raised and evaluates the results obtained, also involving the Group CFO in all communications.
Finally, the Group has implemented specific measures to protect employees who make use of these channels from retaliation, as required by internal policies and regulations. On average, twice a year, as was also the case during this reporting year, training and refresher courses are provided to the senior management of all Group companies to strengthen staff awareness of possible offences, the reporting procedures available and their importance for the protection of the work environment.

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

In 2025, no specific actions were implemented to mitigate negative impacts on the workforce.
However, the Group manages impacts through the application of procedures and policies that comply with current regulations, ensuring safe and decent working conditions. In particular, apart from the introduction of the Working Hours Management Policy, companies are implementing measures to prevent stress and fatigue caused by unbalanced working hours and to ensure adequate pay that promotes a healthy work-life balance, such as flexible working hours, remote working and varied working hours during the summer months.
Nevertheless, in line with the commitments linked to the strategic guidelines approved this year, the main measures planned for the next few years include, in addition to the introduction of Group policies on human rights, corporate welfare and well-being, the activation of ongoing welfare programmes by all Group subsidiaries. Already in 2025, the companies within the Cenacchi International Group, Cubo Design, Davide Groppi, Gamma Arredamenti and Saba Italia joined Meridiani, Gervasoni and Dexelance in implementing the Group's ongoing welfare programme.
The other companies in the Group will implement this during 2026.
To facilitate the successful integration of new human resources, Dexelance also plans to define a set of guidelines, to be used by all subsidiaries, for onboarding new employees. This tool will support welcoming new hires and professional growth, facilitating a sense of belonging and alignment with the Group's corporate culture.
Finally, Dexelance aims to intensify its employer branding activities by strengthening and launching new initiatives in the region, by, for example, increasing the work-study opportunities already being offered by Group companies, as well as targeted collaborations with training institutions.
In 2025, Turri joined a project focusing on the IPSIA carpentry schools in the Brianza region, taking part as a member of a jury. As part of the initiative, young students, with the support of the companies involved in the project, created a piece of furniture which was subsequently presented to and assessed by the entire jury. The company has also confirmed its availability for the 2026 academic year, not only to serve again on the jury, but also to provide direct support to the students in the design and construction of the piece of furniture entered in the competition.
For the current reporting year, the Group has not set specific, measurable targets in line with the requirements introduced by the CSRD.
The active involvement of internal stakeholders, including the Parent Company Sustainability Team and management, and the ESG Ambassadors, as well as interactions with a number of educational institutions were instrumental in shaping these initiatives and opportunities. Performance is monitored by means of periodic feedback sessions, with possible revisions of the strategies in the event of deviations from the established targets.

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

In line with the approach taken in 2024, Dexelance has not set any quantitative targets for 2025.
However, as part of the 2026-2028 Business Plan, a set of strategic initiatives and actions with respective targets have been planned for implementation over this three-year period to promote a healthy, inclusive and sustainable working environment.

CHARACTERISTICS OF THE GROUP'S PEOPLE

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

All employees of the Dexelance Group are included within the scope of the reported information.
The tables below provide a detailed overview of the Group's workforce (total number of people), broken down by gender, country and employment contract type, as also reported in the section "Staff costs" in the "Notes to the Consolidated Financial Statements as at 31 December 2025", albeit with reference to the average number of employees during the reporting period rather than the exact figure as at 31 December, as shown here. In addition, the outgoing turnover for the year 2025 is reported.

Total number of employees (headcount) by country

Number of people	Udm	as of 31 December 2024			as of 31 December 2025		
		Men	Women	Total	Men	Women	Total
Italy	no.	440	341	**781**	525	390	**915**
France	no.	-	-	**-**	2	2	**4**
UK	no.	1	1	**2**	3	3	**6**
China	no.	1	7	**8**	2	8	**10**
USA	no.	7	9	**16**	9	8	**17**
Canada	no.	10	8	**18**	14	10	**24**
Total	no.	**459**	**366**	**825**	**555**	**421**	**976**

More than 97% of the workforce (948 employees) are on permanent contracts.

Total number of employees (headcount) by contract type and gender

Number of people	Udm	as of 31 December 2024			as of 31 December 2025		
		Men	Women	Total	Men	Women	Total
		459	**366**	**825**	**555**	**421**	**976**
Permanent	no.	453	353	**806**	536	412	**948**
Temporary	no.	6	13	**19**	19	9	**28**
Shifting schedule	no.	-	-	**-**	-	-	**-**
Full-time	no.	454	331	**785**	547	341	**888**
Part-time	no.	5	35	**40**	8	80	**88**

Turnover rate is calculated as the number of employees who have left the Group, either voluntarily or involuntarily, as the ratio between the employees who have left and the total number of employees by gender as at December 31, 2025.

Number (headcount) and rate of terminations

Number of people and rate	Udm	as of 31 December 2024			as of 31 December 2025		
		Men	Women	Total	Men	Women	Total
Terminated employees	no.	43	32	**75**	51	41	**92**
Turnover rate	no.	9.37%	8.74%	**9.09%**	9.37%	9.74%	**9.53%**

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

The table below provides the total number of non-employee employees of the Dexelance Group, broken down by gender as at 31 December 2025.

Total number of non-employees in own workforce (headcount)

Number of people	Udm	as of 31 December 2024			as of 31 December 2025		
		Men	Women	Total	Men	Women	Total
Totale	n.	134	10	**144**	168	21	**189**

DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITIES

[S1-9] Diversity metrics

The tables below present diversity metrics within the Dexelance Group, showing the total number of employees broken down by age group and the total number of senior managers (defined as employees classified as executives and/or middle managers), and broken down by gender.

Total number of senior managers - Dexelance S.p.A.

Number of people	Udm	as of 31 December 2024			as of 31 December 2025		
		Men	Women	Total	Men	Women	Total
Number of senior managers	no.	4	3	**7**	4	3	**7**
Percentage	**%**	**57%**	**43%**	**100%**	**57%**	**43%**	**100%**

Total number of senior managers- Group

Number of people	Udm	as of 31 December 2024			as of 31 December 2025		
		Men	Women	Total	Men	Women	Total
Number of employees	no.	40	13	**53**	39	18	**57**
Percentage	**%.**	**75%**	**25%**	**100%**	**67%**	**33%**	**100%**

Total number of employees by age group

Number of people	Udm	as of 31 December 2024				as of 31 December 2025			
		<30	30-50	>50	Total	<30	30-50	>50	Total
Number of employees	no.	92	454	279	**825**	100	540	336	**976**
Percentage	**%.**	**11%**	**55%**	**34%**	**100%**	**10%**	**55%**	**34%**	**100%**

[S1-10] Adequate wages

All employees of the Dexelance Group receive an adequate salary in line with the applicable benchmarks. Dexelance defines the salaries of its workforce in accordance with the reference parameters applicable in the various countries in which it operates. In Italy, salaries are in line with the sector's National Collective Labour Agreement (CCNL). In non-EU countries, the salary level is determined by local legislation, ensuring that it complies with current regulations and is adequate in relation to local standards.

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

The gender pay gap indicates the difference between the average wage levels paid to female and male workers. In this respect, the data in the table “Gender pay gap” shows the average gross pay of all employees of the Dexelance Group. These data provide a clear view of the average total remuneration within the workforce, which reveals a pay gap between female and male genders of 21%[22].
In parallel, the second table shows the total annual pay ratio. This ratio measures the difference between the highest salary paid and the median salary of all employees, calculated by excluding the salary of the employee receiving the highest salary from the calculation.
Both indicators are based on the same method of calculating Gross Annual Remuneration (GAR), which includes the annual basic salary, cash bonuses (performance-based bonuses and economic incentives), and fringe benefits (non-monetary benefits such as a company car, meal vouchers, health insurance, and other additional benefits).

Gender pay gap

Euro	Udm	as of 31 December 2024			as of 31 December 2025		
		Men	Women	%	Men	Women	%
Average gross hourly pay of all employees	€.	30.07	25.77	**14%**	28.24	22.41	**21%**

Annual total remuneration report

Euro	Udm	as of 31 December 2024	as of 31 December 2025
Total annual salary of the highest paid person	€	293,413.35	273,206.52
Median annual total remuneration of all employees in the organisation excluding the above-mentioned person	€	34,815.17	32,841.38
Annual total remuneration report		**8.43**	**8.32**

[22] The formula used to calculate the gender pay gap is: ((average gross hourly earnings of male employees - average gross hourly earnings of female employees) / average gross hourly earnings of male employees) x 100

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

The data reported concern incidents, complaints and serious impacts on discrimination and human rights within the Dexelance Group. In 2025, the Group recorded no incidents, complaints or serious impacts related to discrimination or human rights violations (forced labour, child labour or human trafficking).

HEALTH AND SAFETY

[S1-14] Health and safety metrics

The table below shows the health and safety metrics within the Dexelance Group.
This data is provided to offer a transparent view of workplace incidents, reflecting the Group’s commitment to ensuring a safe and healthy working environment for all employees.

Workforce covered by management systems according to legal requirements and/or recognised health and safety standards or guidelines

Number of people	Udm	2024	2025
Number of employees covered by health and safety management systems	€	814	976
% of employees covered by health and safety management systems	%	99%	100%

Work-related accidents and illnesses - Employees

Numero di persone	Udm	2024	2025
Number of deaths due to work-related injuries or illnesses	n.	0	0
Number of recordable occupational incidents	n.	13	14
Number of hours worked	n.	1,184,764.22	1,668,274.00
Recordable work injury rate	**n.**	**10.97**	**8.39**
Number of cases of work-related illnesses that could be registered	n.	0	2
Number of days lost due to work-related injuries or illnesses	**n.**	**634**	**329**

TRAINING

[S1-13] Training metrics

The table below presents the training metrics within the Dexelance Group, showing the total number of training hours incurred and the average number of hours per employee, broken down by gender.

		Average number of training hours per employee and gender as of 31 December 2024					
Training hours	**Udm**	**Total hours Men**	**Average hours Men**	**Total hours Women**	**Average hours Women**	**Total trainig hours**	**Average hours per employee**
Total	no.	3,899	8.5	4,292	11.7	8,190	9.9

		as of 31 December 2025					
Training hours	**Udm**	**Total hours Men**	**Average hours Men**	**Total hours Women**	**Average hours Women**	**Total training hours**	**Average hours per employee**
Total	n.	4,664	8.4	3,443	8.2	8,107	8.3

The Groups has not yet developed and formalised a performance evaluation system.

ENTITY-SPECIFIC INFORMATION

Impact		**Value chain**	**Time horizon**
Supporting local communities through charity, cultural and artistic promotion and environmental protection projects	Impact	Downstream	Medium to long-term

In the double materiality analysis, Dexelance identified a positive impact in initiatives dedicated to social support, cultural promotion and environmental protection. No specific metrics, policies or targets are currently defined for this issue; however, the Group is constantly engaged in philanthropic and social activities. Through donations and partnerships with non-profit organisations, the Group has contributed to projects for social inclusion, health care, educational development and cultural heritage enhancement. In 2025, the Dexelance Group allocated a total of around EUR 27 thousand to social, cultural and environmental initiatives, reinforcing its commitment to local communities and disadvantaged groups. These initiatives include product donations to charity auctions and local schools, as well as partnerships with non-profit organisations such as:

- The Ragnatela Cooperative in Majano, which entrusts operational activities to an organisation that promotes the employment of people with disabilities;
- A.V.S.I., in support of educational initiatives and long-distance sponsorship schemes;
- The ITS Academy Foundation, in support of specialised training programmes;
- Il Volo Società Cooperativa Sociale - ETS, through the donation of products intended to support social and healthcare projects;
- The "I Bambini delle Fate S.p.A." cooperative, dedicated to improving the quality of life of children and young people in need.

A further sign of being rooted in the territory is the inclusion of members of the local community among the Group's senior managers, favouring a management closer to the needs of the local area and the people who live there. Furthermore, during the year, one of the Group's companies welcomed students from the Salesiani Castel de' Britti Vocational Training Centre in San Lazzaro di Savena, Bologna to its premises, in implementation of the work-study programmes required by their course of study. The initiative was divided into three annual cycles, each lasting around three weeks, during which the interns worked alongside company staff and gained technical and practical skills in a structured professional environment. The partnership with the Centre, which provides vocational training programmes for young people from diverse backgrounds and circumstances, forms part of the Group's initiatives to support educational inclusion and the development of human capital in the local area. Through these initiatives, Dexelance continues to strengthen its positive impact, integrating the values of social responsibility into its corporate strategy and contributing concretely to the development of the communities in which it operates. These initiatives testify to Dexelance's willingness to integrate social responsibility into its business model, promoting a positive impact on the local area and contributing to building a more inclusive and sustainable community.

Davide Groppi

GOVERNANCE INFORMATION – ESRS G1

INFORMATION ON GOVERNANCE IMPACTS, RISKS AND OPPORTUNITIES

Impact	Actual/ Potential	Positive/ Negative	Value chain	Time horizon
Fostering a shared corporate culture	Actual	Positive	Own Operations	Short-term
Non-compliance with ESG criteria along the supply chain	Potential	Negative	Upstream	Medium to long-term

[ESRS 2 IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

The approach to determine impacts, risks and opportunities, and the list of IROs related to relevant business conduct and governance, can be found in the section "Dexelance Double Materiality" in the chapter “General “Information”. In the Dexelance Group, an analysis was performed to identify the impacts, risks and opportunities related to the conduct of business, taking into consideration all relevant criteria, including location, activities, sector and structure of the operation. The location of individual subsidiaries was examined to understand the geographical and regulatory specificities that could influence operations. The company’s activities, particularly those related to production, distribution and resource management, were analysed to identify potential operational risks and opportunities for optimisation. The sector in which the Group operates was also assessed, considering market trends, emerging technologies and regulations, in order to anticipate changes and seize competitive opportunities. Finally, the Group’s governance structure, including business processes and interactions between the different units, was examined to ensure that the entire system was geared towards reducing risks and maximising opportunities for continuous improvement, in line with the principles of sustainability and corporate social responsibility.

[ESRS 2 GOV-1] The role of the administrative, management and supervisory bodies

The boards of directors and management are responsible for guiding Dexelance's strategy, integrating the principles of integrity, transparency and accountability into day-to-day decisions. These bodies are responsible for defining company policies and long-term objectives, ensuring sustainability and compliance with regulations, for monitoring compliance with laws and the Code of Ethics, and for preventing risks and unlawful behaviour. To this end, Dexelance has adopted a Code of Ethics that guides the behaviour of all levels of the organisation, promoting a working environment based on shared values. The control bodies ensure that the Group's operations are in line with legal, ethical and social regulations by continuously monitoring compliance with the Code of Ethics.
The Dexelance's Control, Risk, Related Party Transactions, and Sustainability Committee supports the Board of Directors in defining the guidelines for sustainability, with the support of the Parent Company's Sustainability Team as the internal delegated entity and possibly also in collaboration with any outside professionals engaged on any given occasion, in line with the Company's strategies and with a view to promoting and disseminating an appropriate culture and knowledge across all levels of the organisation.

[G1-1] Policies on corporate culture and business conduct

Through its Code of Ethics, Dexelance promotes its corporate culture, establishing the principles and rules of conduct that guide the behaviour of all group companies, its employees, contractors, and board members, as well as influencing relations with business retail partners and suppliers. It promotes a business model based on integrity, transparency, social responsibility and sustainability, ensuring compliance with national and international regulations and fostering a corporate culture of ethics and legality.
The main contents of the Code cover several areas of business conduct. Integrity and transparency are key principles, with a commitment to fair and honest behaviour in internal and external relations. Social responsibility and respect for human rights are at the heart of the Group's strategy, which is committed to creating a safe, inclusive working environment that respects people's dignity, promoting fair conditions for all workers and combating any form of discrimination, exploitation or abuse.
For further information, please refer to the section "Policies" of the chapter "General Information – Basis of the Preparation – ESRS 2".
The Group has adopted a 231 Model and a whistleblowing system to meet its transparency obligations and prevent any wrongdoing. In particular, the whistleblowing system allows employees, collaborators and other stakeholders, both internal and external, to report concerns about conduct that is unlawful or in conflict with the Code or internal regulations. Reports can be made anonymously through internal reporting channels, which are managed by specially designated and trained staff. In the event of a report, the Group will initiate an internal investigation conducted independently and objectively, with the aim of ensuring that each situation is dealt with promptly and impartially.
In relation to anti-corruption, in 2025 the Group has not adopted policies and procedures that comply with Italian law and international guidelines. However, it should be noted that work began in 2025 on drafting a Group anti-corruption policy, which was approved in January 2026 by the Board of Directors of Dexelance S.p.A. and subsequently adopted by all the subsidiaries.
With regard to the protection of whistleblowers, the Group guarantees protection against retaliation in accordance with the applicable legislation, including Directive (EU) 2019/1937. Measures are in place to protect the anonymity and security of whistleblowers, and staff receiving reports are appropriately trained to handle the information in a secure and confidential manner.
Dexelance also provides regular training to its employees with a programme that includes topics on business conduct, corruption prevention and how to use whistleblowing channels.
The roles most at risk of active and passive corruption are, at the central and subsidiary levels, the Management and the Administration, Finance and Control area, as well as the Investor Relations area and, for subsidiaries, the Procurement and Quality area.

In addition to the Code of Ethics and the procedures in place to handle whistleblowers' reports in accordance with the applicable legislation transposing Directive (EU) 2019/1937, the Group has not adopted any further specific procedures to investigate incidents concerning business conduct, including cases of active and passive bribery, other than those provided for in the applicable legislation. No specific actions, identified metrics, or specific, defined targets were implemented in 2025. However, the Group is committed to defining actions and initiatives in this regard in the coming years.

[G1-2] Management of relations with suppliers

The Dexelance Group manages relations with its suppliers according to principles of professionalism, collaboration and transparency, in an awareness of the strategic role they play in the value chain. Particular attention is paid to the geographical origin of suppliers, with a clear preference for collaborations with Italian companies. This choice not only preserves the quality associated with the 'Made in Italy' brand, but it also promotes local economic development, creating a virtuous circle for the communities in which the Group operates and contributing to the reduction of the environmental impact linked to transport.
Suppliers are selected and monitored through procedures, which consider the competence, quality and sustainability of their activities. The aim is to ensure high standards for products, in compliance with current regulations and corporate sustainability commitments. For this reason, the contact persons in the procurement area of the subsidiaries periodically carry out checks and visits at the sites of the main suppliers.
For companies in the 'Luxury Contract' strategic business area, the selection of suppliers may vary according to specific customer requirements. However, even in these cases, suppliers are subject to the same evaluation criteria, with the obligation to comply with the quality standards defined by the Group and demanded by clients.
Environmental and social sustainability is an essential criterion when choosing suppliers. Four Group companies have already set up supply chains with partners with recognised certifications, such as the Forest Stewardship Council (FSC®) for responsible forest management. In addition, some companies are actively collaborating with suppliers to increase the use and study of recycled or easily recyclable materials. The commitment of several Group companies also extends to the choice of eco-friendly materials, such as leather from certified tanneries and upholstered materials with environmental labels.
The company has not currently adopted a formal procedure for the management of payments to suppliers and SMEs involved in the supply chain, as the established practice of all subsidiaries is to comply with the payment deadlines for individual contracts, except in exceptional cases where there is a need to open disputes. It should also be noted that it is common practice in subsidiaries, and in the market in general, to establish supply agreements that provide for advance payments for part of the amount, which further reduces the risk of debt exposure to suppliers and SMEs. These practices are also confirmed by the supplier ageing in the financial reporting, which shows that past due amounts are historically very low for the Group.

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ANNEX

[IRO-2] DISCLOSURE REQUIREMENTS OF THE ESRS COVERED BY THE CONSOLIDATED SUSTAINABILITY STATEMENT

The Dexelance Group has taken into account the gradually phased-in provisions concerning the requirements for disclosures or elements of disclosure as set out in Appendix C of ESRS 1, with the exception of the provisions regarding S1-7, S1-8, S1-13 and S1-14.

DR	DR MATERIALS LIST	PAGE
	ESRS 2 – GENERAL INFORMATION	
BP-1	General basis for preparation of the Sustainability Statement	19
BP-2	Disclosures in relation to specific circumstances	20
GOV-1	The role of the administration, management, and supervisory bodies	23
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	26
GOV-3	Integrating sustainability related performance into incentive schemes	26
GOV-4	Statement on Due Diligence	26
GOV-5	Risk management and internal controls over sustainability reporting	27
SBM-1	Strategy, business model, and value chain	28
SBM-2	Interests and views of stakeholders	35
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	38
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	41
IRO-2	Disclosure requirements of the ESRS covered by the undertaking's sustainability statement	99
	ESRS E1 – CLIMATE CHANGE	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	52
IRO-1	Description of processes to identify and assess relevant climate-related impacts, risks and opportunities	52
GOV-3	Integration of sustainability-related performance in incentive schemes	26
E1-1	Transition plan for climate change mitigation	53
E1-2	Policies related to climate change mitigation and adaptation	53
E1-3	Actions and resources related to climate change policies	53
E1-4	Targets related to climate change mitigation and adaptation	53
E1-5	Energy consumption and mix	54
E1-6	Gross Scope 1, 2, 3 and total GHG emissions	55
E1-7	GHG removals and GHG mitigation projects financed to carbon credits	59
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The Group has decided to exercise the phase-in option

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY		
IRO-1	Description of processes to identify and assess material resource us and the circular economy- related impacts, risks	76
E5-1	Policies related to resource use and circular economy	77
E5-2	Actions and resources related to resource use and the circular economy	77
E5-3	Targets related to resource use and circular economy	77
E5-4	Resource inflows	78
E5-5	Resource outflows	80
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risk and opportunities	The Group has decided to exercise the phase-in option
ESRS S1 – OWN WORKFORCE		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	83
S1-1	Policies related to own workforce	84
S1-2	Processes for engaging with own workers and workers' representatives about impacts	85
S1-3	Processes to remediate negative impacts and channels for workers to raise concerns	85
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of these actions	86
S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	86
S1-6	Characteristics of own workforce	87
S1-7	Characteristics of non-employees own workforce	88
S1-9	Diversity metrics	89
S1-10	Adequate wages	89
S1-13	Training metrics and skills development	92
S1-14	Health and safety metrics	91
S1-16	Compensation metrics (pay gap and total compensation)	90
S1-17	Incidents, complaints and serious human rights impacts	91
ESRS G1 – CONDUCT OF BUSINESS		
IRO-1	Description of the process for identify and assess material impacts, risks and opportunities	95
GOV-1	The role of the administration, management, and supervisory bodies	96
G1-1	Policies on corporate culture and business conduct	96
G1-2	Management of relations with suppliers	97
ENTITY-SPECIFIC INFORMATION		
ESRS 1 AR 1-5	Entity-specific information	93

[Appendix B] List of information elements under the cross-cutting and thematic principles derived from EU law

The table shows the pages relating exclusively to material ESRS.

DR	Disclosure obligations and corresponding information element	SFDR Reference	Third Pillar Reference	Benchmark Regulation reference	EU climate regulation reference	Reference page
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816, Annex II		23
ESRS 2 GOV-1	Percentage of independent board members paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		23
ESRS 2 GOV-4	Duty of Care Statement paragraph 30	Annex I, Table 3, Indicator No. 10				26
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d)	Annex I, Table 1, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 - Qualitative Information on Environmental Risk and Table 2 - Qualitative Information on Social Risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		n/a
ESRS 2 SBM-1	Involvement in activities related to a production of chemicals paragraph 40(d) ii	Annex I, Table 2, Indicator No. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		n/a
ESRS 2 SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	Annex I, Table 1, Indicator No. 14		Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		n/a
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		n/a
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	53
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Article 12(1)(d) to (g) and (2) of Delegated Regulation (EU) 2020/1818		53

DR	Disclosure obligations and corresponding information element	SFDR Reference	Third Pillar Reference	Benchmark Regulation reference	EU climate regulation reference	Reference page
ESRS E1-4	GHG emission reduction targets paragraph 34	Annex I, Table 2, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Indicators of potential climate change-related transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		53
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				54
ESRS E1-5	Energy consumption and mix paragraph 37	Annex I, Table 1, Indicator No. 5				54
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Annex I, Table 1, Indicator No. 6				55
ESRS E1-6	Gross GHG emissions of scope 1, 2, 3 and total GHG emissions Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Annex I, Table 1, Indicators 1 and 2	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		55
ESRS E1-6	Intensity of gross GHG emissions Gross GHG emissions intensity paragraphs 53 to 55	Annex I, Table 1, Indicator No. 3	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Indicators of potential climate change-related transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		59
ESRS E1-7	GHG removals and carbon credits paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	59
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Phase-in
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)			Article 449bis of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking portfolio – Indicators of potential physical risk related to climate change: exposures subject to physical risk		Phase-in
ESRS E1-9	ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)			Article 449bis of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking portfolio – Indicators of potential physical risk related to climate change: exposures subject to physical risk		Phase-in
ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 ©			34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio - Indicators of potential climate change-related transition risk: loans secured by real estate - Energy efficiency of collateral		Phase-in
ESRS E1-9	Degree of exposure of the portfolio to climate - related opportunities paragraph 69			Annex II of Delegated Regulation (EU) 2020/1818		Phase-in
ESRS E5-5	Non-recycled Waste paragraph 37 (d)	Annex I, Table 2, Indicator No. 13				81
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	Annex I, Table 1, Indicator No. 9				81
ESRS 2 – SBM3 – S1	Risk of incidents of forced labour paragraph 14 (f)	Annex I, Table 3, Indicator No. 13				84
ESRS 2 – SBM3 – S1	Risk of incidents of child labour paragraph 14 (g)	Annex I, Table 3, Indicator No. 12				84
ESRS S1-1	Human rights policy commitments paragraph 20	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				n/a
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		n/a
ESRS S1-1	Processes and measures for preventing trafficking in human being's paragraph 22	Annex I, Table 3, Indicator No. 11				n/a
ESRS S1-1	Workplace accident prevention policy or management system paragraph 23	Annex I, Table 3, Indicator No. 1				n/a

DR	Disclosure obligations and corresponding information element	SFDR Reference	Third Pillar Reference	Benchmark Regulation reference	EU climate regulation reference	Reference page
ESRS S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	Annex I, Table 3, Indicator No. 5				85
ESRS S1-14	Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Annex I, Table 3, Indicator No. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		91
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Annex I, Table 3, Indicator No. 3				91
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	Annex I, Table 1, Indicator No. 12		Commission Delegated Regulation (EU) 2020/1816 Annex II		90
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	Annex I, Table 3, Indicator No. 8				90
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	Annex I, Table 3, Indicator No. 7				91
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		96
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Annex I, Table 3, Indicator No. 15				96
ESRS G1-1	Protection of whistle- blowers paragraph 10 (d)	Annex I, Table 3, Indicator No. 6				n/a

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Main calculation criteria

The methodological indications on how some indicators reported in the Sustainability Statement are calculated are as follows:

Power consumption

The Dexelance Group's energy consumption (natural gas, electricity, diesel, gasoline) was calculated in terms of Megawatts (MWh). To standardise the various energy sources, the conversion factors from the 2025 National Inventory Report (NIR) and the 2018 Energy Manager Guidelines – Version 2.1 (FIRE) were used.

Climate-altering emissions

The greenhouse gas emissions (Scope 1, Scope 2 location-based, and Scope 3) were calculated in accordance with ISO 14064 for the year 2025. The verification certificate in accordance with ISO 14064 was issued by Bureau Veritas Italia S.p.A. on 26 February 2026. The Scope 2 market-based greenhouse gas emissions included in the report have not been verified in accordance with ISO 14064.
It should be noted that, during the preparation of the Sustainability Statement and as a result of the data verification and the consequent adjustment of the GHG inventory calculation to ESRS standards, the Group's total GHG emissions have changed compared with the figures certified by Bureau Veritas Italia S.p.A. Consequently, the Group's total GHG emissions for the 2025 financial year, as reported in this document, amount to 82,851.91 tCO_2e (market-based), which is lower than the total of 83,634.10 tCO_2e (market-based) recorded in the certified inventory.
However, the number of carbon credits purchased and retired during the financial year amounted to 83,635, corresponding to 1 credit per tonne of CO_2e and in line with the figures certified by Bureau Veritas Italia S.p.A., consistent with the approach taken in previous financial years. This approach ensures a conservative and consistent approach to the Group's compensation procedure. The surplus of 782 credits will be used in full to cover emissions for the following financial year.

Direct emissions (Scope 1) and indirect emissions (Scope 2)

Greenhouse gas emissions have been calculated in accordance with ISO 14064.
The following sources for emission factors were used to calculate direct emissions (Scope 1):

- Fuels (Natural gas, Petrol, Diesel): Ecoinvent.
- Refrigerant gases (F-gases): IPCC 2021.

To calculate indirect emissions (Scope 2), electricity consumption was converted according to location-based and market-based approaches, using the following sources for emission factors:

- For the location-based approach, calculated on the basis of the percentage composition of each country's national energy mix (Italy, France, the United Kingdom, China and the United States), Ecoinvent emission factors were used for 2024 and 2025:;
- For the market-based approach: for European sites, the data reported in Ecoinvent was used, which is based on the document "European Residual Mixes 2023" published in 2024 by the Association of Issuing Bodies (AIB) for the 2024 data, and on the document "European Residual Mixes 2024" published in 2025 by the Association of Issuing Bodies (AIB) for the 2025 data. To calculate emissions for the sites outside the EU, the Residual Mix emission factors are not publicly available from accredited sources at the reporting date; for this reason, the same emission factors applied according to the location-based methodology were used.;
- To calculate emissions from steam purchased from the grid, it was assumed that natural gas combustion is used to bring water to a gaseous state. Therefore, the emission factors used are those for natural gas from Ecoinvent.di Ecoinvent.

Indirect emissions (Scope 3)

Indirect greenhouse gas emissions (Scope 3) were calculated in accordance with ISO 14064.
The quantification results were subsequently expressed in accordance with the categorisation set out in the GHG Protocol. The main greenhouse gases (CO_2, CH4, N2O, HFC, PFC, SF6 and other fluorinated gases) were translated into units of CO_2 equivalent (CO_2eq) due to emissions factors published by the International Panel on Climate Change (IPCC37).
The categories included in the inventory are listed below as defined in the reference standard ISO 14064, for each category the sources of the emission factors used are given:

3.1 -Emissions relating to the transport for the supply of raw materials, semi-finished products, marketed products and packaging: calculated based on transported materials and driven distances (tons*kilometres), using the Ecoinvent and Exiobase38 databases as the source for emission factors..
3.2 - Emissions relating to the transport for the distribution of the finished product: the same calculation method was used for this category as for Category 3.1..
3.3 - Internal logistics emissions between facilities or between the company and subcontracted companies: the same calculation method was used for this category as for Category 3.1
4.1 - Emissions related to energy uses and proprietary vehicles: related to climate-altering emissions tied to fuel supply stages (gasoline, diesel, and natural gas) and electricity. The source of the emission factors used is the Ecoinvent database.
4.2 -Emissions related to imported energy: the same calculation method was used for this category as for Category 4.1.
4.3 - Emissions from the procurement of raw materials, semi-finished products, marketed products and purchased packaging: related to emissions from the production of raw materials, semi-finished products, marketed products and purchased packaging. The activity figure for quantifying impacts is expressed either as a mass or in terms of economic expenditure for the purchase.
Each item reported by the company has been associated with a specific emission factor whose sources are: Exiobase, Ecoinvent, and the Environmental Program Declaration (EPD) library..
4.4 - Emissions from outsourced production activities: related to emissions from outsourced production activities. Each item reported by the Company has been associated with an emission factor whose sources are the Ecoinvent and Exiobase databases..
4.5 - Emissions related to the treatment of waste generated at its own facilities: Related to emissions generated by the disposal of waste generated at the Group's facilities. In accordance with the end-of-life allocation approach, waste destined for recovery is associated only with the impact of transport to the treatment plant; for the disposal share, Ecoinvent emissions factors were used that take the average distribution between landfill and incineration into account.
5.1 - End-of-life emissions of products sold: the same calculation method was used for this category as for Category 4.5.

With reference to the information provided in the section 'Methodological Notes' of the chapter 'General information – Basis of the preparation', and in particular to the criteria for identifying significant categories or those subject to quantification, an overview of the categories relevant to the Group in accordance with the ISO 14064 framework is provided below.

Description	Cat. ISO	Magnitude	Influence and control	Availability of data	Significant	Reference to the GHG Protocol
Direct emissions from company-owned facilities or vehicles						
Energy carriers produced						
Fuels (natural gas):	**1**	**High**	**Direct control**	**Available**	**YES**	**1.a**
Biogas combustion	1	n.a.	n.a	n.a	NO	
Biomethane combustion	1	n.a.	n.a	n.a	NO	
Combustion of wood biomass	1	n.a.	n.a	n.a	NO	
Diesel combustion	**1**	**Low**	**Direct control**	**Available**	**YES**	**1.a**
Other direct emissions from company-owned plants					NO	
Emissions from agricultural activities in fields	1	n.a.	n.a	n.a	NO	
Emissions and removals from forestry	1	n.a.	n.a	n.a	NO	
Direct emissions from the livestock sector	1	n.a.	n.a	n.a	NO	
Land use and land-use change	1	n.a.	n.a	n.a	NO	
Emissions and removals from chemical reactions	1	n.a.	n.a	n.a	NO	
Other air emissions monitored	**1**	**Low**	**Direct control**	**Obtainable**	**YES**	**1.d**
F-gas fugitive emissions	**1**	**Low**	**Direct control**	**Available**	**YES**	**1.d**
Combustion from owned mobile sources					NO	
Cars	**1**	**Low**	**Direct control**	**Available**	**YES**	**1.b**
Lorries	**1**	**Average**	**Direct control**	**Available**	**YES**	**1.b**
Watercraft	1	n.a.	n.a	n.a	NO	
Aircraft	1	n.a.	n.a	n.a	NO	
Construction machinery	**1**	**Low**	**Direct control**	**Available**	**YES**	**1.b**
Emissions from energy purchases						
Purchased energy sources						
Electricity		**High**	**Direct control**	**Available**	**YES**	**2.a**
Other energy sources purchased	2	n.a.	n.a.	n.a.	NO	
Transport emissions						
Freight transport					**NO**	
Purchases of raw materials	**3**	**High**	**Indirect control**	**Existing**	**YES**	**4**
Distribution of finished and semi-finished products	**3**	**High**	**Indirect control**	**Existing**	**YES**	**9**
Inter-plant logistics	**3**	**Low**	**Direct control**	**Existing**	**YES**	**4**
Passenger transport					**NO**	
Staff commuting	3	Average	Influence	Obtainable	NO	
Business travel (using a non-company vehicle)	3	Low	Indirect control	Obtainable	NO	
Transport of customers and visitors	3	Low	Influence	Obtainable	NO	
Indirect emissions from owned mobile sources					NO	
Indirect emissions from owned cars	**3**	**Low**	**Direct control**	**Available**	**YES**	**3**
Indirect emissions from company-owned lorries	**3**	**Low**	**Direct control**	**Available**	**YES**	**3**
Indirect emissions from company-owned watercraft	3	n.a.	n.a.	n.a.	NO	
Indirect emissions from company-owned aircraft	3	n.a.	n.a.	n.a.	NO	
Indirect emissions from company-owned machinery	**3**	**Low**	**Direct control**	**Available**	**YES**	**3**
Emissions from the purchase of goods and services					**NO**	
Materials purchased					NO	
Raw materials and semi-finished products	**4**	**Hight**	**Indirect control**	**Existing**	**YES**	**1**
Packaging of products sold	**4**	**Low**	**Indirect control**	**Existing**	**YES**	**1**
Packaging of purchased goods	4	Low	Indirect control	Obtainable	NO	
Other assets not directly related to production	4	Low	Indirect control	Obtainable	NO	
Indirect emissions from energy sources produced					NO	
Indirect emissions from the combustion of natural gas	**4**	**Low**	**Direct control**	**Available**	**YES**	**3**
Indirect emissions from Biogas combustion	4	n.a.	n.a.	n.a.	NO	
Indirect emissions from mobile combustion	4	n.a.	n.a.	n.a.	NO	
Indirect emissions from the combustion of wood biomass	4	n.a.	n.a.	n.a.	NO	
Indirect emissions from diesel combustion	**4**	**Low**	**Direct control**	**Available**	**YES**	**3**
Indirect emissions from purchased energy sources					NO	
Indirect emissions from electricity	**4**	**Average**	**Direct control**	**Available**	**YES**	**3**
Indirect emissions from other purchased energy sources	4	n.a.	n.a.	n.a.	NO	
Durable goods and infrastructure					NO	
Machinery and other durable goods	4	Low	Indirect control	Obtainable	NO	
Infrastructure	4	Average	Influence	Obtainable	NO	
Electronic devices	4	Low	Indirect control	Obtainable	NO	
Other assets not directly related to production	4	Low	Indirect control	Obtainable	NO	

Services					**NO**	
Outsourced production processes	4	Average	Indirect control	Obtainable	YES	1
IT services	4	Low	Indirect control	Obtainable	NO	
Other ancillary services	4	Low	Indirect control	Obtainable	NO	
Waste management at the plant (special references)	**4**	**Low**	**Direct control**	**Existing**	**YES**	**5**
Treatment of waste disposed of through the municipal waste collection scheme	4	Low	Indirect control	Obtainable	NO	
Emissions associated with the use of the organisation's products					**NO**	
Downstream of products sold					NO	
Product usage phase	**5**	**Average**	**Influence**	**Obtainable**	NO	
Disposal of the product	**5**	**High**	**Influence**	**Obtainable**	**YES**	**12**
Disposal of product packaging	5	Low	Influence	Obtainable	**YES**	**12**
Financial investments					NO	
Consumer loan	5	Low	Influence	Obtainable	YES	
Project finance	5	Low	Influence	Obtainable	NO	
Corporate loan	5	Low	Influence	Obtainable	NO	
Listed and equity bonds	5	Low	Influence	Obtainable	NO	
Private equity and debts includes venture capital	5	Low	Influence	Obtainable	NO	
Advisory services, if relevant	5	Low	Influence	Obtainable	NO	
Other emissions					**NO**	
Employee activities					NO	
Meals for staff (not in the canteen)	6	Low	Influence	Obtainable	NO	
Remote working	6	Low	Indirect control	Obtainable	NO	

Health and safety

The injury rate is calculated as the ratio of the total number of recordable incidents (incidents resulting in the loss of at least one working day, medical treatment and/or restricted work) to the number of hours worked during the same period, multiplied by 1,000,000, as prescribed by the EFRAG Application Requirement (AR 89). The major incidents frequency index is calculated as the ratio of the total number of accidents to the number of hours worked in the same period, multiplied by 1,000,000.

Employees

Employee data are represented as personnel at 31 December of the reference periods, and not as FTE (Full-time equivalent) data.

Contacts and document review

This document was approved on 16 March 2026 and is subject to a limited assurance engagement according to the International Standard on Assurance Engagements principle ISAE 3000 (revised) by EY S.p.A. For further information on the Dexelance Group's sustainability strategy and the contents of this reporting, please write to the following address: investors@dexelance.com.

MANAGEMENT REPORT, CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

ECONOMIC AND FINANCIAL RESULTS

Dexelance S.p.A. is based in Milan and has been listed on the Italian Stock Exchange since 18 May 2023; the Dexelance share is part of the FTSE Italia Small Cap index.
The Company was established on 10 March 2015 with the aim of promoting an Italian design hub in the furniture, lighting, high-end modular kitchen solutions and systems segments. In 2025, this came to include an omnichannel model that includes an online platform and a team of highly specialised designers who can activate the dimensional, organisational, managerial, strategic and distribution synergies that enable Dexelance to compete internationally in a segment where Italy has a competitive advantage and excellent creative and product skills.

This report accompanying the consolidated financial statements for the year ended 31 December 2025 provides an analysis of economic performance of the Dexelance Group, which was established in 2015 following the first corporate acquisition of Gervasoni S.p.A. Subsequently over the years, the Dexelance Group has continued its growth through external lines by completing additional corporate acquisitions: Meridiani S.r.l. (in 2016); Cenacchi International S.r.l. (in 2017); Davide Groppi S.r.l. and Saba Italia S.r.l. (in 2018); Modar S.p.A. (in 2019); Flexalighting S.r.l. (in 2020); a minority stake in Axo Light S.r.l. (in 2021) and the purchase in 2024 of the remaining shares to acquire full control of Axo Light S.r.l.; Gamma Arredamenti International S.p.A. (in 2022), Cubo Design S.r.l., Turri S.r.l. (in 2023) and Mollura & C. S.p.A. (Mohd) in 2025. Also in 2025, the Group acquired a 25% stake in Roda S.r.l.
It should be noted that the scope of consolidation has changed since 31 December 2024 due to the following::

- on 24 June 2025, Dexelance S.p.A. signed an agreement to acquire an initial 25% stake of the capital of Roda S.r.l., the parent company of the Roda Group, a leader in high-end outdoor furniture. The transaction was concluded on 17 July 2025. The investment in the company is accounted for using the equity method from the date of acquisition;
- on 24 September 2025, 65% of the capital of Mollura & C. S.p.A. (Mohd) was acquired, a Made in Italy brand of excellence operating globally with an innovative omnichannel model that includes an online platform with over 12 million annual sessions and a large team of specialised designers. In partnership with over 500 top-tier brands, through showrooms, an online boutique and a dedicated design service, Mohd manages residential and contract projects worldwide;
- on 11 December, the option agreement between Dexelance and 7 Holding S.r.l. for the purchase of the remaining 40% of Cubo Design S.r.l. was terminated.

Gervasoni

The consolidated financial statements of the Group and the separate financial statements of the Parent Company as at 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

MACROECONOMIC AND SECTORAL CONTEXT

In a context still dominated by uncertainty, preliminary figures suggest that turnover in the wood and furniture sector in 2025 has returned to positive growth (+1.3% compared with 2024)[23], reflecting a mixed trend across companies and sectors. The overall change is driven in particular by output for the domestic market (+1.8%), thanks to the positive performance of the residential sector – despite the gradual scaling back of tax incentives for renovations – and to stronger growth in the non-residential sector. Exports remained stable (+0.4%), staying above EUR 19 billion despite signs of weakness from the main export destinations, notably France and the United States. Positive trends are evident in exports to both European and non-European countries, with significant increases even in less established markets. The trade balance fell (-1.6%) as imports rose more sharply (+1.8%) than did exports; the balance, which remained positive largely thanks to the Furniture Sector, stood at just under €7.6 billion..

The Furniture Sector remains stable overall compared with 2024 (+0.6%), despite the divergence between production for the domestic market, which rose by +2.1%, and exports (-0.8%).
The Wood Sector instead recorded a 2% increase in turnover compared with the previous year, partly due to higher prices. The trend is driven in particular by production for the domestic market, which rose by 1.3%. After two years of decline, exports are also on the rise (+4.2%), reaching a total value of over 5 billion, thanks in particular to Germany and the United Kingdom, whilst France, the leading market, has seen a more significant decline.
According to the available ISTAT data on foreign trade, the year-on-year change in the sector's exports stands at +0.4%. Among the major markets, the United States (-2.5%) and China (-8.2%) are the main factors holding back the overall trend. In particular, exports to the US declined steadily throughout 2025: in November, exports fell sharply by 19.3% compared with the same period last year. Conversely, in the main EU markets – particularly France and Germany – following a downturn concentrated in mid-2025, the final months of the year showed signs of recovery, bringing exports back to at least stable levels.
By contrast, the United Kingdom (+4.2%), Spain (+2.3%), the United Arab Emirates (+3.9%) and the Netherlands (+8.5%) performed well.

The following analysis examines trends in the Furniture Sector during 2025, broken down by the segments of greatest interest to the Dexelance Group.

- Bedrooms and beds: 2025 is projected to see a 1% increase in turnover, following the decline recorded in 2024 (-1.5%); growth is being held back by the concentration of sales in the domestic market.
- Living area: this segment recorded a 1% increase following the decline experienced during the previous two years; this return to positive growth was driven by production for the Italian market, whilst exports fell due to a sharp drop in sales to the United States. Sales to France and Germany, on the other hand, are on the rise.
- Upholstered furniture: the sector has once again exceeded EUR 3.7 billion in production turnover, recording a 1.2% recovery following the decline in 2024. This positive trend is driven by the domestic market, but above all by exports; among the leading markets, in addition to France, which remains stable, and the United States, which is showing an upward trend, the United Kingdom is particularly noteworthy.
- Kitchens: the sector's production turnover is estimated to remain stable (+0.5%) compared with 2024. Production trends for the Italian market were positive (+3.4%), although this contribution to the overall performance was almost entirely offset by the decline in exports. It is worth noting the decline in the United States (the second-largest market) and also in France; the United Arab Emirates and Spain bucked the trend.
- Lighting: the sector is still worth over EUR 2.2 billion in 2025, with a slight decline (-1.2%) in production turnover, which returned to 2019 levels. The decline affects exports (-0.7%) and domestic production (-3%) in equal measure. Among export markets, there is a positive trend in France (the leading market) but a decline in China, which nevertheless remains by far the leading supplier, accounting for around half of total purchases by value.

Binova

PERFORMANCE OF GROUP MANAGEMENT

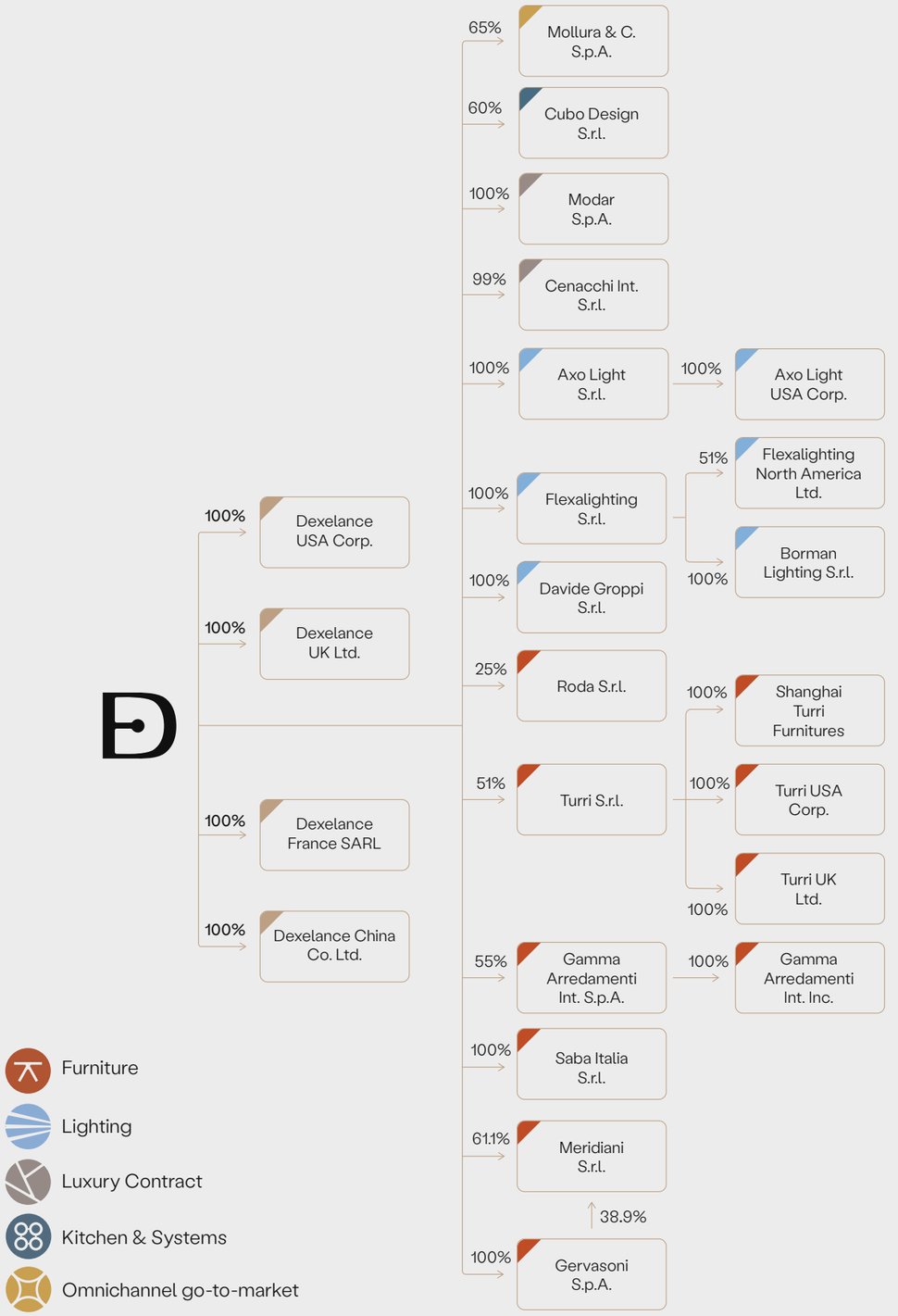
In financial terms, the consolidated financial statements show revenue and other income of EUR 325,211 thousand, a negative operating result of EUR 20,555 thousand (after the depreciation and amortisation of assets totalling EUR 46,742 thousand) and a negative result for the year of EUR 17,697 thousand, to the determination of which the positive net financial result of EUR 4,341 thousand and income tax totalling EUR 1,483 thousand contributed.
The positive adjustment of EUR 124 thousand is to be made to this result, due to the adjustment of the year-end value of hedging financial derivatives net of taxes and the translation reserve related to the conversion of foreign financial statements in currencies other than the euro and actuarial losses totalling EUR -202 thousand. The result of the comprehensive income statement is therefore a loss of EUR 17,774 thousand.

[23] Centro Studi Federlegno Arredo Eventi S.p.A., Preliminary accounts 2025 Filiera Legno-Arredo, January 2026.

OPERATING CONDITIONS AND BUSINESS DEVELOPMENT

Dexelance S.p.A. holds the entire available capital of Gervasoni S.p.A. (30% are treasury shares), controls 100% of Meridiani S.r.l., 99% of Cenacchi International S.r.l., 100% of Davide Groppi S.r.l, the entire share capital of Saba Italia S.r.l. and Modar S.p.A., 100% of Flexalighting S.r.l., which in turn fully controls Borman Lighting S.r.l. and 51% of Flexalighting North America Ltd.; 100% of Dexelance UK Ltd., Dexelance China Co. Ltd. (formerly IDB Suzhou Co. Ltd.), Dexelance USA Corp., Dexelance France SARL, 100% of Axo Light S.r.l., which in turn owns 100% of Axo Light USA Corp., 55% of Gamma Arredamenti International S.p.A., which in turn owns 100% of Gamma Arredamenti International Inc., 60% of Cubo Design S.r.l., 51% of Turri S.r.l., which in turn wholly owns Turri UK Ltd., Turri USA Corp. and Shanghai Turri Furnitures, and 65% of Mollura & C. S.p.A. (Mohd). Please note that Cenacchi International S.r.l., Flexalighting North America Ltd., Gamma Arredamenti International S.p.A., Turri S.r.l., and Mollura & C. S.p.A were fully consolidated due to the put options to be exercised by the minority shareholders and call options in favour of the Company, with the consequent obligation to purchase the units/shares held at predefined terms and conditions.
The Group's companies belong to the strategic business areas (hereinafter also referred to as "SBA"), coinciding with the operating segments provided for in IFRS 8, i.e., Furniture, Lighting, Luxury Contract, Kitchen, Systems and Omnichannel.

In visual terms, the structure of the Group as at 31 December 2025 is as follows:



Regarding to the Group Dexelance' companies, it should be noted that (the amounts shown here are net of intra-group eliminations):

a. In 2025, Gervasoni recorded a reduction in revenue compared to what was achieved in 2024 (-6%); the relevant markets are Italy (23%), Europe (43%) and non-EU (33%);
b. Meridiani reported a sales decrease in line compared to that achieved in the 2024 financial year (-9%); the relevant markets are Italy (23%), Europe (44%) and non-EU (33%);
c. Cenacchi International recorded an increased sales performance (including the change in contracted work in progress) over 2024 (+16%). Sales are mainly to contract customers; the relevant markets are Italy (4%), Europe (16%), and non-EU (80%) (mainly the United States);
d. Davide Groppi increased its revenue by 16% compared with 2024; the relevant markets are Italy (51%), Europe (28%) and non-EU (21%);
e. the company Saba Italia's revenue decreased over the period by about 7%; the relevant markets are Italy (44%), Europe (26%), and non-EU (30%);
f. the company Modar recorded a decrease in sales revenues, including the change in contract work in progress, of about 40% during the year compared to the previous year as a result of the postponement and cancellation of certain contracts ny some customers; the relevant markets are Italy (13%), Europe (25%) and non-EU (62%) (mainly in the United States);
g. the company Flexalighting increased its revenue during the period by an amount comparable to 2024 (1%); the relevant markets are Italy (48%), Europe (35%), and non-EU (17%). The Canadian subsidiary Flexalighting North America, on the other hand, increased its turnover compared to 2024 by about 3%, with sales mainly in the Canadian market;
h. The company Gamma achieved a slightly lower revenue compared to 2024 (-9%), mainly outside Europe and Italy (92%), of which 43% in North America (35% in the United States), and 12% in China;
i. the company Cubo Design achieved sales in growth with recorded in during the 2024 financial year of about 8%; the relevant markets are Italy (49%), Europe (26%), and non-EU (25%);
j. Axo Light generates approximately 48% of its revenue in the European market, approximately 23% in the Italian market and 29% in markets outside the EU, and it records a 7% decline in turnover in 2025 compared with the previous financial year;
k. the company Turri sells mainly to the non-EU market, which accounts for about 85% of its revenue. Compared with 2024, there has been a decrease in revenue of approximately 28%;
l. the company Mohd, acquired in 2025, sells roughly 24% of its revenue to the Italian market, about 25% to the European market and 52% to the non-EU market;

The summary figures of the Group companies are presented here; it should be noted that the figures do not take account of intercompany eliminations and are presented in accordance with international accounting standards.

amounts are shown in €/1000	Revenues and change in work in progress	Gross operating profit (EBITDA)	EBIT	Net result	Net financial position, banks
Dexelance S.p.A.	742	(6,391)	(6,646)	16,745	51,482
Gervasoni S.p.A.	33,233	6,417	4,936	3,816	4,782
Meridiani S.r.l.	22,524	36	(1,336)	(228)	2,155
Cenacchi Int. S.r.l.	45,064	9,857	7,217	4,665	(3,919)
Davide Groppi S.r.l.	20,445	2,427	1,206	1,410	(867)
Saba Italia S.r.l.	20,162	1,569	486	224	1,332
Modar S.p.A.	31,304	(1,022)	(2,849)	(2,772)	(1,406)
Flexalighting S.r.l.	8,008	2,316	2,183	1,714	(999)
Flexa North America Ltd.	3,777	1,109	947	807	(324)
Gamma Arr. Int. S.p.A.	18,480	2,356	(2,493)	(3,635)	6,368
Cubo Design S.r.l.	64,090	11,398	5,611	2,746	6,302
Axo Light S.r.l.	2,967	(921)	(3,011)	(2,201)	1,481
Turri S.r.l.	27,453	(6,613)	(27,820)	(26,340)	2,654
Mollura & C. S.p.A.***	20,278	1,280	378	218	(14,455)
Other companies	8,632	2,370	636	(3,371)	(1,867)
Aggregated Total	**327,161**	**26,187**	**(20,555)**	**(6,204)**	**52,719**
*Consolidation entries***	*(6,976)*	-	-	*(11,492)*	-
Total	**320,185**	**26,187**	**(20,555)**	**(17,696)**	**52,719**

(*) The effects of depreciation, amortisation and impairment losses on assets arising from the PPA process and impairment tests are allocated at the level of individual companies, whilst the positive and negative effects arising from the remeasurement of options are recognised in the Parent Company's net profit.
(**) Eliminations made in respect of commercial transactions and intra-group services and dividend payments in 2025, as described below.
(***) From the date of acquisition.

In particular, as specified above, the figure relating to the holding company's net bank financial position includes the balances of the Group's cash pooling relationships.

ECONOMIC AND FINANCIAL POSITION OF THE GROUP

To gain the best understanding of the Group's situation and operating performance, the tables below show a brief analysis of the consolidated financial statements, made up of the reclassified income statement, the reclassified statement of financial position and a series of financial statement ratios.
Dexelance S.p.A. prepares the consolidated financial statements as at 31 December 2025 and the comparative financial statements as at 31 December 2024 by applying IAS/IFRS. It includes the data of the direct subsidiaries Gervasoni S.p.A., Meridiani S.r.l., Cenacchi International S.r.l., Davide Groppi S.r.l., Saba Italia S.r.l., Modar S.p.A., Flexalighting S.r.l., Dexelance China Co. Ltd., Dexelance UK Ltd., Dexelance USA Corp., Dexelance France SARL, Gamma Arredamenti International S.p.A., Cubo Design S.r.l., Axo Light S.r.l., Turri S.r.l. and Mollura & C. S.p.A., as well as its indirect subsidiaries Borman Lighting S.r.l., Flexalighting North America Ltd., Gamma Arredamenti International Inc., Axo Light USA Corp., Turri UK Ltd., Turri USA Corp. and Shanghai Turri Furnitures.
The Dexelance Group uses alternative performance indicators (hereinafter "Non-GAAP measures") in line with ESMA's guidelines on "alternative performance indicators" (ESMA Guidelines/2015/1415, adopted by CONSOB in Communication No 92543 of 3 December 2015), to enable a better assessment of operating performance.
The indicators represented are not identified as accounting measures under IFRS and should therefore not be considered as alternative measures to those provided in the model financial statements for assessing the performance of the Group and its financial position. The Group considers that the financial information set out below is an additional important benchmark for assessing the Group's performance, as it allows for a more analytical monitoring of the Group's economic and financial performance.
Since such financial information is not a measure that can be determined by the underlying accounting standards for the drawing up of consolidated financial statements, the criterion applied for its determination may not be consistent with that adopted by other groups and therefore may not be comparable.

The definition of these alternative performance indicators is as follows.

Added value is defined as the sum of revenue for goods and services and other revenue and income less the sum of costs for the purchases of raw materials, changes in inventories, costs for services and use of third-party goods and other operating costs.

EBITDA is defined as the sum of the net profit for the year, plus the profit (loss) of discontinued assets, plus income taxes, financial income and expenses, plus amortisation, depreciation and writedowns of fixed assets.

Adjusted EBITDA is defined as the sum of net profit for the year, plus the profit (loss) of discontinued assets; income taxes; financial income and expenses; amortisation, depreciation and writedowns of fixed assets and excluding non-recurring costs/revenues.

EBIT is defined as the sum of net profit for the year, plus the profit (loss) of discontinued assets, plus income taxes, financial income and expenses.

Adjusted EBIT is defined as the sum of net profit for the year, plus the profit (loss) of discontinued assets, plus income taxes, financial income and expenses, excluding non-recurring costs, amortisation and depreciation of intangible assets with a finite useful life, models and customer lists, recorded during Purchase Price Allocation (PPA), and which will terminate at the end of the relevant depreciation process.

The **adjusted net result** from operating assets is defined as the net result from operating assets excluding (i) non-recurring costs/revenue; (ii) amortisation of intangible assets with a finite useful life, models, order books and customer relations, recorded during Purchase Price Allocation (PPA), and which will terminate at the end of the relevant amortisation process; (iii) depreciation of intangible assets recorded after the performance of the impairment tests; (iv) the effects of the remeasurements of put and call options and earn-outs; and (v) the related tax effects.

Operating working capital is calculated as the net balance of customer relationships, supplier relationships, inventories and assets and liabilities arising from contracts, customer advances, while net working capital is calculated by adding to operating working capital income tax credits and/or income tax payables and other current assets and liabilities.

Invested capital is calculated as the balance between net working capital, non-current assets, liabilities for employee benefits, and provisions for risks and charges and other non-current liabilities.

The **net financial position** is represented by financial debts, net of cash and other cash equivalents.

The income statement is reclassified in multiple-step form to show the gross operating profit (EBITDA) generated by the Group, namely the difference between revenue and costs associated with the purchase/transformation/sales cycle, regardless of amortisation, depreciation and writedowns, the financing methods adopted and the level of taxation.

Reclassified income statement	31/12/2024		31/12/2025		Change	
amounts are shown in €/1,000	amount	%	amount	%	amount	%
Revenue	324,384	100.0 %	320,185	100.0 %	(4,199)	-1.3 %
Other income	4,911	1.5 %	5,026	1.6 %	115	2.3 %
Total revenue and income	**329,295**	**101.5 %**	**325,211**	**101.6 %**	**(4,084)**	**-1.2 %**
External operating costs (*)	(225,438)	-69.5 %	(240,864)	-75.2 %	(15,426)	6.8 %
Added value	**103,857**	**32.0 %**	**84,347**	**26.3 %**	**(19,510)**	**-18.8 %**
Staff costs	(53,466)	-16.5 %	(57,490)	-18.0 %	(4,024)	7.5 %
Provisions and writedowns	(436)	-0.1 %	(671)	-0.2 %	(235)	54.0 %
Gross operating profit (EBITDA)	**49,955**	**15.4 %**	**26,187**	**8.2 %**	**(23,769)**	**-47.6 %**
Amortisation, depreciation and writedowns of fixed assets	(22,541)	-6.9 %	(46,742)	-14.6 %	(24,201)	107.4 %
Operating profit (EBIT)	**27,414**	**8.5 %**	**(20,555)**	**-6.4 %**	**(47,969)**	**-175 %**
Financial result	(1,853)	-0.6 %	4,341	1.4 %	6,194	-334.3 %
Gross result	**25,561**	**7.9 %**	**(16,214)**	**-5.1 %**	**(41,775)**	**-163.4 %**
Income tax	(7,658)	-2.4 %	(1,483)	-0.5 %	6,175	-80.6 %
Group consolidated net result	**17,904**	**5.5 %**	**(17,697)**	**-5.5 %**	**(35,600)**	**-198.8 %**

(*) includes the following income statement items: materials consumption, costs for services and leased assets and other operating costs.

Revenues for 2025 declined compared to 2024, from EUR 324,384 thousand to EUR 320,185 thousand, a decrease of EUR 4,199 thousand, or 1.3%; the recorded change is the result of the combined effect of:
- growth through external expansion, as a result of the acquisition of Mollura & C S.p.A., completed on 24 September 2025 for EUR 20,278 thousand;
- the decrease in revenues of companies already belonging to the Group for the entire comparative period as at 31 December 2024 (the latter effect totalling EUR 24,477 thousand, or approximately 7.5%).

The Group's revenue by type of activity (strategic business area, or SBA) and by geographic area in 2025 and in the previous year are broken down as follows:

- an 11.9% decline in the 'Furniture' sector, which was significantly influenced by the poor performance of certain contracts awarded to Turri S.r.l. and by a general slight slowdown in the sector;
- growth in the 'Lighting' sector of 7.8%, resulting from the organic growth of the companies belonging to the sector;
- a 16.3% decline in the 'Luxury Contract' segment, mainly attributable to a slowdown in orders from clients;
- an 8% increase in the 'Kitchens and Systems' sector, driven by the organic growth of Cubo Design.

amounts are shown in €/1,000	2024	2025
Furniture	141,696	124,867
Lighting	32,077	34,581
Luxury Contract	91,251	76,368
Kitchen & Systems	59,360	64,090
Omnichannel go-to-market	-	20,278
Total	**324,384**	**320,185**

amounts are shown in €/1,000	2024	2025
Italy	82,621	79,790
EU	81,713	78,088
Non-EU	160,050	162,307
Total	**324,384**	**320,185**

EBITDA, as defined by the Group and a primary indicator of economic performance, is EUR 26,187 thousand in 2025 compared to EUR 49,955 thousand in 2024, with a decrease of 47.6% and a revenue percentage decrease from 15.4% in 2024 to 8.2% in 2025. This reduction is primarily attributable to the poor performance of certain contracts for a company within the 'Furniture' operating segment, the deleveraging within the 'Luxury Contract' business area, and the increase in costs incurred to support organisational development and strengthening.
EBIT fell from EUR 27,414 thousand to EUR -20,555 thousand, a decrease of EUR 47,969 thousand, primarily due to write-downs on fixed assets totalling EUR 24.2 million recorded during the financial year, in addition to the impact of the reduction in EBITDA mentioned above.
The change recorded in the financial result compared to the previous year was mainly due to the positive economic effects of the remeasurement of the put and call options and earn-outs due to the minority shareholders, as well as the "figurative" financial charges. For more information on the composition of financial management and the change compared to last year, please refer to the notes to the financial statements.
Income taxes show a total tax burden of EUR 1,483 thousand compared to EUR 7,658 thousand in the previous year.
Finally, loss for the year totals EUR 17,697 thousand compared to the EUR 17,904 thousand profit for the previous year.

Considering the impact of several non-recurring economic components on the result for the year and the unique way in which the Dexelance Group was formed, the Group's management also wants to highlight the following economic values: Adjusted EBITDA, Adjusted EBIT and Adjusted Net Result. Specifically, the adjusted EBITDA is determined without the non-recurring costs and revenues, essentially considering the costs related to the acquisition of the new companies, and other non-recurring costs and revenues for the two years being compared. Adjusted EBIT was calculated gross of both non-recurring costs and amortisation and depreciation of intangible assets with a finite useful life (models, customer lists, and order books) recorded during Purchase Price Allocation (PPA) and that will terminate at the end of the relevant depreciation process. Finally, the Adjusted Net Result is calculated excluding non-recurring costs/revenues and of the aforementioned amortisation of certain intangible assets with a finite useful life and without taking into account the positive and negative economic effects resulting from the restatement of "figurative" financial charges for put and call options and earn-outs of minority shareholders.
Reclassified income statements are briefly presented, comparing actual and adjusted profit and loss accounts based on the management view:

amounts are shown in €/1,000	31/12/2024		31/12/2025	
	Effective data	Adjusted data	Effective data	Adjusted data
Revenue	324,384	324,138	320,185	320,185
Other income	4,911	4,911	5,026	5,026
Total revenue and income	**329,295**	**329,049**	**325,211**	**325,211**
External operating costs	(225,438)	(224,644)	(240,864)	(238,653)
Added value	**103,857**	**104,405**	**84,347**	**86,557**
Staff costs	(53,466)	(53,099)	(57,490)	(57,090)
Provisions and write-downs	(436)	(436)	(671)	(671)
Gross operating profit (EBITDA)	**49,955**	**50,870**	**26,187**	**28,797**
Amortisation, depreciation and write-downs of fixed assets	(14,203)	(14,203)	(14,714)	(14,714)
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(8,338)	-	(32,027)	-
Operating profit (EBIT)	**27,414**	**36,667**	**(20,555)**	**14,082**
Financial result	(1,853)	(3,560)	4,341	(6,418)
Gross result	**25,561**	**33,106**	**(16,214)**	**7,664**
Income tax	(7,658)	(9,870)	(1,483)	(3,934)
Group consolidated net result	**17,904**	**23,236**	**(17,697)**	**3,731**

EBITDA as at 31 December 2025 amounted to 8.2% of revenue for the period, which decreased 1.3% compared to the previous year. Net of non-recurring costs of EUR 2,610 thousand in 2025 and EUR 915 thousand in 2024, EBITDA (adjusted) stands at 9% of revenue as at 31 December 2025 compared to 15.7% as at 31 December 2024.
The reconciliation of the above values is shown below. Starting with the actual amounts, the components taken into account to calculate the adjusted values as at 31 December 2024 and 31 December 2025 are listed below:

amounts are shown in €/1000	Effective data 31/12/2024	Non-recurring revenue and costs	PPA depreciation, amortisation and write-downs	Remeasurement of put and call options and earn-outs	Adjusted data 31/12/2024
Revenue	324,384	(246)	-	-	324,138
Other income	4,911	-	-	-	4,911
Total revenue and income	**329,295**	**(246)**	**-**	**-**	**329,049**
External operating costs	(225,438)	794	-	-	(224,644)
Added value	**103,857**	**548**	**-**	**-**	**104,405**
Staff costs	(53,466)	367	-	-	(53,099)
Provisions and write-downs	(436)	-	-	-	(436)
Gross operating profit (EBITDA)	**49,955**	**915**	**-**	**-**	**50,870**
Amortisation, depreciation and write-downs of fixed assets	(14,203)	-	-	-	(14,203)
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(8,338)	-	8,338	-	-
Operating profit (EBIT)	**27,414**	**915**	**8,338**	**(1,708)**	**36,667**
Financial result	(1,853)	-	-	-	(3,560)
Gross result	**25,561**	**915**	**8,338**	**(1,708)**	**33,106**
Income tax	(7,658)	128	(2,341)	-	(9,870)
Group consolidated net result	**17,904**	**1,043**	**5,998**	**(1,708)**	**23,236**

As at 31 December 2024, the adjusted EBITDA was determined without considering non-recurring revenue and costs, also those tied to the Group's rebranding, and the costs related to the acquisition of new companies totalling EUR 915 thousand, while adjusted EBIT was calculated gross of the amortisation of intangible assets with a finite useful life recorded during the PPA for EUR 8,338 thousand. Finally, the adjusted net result was determined without considering the positive and negative effects of imputed charges and the remeasurement of put and call options and earn-outs due to minority shareholders. The aforementioned adjustments resulted in a higher overall tax burden of EUR 2,212 thousand, which includes EUR 128 thousand associated with non-recurring revenues and costs and EUR 2,341 thousand related to the amortisation of intangible assets.

amounts are shown in €/1,000	Effective data 31/12/2025	Non-recurring revenue and costs	PPA depreciation, amortisation and write-downs	Remeasurement of put and call options and earn-outs	Adjusted data 31/12/2025
Revenue	320,185	-	-	-	320,185
Other income	5,026	-	-	-	5,026
Total revenue and income	**325,211**	**-**	**-**	**-**	**325,211**
External operating costs	(240,864)	2,210	-	-	(238,653)
Added value	**84,347**	**2,210**	**-**	**-**	**86,557**
Staff costs	(57,490)	400	-	-	(57,090)
Provisions and write-downs	(671)		-	-	(671)
Gross operating profit (EBITDA)	**26,187**	**2,610**	**-**	**-**	**28,797**
Amortisation, depreciation and write-downs of fixed assets	(14,714)	-	-	-	(14,714)
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(32,027)	-	32,027	-	-
Operating profit (EBIT)	**(20,555)**	**2,610**	**32,027**	**-**	**14,082**
Financial result	4,341	-	-	(10,759)	(6,418)
Gross result	**(16,214)**	**2,610**	**32,027**	**(10,759)**	**7,664**
Income tax	(1,483)	(251)	(2,200)	-	(3,934)
Group consolidated net result	**(17,697)**	**2,359**	**29,827**	**(10,759)**	**3,731**

As at 31 December 2025, however, the Adjusted EBITDA was calculated excluding non-recurring costs, including those relating to acquisitions during the period amounting to EUR 563 thousand and other staff costs of EUR 400 thousand. The Adjusted EBIT was calculated gross of amortisation and impairment losses on intangible assets with finite useful lives recognised under the PPA amounting to EUR 32,027 thousand, of which EUR 24,200 thousand concerns write-downs of intangible assets with an indefinite useful life recognised in the financial statements following an impairment test of certain specific CGUs. Finally, the Adjusted Net Result was determined without considering the positive net effects of the "figurative" charges and the remeasurement of put and call options and earn-outs due to minority shareholders totalling EUR 10,759 thousand. The above adjustments resulted in a higher overall tax burden of EUR 2,451 thousand, which includes EUR 2,200 thousand associated with the amortisation and depreciation of intangible assets.

Taking into account the Group's external growth, a 2025 full-year income statement is presented, prepared on the assumption that the acquisition of Mollura & C. S.p.A. took place on 1 January 2025, without, however, taking into account the possible effects of the transaction on the financial charges and on the depreciation of assets during the first nine months of the year.

Full-year income statement amounts are shown in €/1,000	31/12/2024		31/12/2025		Change		Change	
	full	full adjusted	full	full adjusted	full	%	full adjusted	%
Revenue	324,348	324,138	372,730	372,730	48,346	14.9%	48,592	15.0%
Other income	4,911	4,911	5,499	5,499	588	12.0%	588	12.0%
Total revenue and income	**329,295**	**329,049**	**378,228**	**378,228**	**48,934**	**14.9%**	**49,180**	**14.9%**
External operating costs	(225,438)	(224,644)	(284,852)	(282,642)	(59,414)	26.4%	(57,997)	25.8%
Added value	**103,857**	**104,405**	**93,376**	**95,587**	**(10,481)**	**-10.1%**	**(8,818)**	**-8.4%**
Staff costs	(53,466)	(53,099)	(60,944)	(60,544)	(7,478)	14.0%	(7,445)	14.0%
Provisions and write-downs	(436)	(436)	(671)	(671)	(235)	54.0%	(235)	54.0%
Gross operating profit (EBITDA)	**49,955**	**50,870**	**31,762**	**34,372**	**(18,194)**	**-36.4%**	**(16,498)**	**-32.4%**
Amortisation, depreciation and write-downs of fixed assets	(14,203)	(14,203)	(16,153)	(16,513)	(2,310)	16.3%	(2,310)	16.3%
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(8,338)	-	(32,027)	-	(23,689)	284.1%	-	-
Operating profit (EBIT)	**27,414**	**36,667**	**(16,778)**	**17,859**	**(44,193)**	**-161.2%**	**(18,808)**	**-51.3%**
Financial result	(1,853)	(3,506)	4,205	(6,554)	6,058	-326.9%	(2,994)	84.1%
Gross result	**25,561**	**33,106**	**(12,573)**	**11,305**	**(38,135)**	**-149.2%**	**(21,802)**	**-65.9%**
Income tax	(7,658)	(9,870)	(2,639)	(5,090)	5,019	-65.5%	4,870	-48.4%
Group consolidated net result	**17,904**	**23,236**	**(15,212)**	**6,215**	**(33,116)**	**-185.0%**	**(17,021)**	**-73.3%**

Flexalighting

Reclassified statement of financial position

The statement of financial position is reclassified in order to highlight the investment structure and the composition of the financing sources.

Reclassified statement of financial position	**31/12/2024**		**31/12/2025**	
amounts are shown in €/1,000	amount	%	amount	%
Intangible assets	235,484	87.8%	266,600	84.8%
Right of use	34,427	12.8%	35,319	11.2%
Property, plant and equipment	28,223	10.5%	37,646	12.0%
Holdings and other non-current assets	8,708	3.2%	19,033	6.1%
Non-current assets (A)	**306,842**	**114.5%**	**358,598**	**114.0%**
Inventories	45,529	17.0%	69,434	22.1%
Trade receivables	41,632	15.5%	34,170	10.9%
Other current assets	8,824	3.3%	12,972	4.1%
Current assets (B)	**95,985**	**35.8%**	**116,576**	**37.1%**
Trade payables	(53,611)	-20.0%	(58,951)	-18.7%
Other current liabilities	(43,205)	-16.1%	(52,818)	-16.8%
Current liabilities (C)	**(96,817)**	**-36.1%**	**(111,769)**	**-35.5%**
Net working capital (D = B – C)	**(832)**	**-0.3%**	**4,808**	**1.5%**
Provisions for risk and severance pay	(12,163)	-4.5%	(13,827)	-4.4%
Other non-current liabilities	(25,748)	-9.6%	(35,077)	-11.2%
Medium/long-term assets (liabilities) (E)	**(37,911)**	**-14.1%**	**(48,904)**	**-15.5%**
Net invested capital (A + D + E)	**268,099**	**100.0%**	**314,501**	**100.0%**
Consolidated shareholders' equity	**170,452**	**63.6%**	**184,438**	**58.6%**
Net financial position, banks	(5,180)	-1.9%	52,719	16.8%
Net financial position, others	102,827	38.4%	77,344	24.6%
Net financial position	**97,647**	**36.4%**	**130,063**	**41.4%**
Equity and debt	**268,099**	**100.0%**	**314,501**	**100.0%**

Net invested capital is mostly made up of intangible assets (models and ornamental designs, trademarks, customer lists, order books, and goodwill) resulting mainly from corporate acquisitions completed since the company was established.
During the financial year 2025, compared to 2024, net invested capital increased by EUR 46,402 thousand, resulting from the combined effect of the changes listed below, which regard:

- non-current assets, which increased by EUR 51,756 thousand, mainly attributable to the acquisition of Mollura & C. S.p.A. and the related Purchase Price Allocation, as well as the acquisition of the stake in Roda S.r.l. for EUR 8.5 million, partially offset by write-downs of EUR 24.2 million on intangible assets with an indefinite useful life recognised in the financial statements following an impairment test of certain specific CGUs;
- net working capital, which increased by EUR 5,639 thousand, mainly due to a rise in inventories as a result of the acquisition of Mollura & C. S.p.A.

Financing sources consisted of 59% of own funds and 41% of third-party funds (mainly imputable to financial payables to other lenders) and showed an increase in the net financial position of EUR 32,416 thousand during the year.

NET FINANCIAL POSITION

The net financial position, as defined and monitored by the Company's and the Group's management, breaks down as follows:

amounts are shown in €/1,000	**Balance at 31/12/2024**	**Balance at 31/12/2025**	**Change**
Short-term bank debt	23,604	33,244	9,640
Medium/long-term bank debt	39,510	89,334	49,824
Cash and cash equivalents	(33,681)	(48,499)	(14,818)
Other current financial assets	(34,614)	(21,361)	13,253
NFP, banks	**(5,180)**	**52,719**	**57,898**
Current earn-out payable	4,790	3,992	(798)
Non-current earn-out payable	1,780	1,576	(204)
Current payable for purchase of minority shares through the exercise of the put option	9,747	8,335	(1,412)
Non-current payable for purchase of minority shares through the exercise of the put option	45,656	20,888	(24,767)
NFP, other than banks	**61,972**	**34,791**	**(27,181)**
Current financial debts to lessors	6,512	7,592	1,080
Non-current financial debts to lessors	29,430	29,798	368
NFP, payables to lessors (IFRS 16)	**35,942**	**37,391**	**1,449**
Other non-current financial liabilities	4,913	5,163	250
NFP, total	**97,647**	**130,063**	**32,416**

The total NFP (net financial position) is made up of the following components: i) indebtedness to banks in the amount of EUR 122,578 thousand, net of EUR 69,859 thousand in cash and other current financial assets; ii) payables for the purchase of minority shares, earn-outs and put and call options to related parties in the amount of EUR 34,791 thousand; iii) debts to lessors (IFRS 16 application) in the amount of EUR 37,391 thousand; iv) other financial payables in the amount of EUR 5,163 thousand.
Bank debt as at 31 December 2025 totals EUR 122,578 thousand. The increase compared to the previous period is due mainly to new financings contracted for the acquisition of Roda and Mollura and for the exercise of put & call options for the acquisition of the minority stake in Flexalighting S.r.l. This indebtedness is expressed net EUR 48,499 thousand in cash and EUR 21,361 thousand in short-term restricted cash and cash equivalents.

1. Bank debt of the following types:
- bank debts relating to acquisitions, amounting to EUR 91,478 thousand, which increased during the financial year by EUR 45,698 thousand to finance the extraordinary transactions described above, in particular those relating to Mollura and Roda;
- loans taken out in previous years to deal with the Covid-19 pandemic crisis, known as the Liquidity Decree; these were taken out by the companies Gervasoni, Meridiani and Flexalighting for a total amount residual of EUR 1,064 thousand;
- ordinary loans taken out by Group companies in the amount of EUR 29,582 thousand.

2. The payables for the purchase of the minority stakes in Cenacchi International S.r.l., Flexalighting North America Ltd., Gamma Arredamenti International S.p.A., Turri S.r.l., and Mollura & C. S.p.A through the exercise of put and call options and the deferred earn-outs payable for each acquisition total EUR 34,791 thousand. This represents the best possible currently available estimate. The value was determined in accordance with the put and call agreements on the basis of the average projected EBITDA of the two financial January exercise of these options (based on the new business plans prepared and approved by the company and the Group in January 2026), multiplied by the contractually agreed multiple, less the estimated NFP at the date of exercise of the options. The exercise of options and the payment of earn-out payables have different maturities (EUR 12.3 million over the next 12 months and EUR 22.5 million from 2027 onwards, but which do not exceed 5 years).
The financial year saw the exercise of put and call options amounting to EUR 9,653 thousand in relation to the former shareholders of Flexalighting S.r.l., and a reduction in the liability for put and call options relating to the minority interest in Turri S.r.l. amounting to EUR 9,289 thousand, in line with the impairment test, following the update of the financial projections approved by the company's directors, and the cancellation of the option held by the minority shareholders of Cubo Design S.r.l. for 40% of the company, following the waiver agreement already referred to in the preceding paragraphs. For further depth, please refer to Note 18.

3. The value of debts to lessors in the amount of EUR 37,391 thousand is the present value of future rental costs until the expiry of the contracts (real estate contracts normally have a term of 6+6 years). The change in the year is attributable to both the payment of fees for a total principal amount of EUR 8.6 million and the recognition of new payables totalling EUR 8.1 million.

4. Other loans in the amount of EUR 5,163 thousand to minority shareholders of certain subsidiaries.

Individual bank debts contracted by the Parent Company Dexelance S.p.A. and the subsidiaries arising from acquisitions are secured by a pledge on the shares or units of the subsidiaries acquired or to the subsidiaries to which these loans were disbursed; a loan to the Parent Company Dexelance S.p.A. are secured by a public guarantee; the remaining loans held by the Parent Company Dexelance S.p.A., whose residual debt amounts to EUR 16,570 thousand, are not secured, nor are the remaining ordinary loans contracted by the subsidiaries.
The amortisation schedule of the loans and the economic conditions at the best market levels are adequate for the Group's prospective cash flows.

With regard to the Net Financial Position, it should be noted that on 4 March 2021, ESMA (the European Securities and Markets Authority) published the guidelines on disclosure requirements under EU Regulation 2017/1129 (known as the "Prospectus Regulation"), which are applicable as of 5 May 2021.
With "Warning Notice No. 5/21" of 29 April 2021, CONSOB declared its intention to align its supervisory practices with the aforementioned ESMA Guidelines.

The net financial debt of the Dexelance Group according to the format adopted by CONSOB is as follows:

amounts are shown in €/1,000	Balance at 31/12/2024	Balance at 31/12/2025	Change
A Cash	33,681	48,499	14,818
B Cash equivalents	-	-	-
C Other current financial assets	34,614	21,361	(13,253)
D Cash and cash equivalents (A + B + C)	**68,294**	**69,859**	**1,565**
E Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(21,049)	(19,919)	1,130
F Current portion of current financial debt	(23,604)	(33,244)	(9,640)
G Current financial indebtedness (E + F)	**(44,653)**	**(53,163)**	**(8,510)**
H Net current financial indebtedness (G - D)	**23,641**	**16,696**	**(6,945)**
I Non-current financial debt (excluding the current portion and debt instruments)	(116,375)	(141,597)	(25,221)
J Debt instruments	-	-	-
K Non-current trade and other payables	(4,913)	(5,163)	(250)
L Non-current financial indebtedness (I + J + K)	**(121,288)**	**(146,759)**	**(25,471)**
M Total financial indebtedness (H + L)	**(97,647)**	**(130,063)**	**(32,416)**

In this regard, please note the following aspects:

a. "Other current financial assets" includes financial assets (e.g. securities held for trading) that are not (i) cash, (ii) cash equivalents or (iii) derivative instruments used for hedging purposes;
b. "Financial indebtedness" includes remunerated debt (i.e. interest-bearing debt) which includes, inter alia, financial liabilities for short- and/or long-term leases, identified separately;
c. "Non-current trade and other payables" includes any non-interest-bearing debt with a significant implicit or explicit financing component (e.g. trade payables with a maturity of more than 12 months), and any other non-interest-bearing loans.

The total value of net financial indebtedness according to ESMA guidelines and that adopted by the Dexelance Group is EUR 130,063 thousand.

KEY FINANCIAL/ECONOMIC INDICATORS

The profitability and financial ratios derived from the reclassified balance sheet and reclassified income statement presented above are as follows:

		31/12/2024		31/12/2025		31/12/2024 ADJ		31/12/2025 ADJ	
ROE	Net result for the year / Shareholders' equity	17,904 / 170,452	10.50%	-17,697 / 184,438	-9.59%	23,236 / 170,452	13.63%	3,731 / 184,438	2.02%
ROI	Operating income (EBIT) / Net invested capital	27,414 / 268,099	10.23%	-20,555 / 314,501	-6.54%	36,667 / 268,099	13.68%	14,082 / 314,501	4.48%
ROS	Operating income (EBIT) / Revenue	27,414 / 324,384	8.45%	-20,555 / 320,185	-6.42%	36,667 / 324,138	11.31%	14,082 / 320,185	4.40%
EBITDA / Revenue	EBITDA / Revenue	49,955 / 324,384	15.40%	26,187 / 320,185	8.18%	50,870 / 324,138	15.69%	28,797 / 320,185	8.99%
Debt coverage	Net financial payables / Gross operating profit (EBITDA)	97,647 / 49,955	1.95	130,063 / 26,187	4.97	97,647 / 50,870	1.92	130,063 / 28,797	4.52
Bank debt coverage	Net bank debts / Gross operating profit (EBITDA)	-5,180 / 49,955	-0.10	52,719 / 26,187	2.01	-5,180 / 50,870	-0.10	52,719 / 28,797	1.83
Current ratio	Current assets / Current liabilities	164,279 / 141,470	1.16	186,436 / 164,932	1.13	164,279 / 141,470	1.16	186,436 / 164,932	1.13
Financial indebtedness ratio	Net financial position / Consolidated shareholders' equity	97,647 / 170,452	0.57	130,063 / 184,438	0.71	97,647 / 170,452	0.57	130,063 / 184,438	0.71

The adjusted income ratios, in particular ROE, ROI and ROS, show a decrease compared to the last period. The ratio of total financial debt exposure to the Adjusted EBITDA stands at approximately 4.52, whilst the ratio of financial debt to equity is 0.71 (higher than for the previous financial year).

INVESTMENTS MADE BY THE GROUP

The following table provides a breakdown by category of the Group's investments in property, plant and equipment and intangible assets in the years ended 31 December 2024 and 2025:

amounts are shown in €/1,000	31/12/2024	% of total investments	31/12/2025	% of total investments
Land and buildings	289	1.8%	2,448	13.0%
Plants and machinery	2,417	15.4%	2,476	13.1%
Equipment	345	2.2%	378	2.0%
Other property, plant and equipment	3,978	25.3%	6,104	32.4%
Rights of use	7,791	49.6%	6,693	35.5%
Other intangible assets	887	5.6%	742	3.9%
Total	**15,716**	-	**18,848**	-

With regard to investments made during the 2025 financial year, please note the increase in the item 'Land and Buildings' regarding the purchase of a building by Cenacchi International (following the early termination of the relevant lease agreement) and by Modar.
Investments in right of use concern new lease agreements entered into during the financial year, including the new offices of the Dexelance China Co. Ltd. branch, a new branch of Dexelance France SARL, as well as the renewal of several contracts set to expire. Capital expenditures amounting to about EUR 11.4 million concern improvements to third-party buildings and the purchase of durable goods of various kinds. In particular, during the financial year, please note, in addition to the aforementioned purchases of buildings, the investments in machinery by Cubo Design amounting to EUR 1,459 thousand, leased buildings by Gervasoni amounting to EUR 473 thousand, and advance payments and assets under construction (for the construction of the new building) by Cenacchi amounting to EUR 2,111 thousand and by Meridiani amounting to EUR 1,280 thousand.

PERFORMANCE OF THE PARENT COMPANY DEXELANCE S.P.A.

The tables below show the situation of the parent company Dexelance S.p.A., prepared in accordance with international accounting standards:

Reclassified income statement

Reclassified income statement	**31/12/2024**		**31/12/2025**		**Change**	
amounts are shown in €/1,000	amount	%	amount	%	amount	%
Revenue	681	100.0%	742	100.0%	61	9.0%
Other income	311	45.7%	24	3.3%	(286)	-92.1%
Total revenue and income	**992**	**145.7%**	**767**	**103,3%**	**(225)**	**-22.7%**
External operating costs	(4,379)	-643.1%	(4,166)	-561.2%	213	-4.9%
Added value	**(3,388)**	**-497.4%**	**(3,399)**	**-458.0%**	**(12)**	**0.4%**
Staff costs	(1,365)	-200.5%	(1,234)	-166.2%	131	-9.6%
Provisions and writedowns	-	0.0%	-	0.0%	-	-
Gross operating profit (EBITDA)	**(4,753)**	**-697.9%**	**(4,633)**	**-624.2%**	**120**	**-2.5%**
Amortisation, depreciation and writedowns of fixed assets	(245)	-35.9%	(272)	-36.6%	(27)	11.0%
Operating profit (EBIT)	**(4,997)**	**-733.9%**	**(4,905)**	**-660.7%**	**93**	**-1.9%**
Financial result	10,735	1576.4%	(2,593)	-349.3%	(13,327)	-124.2%
Gross result	**5,737**	**842.5%**	**(7,497)**	**-1010.0%**	**(13,235)**	**-230.7%**
Income tax	1,044	153.4%	1139	153.4%	94	9.0%
Net profit/(loss)	**6,782**	**995.9%**	**(6,359)**	**-856.6%**	**(13,140)**	**-193.8%**

It should be noted that the parent company received dividends totalling EUR 11.5 million in 2025 (EUR 12.3 million in 2024) from the subsidiaries Gervasoni S.p.A. (EUR 3.0 million), Cenacchi International Italia S.r.l. (EUR 4.5 million), Davide Groppi S.r.l. (EUR 1 million), Modar S. p.A. (EUR 1.5 million), Flexalighting S.r.l. (EUR 1.5 million) and its associate Roda S.r.l. (EUR 37 thousand). At the same time, however, the financial result was affected by a write-down of EUR 13.3 million for investments that had suffered a permanent impairment.

As in the case of the consolidated financial statements, as well as for values relating to the parent company's statement of financial position, the adjusted values were determined and the relevant values were reconciled.

amounts are shown in €/1000	**31/12/2024**		**31/12/2025**	
	Effective data	**Adjusted data**	**Effective data**	**Adjusted data**
Revenue	681	681	742	742
Other income	311	311	24	24
Total revenue and income	**992**	**992**	**767**	**767**
External operating costs	(4,379)	(4,112)	(4,166)	(4,166)
Added value	**(3,388)**	**(3,121)**	**(3,399)**	**(3,399)**
Staff costs	(1,365)	(1,365)	(1,234)	(1,234)
Provisions and write-downs	-	-	-	-
Gross operating profit (EBITDA)	**(4,753)**	**(4,486)**	**(4,633)**	**(4,633)**
Amortisation, depreciation and write-downs of fixed assets	(245)	(245)	(272)	(272)
Operating profit (EBIT)	**(4,997)**	**(4,730)**	**(4,905)**	**(4,905)**
Financial result	10,735	10,735	(2,593)	(2,593)
Gross result	**5,737**	**6,004**	**(7,497)**	**(7,497)**
Income tax	1,044	970	1,139	1,139
Net profit/(loss)	**6,782**	**6,974**	**(6,359)**	**(6,359)**

The Adjusted 2025 EBITDA was determined without considering non-recurring costs; It should be noted that non-recurring costs as at 31 December 2024 mainly included costs related to the rebranding process, which amounted to EUR 267 thousand.
Below is a reconciliation of the figures from actual to adjusted values, as at 31 December 2024 and 31 December 2025.

amounts are shown in €/1000	Effective data 31/12/2024	Non recurring costs	Adjusted data 31/12/2024
Revenue	681	-	681
Other income	311	-	311
Total revenue and income	**992**	**-**	**992**
External operating costs	(4,379)	267	(4,112)
Added value	**(3,388)**	**267**	**(3,121)**
Staff costs	(1,365)	-	(1,365)
Provisions and write-downs	-	-	-
Gross operating profit (EBITDA)	**(4,753)**	**267**	**(4,486)**
Amortisation, depreciation and write-downs of fixed assets	(245)	-	(245)
Operating profit (EBIT)	**(4,997)**	**267**	**(4,730)**
Financial result	10,735	-	10,735
Gross result	**5,737**	**267**	**6,004**
Income tax	1,044	(74)	970
Net profit/(loss)	**6,782**	**193**	**6,974**

amounts are shown in €/1000	Effective data 31/12/2025	Non-recurring costs	Adjusted data 31/12/2025
Revenue	742	-	742
Other income	24	-	24
Total revenue and income	**767**	**-**	**767**
External operating costs	(4,166)	-	(4,166)
Added value	**(3,399)**	**-**	**(3,399)**
Staff costs	(1,234)	-	(1,234)
Provisions and writedowns	-	-	-
Gross operating profit (EBITDA)	**(4,633)**	**-**	**(4,633)**
Amortisation, depreciation and writedowns of fixed assets	(272)	-	(272)
Operating profit (EBIT)	**(4,905)**	**-**	**(4,905)**
Financial result	(2,593)	-	(2,593)
Gross result	**(7,497)**	**-**	**(7,497)**
Income tax	1,139	-	1,139
Net profit/(loss)	**(6,359)**	**-**	**(6,359)**

Reclassified statement of financial position

Reclassified statement of financial position	31/12/2024		31/12/2025	
amounts are shown in €/1,000	amount	%	amount	%
Intangible assets	51	0.1%	71	0.0%
Right of use	722	0.7%	796	0.5%
Property, plant and equipment	757	0.8%	730	0.4%
Holdings and other non-current assets	101,089	100.6%	162,454	98.5%
Non-current assets (A)	**102,620**	**102.1%**	**164,051**	**99.5%**
Other current assets	1,847	1.8%	6,536	4.0%
Current assets (B)	**1,847**	**1.8%**	**6,536**	**4.0%**
Trade payables	(699)	-0.7%	(550)	-0.3%
Other current liabilities	(2,986)	-2.9%	(4,582)	-2.8%
Current liabilities (C)	**(3,595)**	**-3.6%**	**(5,132)**	**-3.1%**
Net working capital (D = B – C)	**(1,748)**	**-1.7%**	**1,404**	**0.9%**
Provisions for risk and severance pay	(352)	-0.4%	(515)	-0.3%
Other non-current liabilities	-	0.0%	-	0.0%
Medium/long-term assets (liabilities) (E)	**(352)**	**-0.4%**	**(515)**	**-0.3%**
Net invested capital (A + D + E)	**100,520**	**100.0%**	**164,940**	**100.0%**
Shareholders' equity	**105,728**	**105.2%**	**97,494**	**59.1%**
Net financial position, banks	(26,692)	-26.6%	45,278	27.5%
Net financial position, others	21,484	21.4%	22,168	13.4%
Net financial position	**(5,208)**	**-5.2%**	**67,446**	**40.9%**
Equity and debt	**100,520**	**100.0%**	**164,940**	**100.0%**

Within the item 'holdings', compared to the year 2024, please note increases regarding:

- the acquisition of 100% of the shares in Dexelance France SARL (formerly Meridiani France SARL) for EUR 112 thousand, following the transfer of all shares from Meridiani S.r.l.;
- the acquisition of 25% of the shares in Roda S.r.l. for EUR 8,655 thousand, which took place on 17 July 2025, following the signing of the initial share purchase agreement entered into with the Company in June 2025;
- the exercise of the put & call option for the purchase of the remaining shares in Flexalighting S.r.l. (49% of the share capital) for EUR 9.7 million, which took place in July 2025;
- the acquisition of 65% of the share capital of Mollura & C. S.p.A., which took place on 24 September 2025, for EUR 44,677 thousand, financed through bank debt. The agreement provides for the mutual acquisition and disposal of the remaining shareholding, to be exercised within 90 working days of the approval of the Company's financial statements as at 31 December 2029. No earn-outs have been provided for the minority shareholders;
- capital payments totalling EUR 6.3 million for the subsidiaries Dexelance China Co. Ltd., Dexelance USA Corp. and Turri S.r.l. with the aim of supporting their operations, given the significant non-recurring costs incurred by these companies.

The write-downs for the 2025 financial year, which resulted in a reduction in the value of equity investments totalling EUR 12,955 thousand, concern the equity investments held in Dexelance China Co. Ltd. (for EUR 1,087 thousand), Dexelance UK Ltd. (EUR 173 thousand), Dexelance USA Corp. (EUR 1,368 thousand), Turri S.r.l. (EUR 8,080 thousand), Axo Light S.r.l. (EUR 2,135 thousand) and Dexelance France SARL (EUR112 thousand). In particular, write-downs for permanent impairment of the carrying amounts of the investments in Axo Light S.r.l. and Turri S.r.l. were made following the performance of an impairment test.

Finally, please note the reduction in the stake held in Dexelance China Co. Ltd. for EUR 226 thousand due to the reclassification of the provision for investment risks set aside in previous financial years, as the impairment provision was deemed sufficient following the increase in the value of the investment resulting from share capital increases. The provision for risks has therefore been written off.

The Parent Company's net financial position towards banks has increased significantly following the contracting of loans with a nominal value of EUR 65,207 thousand.

The net financial position towards others instead amounted to EUR 22,168 thousand and was represented by payables to lessors for a total of EUR 820 thousand and by net intercompany financial assets for centralised treasury management (so-called cash pooling) for a total of EUR 21,349 thousand.

Please note that in the final quarter of 2025, the Company had become concerned about its ability to comply with the covenants attached to its existing loans and, in November 2025, it began discussions with its lenders with a view to obtaining waivers for the financial covenants. In particular, a potential risk of non-compliance with the contractually stipulated leverage ratio (NFP to EBITDA ratio) had been identified. In December, and by 31 December in accordance with the provisions of IAS 1 (revised), the Company obtained specific amendment agreements and waivers from the lending banks for the four loan agreements entered into by Dexelance S.p.A. with Unicredit, Cassa Depositi e Prestiti, BPER and the Unicredit/Cassa Depositi e Prestiti syndicate.

INFORMATION ON THE GROUP'S MAIN RISKS AND UNCERTAINTIES

As part of its industrial activities, the Group is exposed to risks and uncertainties, arising from exogenous factors related to the general macroeconomic and geopolitical context, as well as risks deriving from strategic and management choices relating to the specific sectors in which it operates. In this context, the Group – particularly through its Internal Control and Risk Management System – systematically identifies, measures, manages and monitors business risks. The main risks identified by the Group are listed below.

Financial risks

Exchange rate risk: limited. The Group operates mainly in euros. As regards the currency balance in US dollars, since receipts and payments in foreign currencies partially offset each other, the currency risk is not excessive and therefore the provision foreign exchange hedges was not considered necessary. For the sensitivity analysis on foreign exchange risk and the related effects on net result before taxes and the effects on shareholders' equity before taxes, please refer to the paragraph on financial risk management in the notes to the financial statements.
Risk of restatement of financial liabilities for earn-outs and put and call options: the financial risks also include the risk of remeasurement of earn-outs, put & call options entered into with minority shareholders of the acquired companies. The earn-out and put & call values are directly related to the achievement of certain economic and financial targets by the acquired companies (generally the contractually defined EBITDA and net financial position) in the periods following the acquisition of control, and are recorded at the present value of the financial liability.
In 2025, the recognition in the income statement of these values entailed the recognition of net financial income from restatement for a total of EUR 14,318 thousand.
For the sensitivity analysis on the remeasurement risk of earn-outs, put & call options and the related effects on net result before taxes, please refer to the section on financial risk management in the notes to the financial statements.
Risk of restatement of the long-term incentive plan and the performance shares: The value and recognition of the incentive plans is linked to the increase in value of the Company's share price, recorded for a period of at least 30 consecutive days on the trading market compared to the IPO price, during the first 3 years of office and/or during the second 3 years of office in the case of renewal of office and failure to meet the objectives during the first 3 years of office. This is calculated and paid in cash by the Company during the month, following a positive verification by the Board of Directors that the long-term incentive has accrued. These liabilities are restated at every period-end or when a liquidation event occurs. Their effects are then reflected in the income statement under financial income in the income statement, together with the estimated discount cost for these liabilities.
In the year 2025, the recognition of these amounts in the income statement resulted in the recognition of an amount of EUR 405 thousand, of which EUR 368 thousand was recognised under service costs and EUR 37 thousand under personnel costs.
In reference to the performance share plan, it is hereby specified that the allocation of the units will be made by the Board of Directors, which will verify at the end of the Vesting Period whether the performance objectives have been achieved and whether the Trigger Event has occurred. The number of units awarded will depend on the achievement of certain performance targets over the vesting period.
The Group recognises share-settled transactions on the basis of IFRS 2, which requires the cost of transactions to be determined on the basis of the fair value at the allocation date. At each reporting date, the Group also determines the fair value of the instrument based on the probability of achieving the defined performance targets.
Interest rate risk: the Group used derivative financial instruments. The debt to financial institutions is partially hedged against the risk of interest rate fluctuations in the amount with the instrument known as IRS (the company pays a fixed rate and is entitled to receive a variable rate indexed to Euribor).
The outstanding hedging derivate contracts have an overall negative value—mark to market—of about EUR 216 thousand as at 31 December 2025, the change in which, compared to the previous year, was recognised in other comprehensive income for EUR 124 thousand, net of the tax effect. The total value of IRS derivative contracts entered into (including those classified as speculative) amounts to negative EUR 380 thousand.
For the sensitivity analysis on interest rate risk and the related effects on net result before taxes, please refer to the paragraph on financial risk management in the notes to the financial statements.
Price risk: limited. Purchase prices normally have a duration of one year; sales prices absorb and tend to neutralise increases in purchases. Even in the presence of a moderate inflationary scenario, the impact of the increase in raw material prices was limited, also due to the ability of the Group companies to adjust their sales prices and maintain their margins.
Credit risk: limited. In most cases, the customer base is split, and the exposure per individual position is usually small; in addition, customers are systematically monitored, and each customer is associated with a credit limit and a maximum overdraft not exceeding the amount indicated in the reports provided by the commercial information companies. For many customers, particularly from outside the EU, Group companies require advance payment or guarantees. In some cases, credit insurance is used.
Cenacchi International S.r.l., Modar S.p.A. and Turri S.r.l. operate on the global market with renowned customers; it should be noted here that there is a strong concentration of customers with several companies that are traceable to a few economic entities with which the companies' relationships have been strengthened over the years. Management systematically monitors cases where exposure is significant.
Liquidity risk: limited. We believe that the cash and other current financial assets totalling approximately EUR 69.9 million at 31 December 2025, in addition to the cash flows that will be generated by operating activities, will be adequate to meet the needs arising from investment activities, working capital management, and the repayment of debts at their natural due dates.
Although the 2025 financial year was characterised by extraordinary and non-recurring events that temporarily reduced cash flows from operations, the Group's financial strength and operational outlook remain unchanged. Management confirms that the Group is fully capable of generating sufficient financial resources to meet its commitments and to ensure the Group's continued operations in the Medium to long-term.
Furthermore, given the need for a flexible capital structure consistent with the Group's medium-term growth strategy, the extraordinary general meeting of Dexelance shareholders, upon a proposal from the Board of Directors, resolved on 20 January 2026 to grant the Board the authority to increase, in separate tranches and against payment, the share capital by a maximum of EUR 50 million, including any share premiums, through the issue of ordinary shares to be offered as an option to those entitled pursuant to Article 2441(1) of the Italian Civil Code, and a further maximum of EUR 20 million, including any share premiums, to service warrants exercisable against payment over time, to be allocated free of charge alongside the shares referred to in the rights issue.

Non-financial risks

Developments in the global economy, the environment of political, economic and financial instability and the volatility of financial markets could influence the performance of the Group, with possible adverse effects on its economic, capital and financial position. In the overall macroeconomic framework, the uncertainties regarding (i) the impacts of sanctions imposed worldwide relating to the conflict between the Federal Republic of Russia and Ukraine, (ii) the Middle East conflicts and (iii) the risks related to climate change are important.
Risks related to the global geopolitical situation: the Group is exposed to the risks associated with the current and future global, European and Italian economic and political situation, which has also been aggravated by recent political and military tensions in Ukraine and in the Middle East, where developments and the political and economic impact are still uncertain and hard to assess. Therefore, it cannot be

excluded that the occurrence and/or continuation of any economic downturn and/or political instability and any future negative impact, including any significant impact, on the global, European and/or national economy may lead to a weakening of demand for the Group's products, with potential adverse effects on the Group's business and prospects, as well as on its economic, capital and financial position.
The global geopolitical situation is undergoing a period of extreme tension and complexity, especially due to the conflicts between Russia and Ukraine and between Israel and Palestine, and the more recent conflict in Iran. These dramatic events have further stimulated inflationary phenomena and the already existing speculative dynamics, with particular reference to energy and raw material prices. The Group has very limited involvement in the areas affected by the conflict, and its business model is not particularly exposed to inflationary commodity phenomena or higher energy costs; however, it cannot be excluded that the continuation of this situation may lead to margin pressures or impacts on the propensity to consume durable goods.
Looking ahead, the currency instability induced by tariff wars, which are increasing the exchange rate risk for many European companies active in non-EU markets, weighs heavily. The Group continues to assess the impact of these factors on an ongoing basis, equipping itself with risk hedging and governance tools to ensure that it remains able to react in a timely fashion.
In relation to international trade policies, the Group is closely monitoring the effects of the introduction of customs duties imposed by the United States, with particular reference to the imposition of duties on a wide range of products from countries such as China, Mexico, Canada and the European Union. This situation puts pressure on operating margins and threatens competitiveness in international markets. Potential risks for the Group mainly concern exports of its own products, such as furniture and lighting, from Europe to the United States. To address these risks, the Group is closely monitoring developments in US pricing policy in order to proactively quantify economic risks and the conditions of its competitiveness.
At the date of the consolidated financial statements for the year ended 31 December 2025, the overall impact on the economic and financial result was deemed to be modest, due to (i) a still limited exposure to the US, with retail sales equal to 5.4% of total Group sales, (ii) contract sales (equal to 9.3% of consolidated sales) not affected by tariff dynamics due to the nature of the projects themselves, and iii) the type of products sold (in the high-end segment), which are less sensitive than others to these price dynamics. However, as trade tensions and uncertainties regarding future developments in international tariff policies remain high, the Group will continue to monitor the issue closely. Generally speaking, even though the direct effects of macroeconomic and geopolitical phenomena on the Group's activities have been limited to date, the evolving context demands an assiduous monitoring in order to identify risks in a timely manner and ensure the adequate management of resources and strategic levers.

Flexalighting

INFORMATION ON THE ENVIRONMENT AND STAFF

Environmental, social and governance (ESG) factors, which are at the core of the Group's strategy values, are a long-term commitment and the Group is establishing, building and strengthening its ESG commitment through various activities and projects.
In this regard, please note that the Dexelance Group, as an organisation already subject to the obligation to report non-financial information pursuant to Legislative Decree 254/2016 (implementing Directive 2014/95/EU), complies with the obligations arising from the new EU Directive 2022/2464 (the "CSRD") transposed into Italian law by Legislative Decree 125/2024, which also extends the provisions of the Taxonomy Regulation, starting with the 2024 financial year. The foregoing issues must be represented consistently with the principle of materiality, i.e. by providing relevant information in relation to one's business profile, strategies, stakeholder expectations and impact. The CSRD was approved by the Board of Directors convened to approve the draft financial statements as at 31 December 2025 and made available to Shareholders. It is also available on the website of Dexelance.
The Group maintains a management system to constantly monitor and, where possible, with a view to continuous improvement, reduce environmental impacts.

The Group maintains an occupational health and safety management system with the aim of both complying with legal requirements and monitoring and, where possible, preventing any kind of problem relating to the health and safety of its employees. The number of Group employees as at 31 December 2025 was 976 (833 as of 31 December 2024). The workforce consists of 19 executives, 545 managers and clerical workers, 407 manual workers and 7 others. During 2025, the use of special welfare instruments was minimal.

TREASURY SHARES AND SHARES OF PARENT COMPANIES

As at 18 December 2023, the programme aimed at increasing the portfolio of treasury shares of the parent company Dexelance S.p.A. became operative in order to (i) equip itself with a portfolio of treasury shares to be used to service transactions consistent with the Group's strategic development lines in view of or within the scope of agreements with strategic partners, including, but not limited to, transactions involving sales and/or exchanges, swaps, contributions, assignments or other acts that include other extraordinary finance transactions; (ii) use treasury shares for transactions to support market liquidity, so as to facilitate trading in the securities themselves at times of low market liquidity and to encourage regular trading, in accordance with the provisions of the law on market abuse and accepted market practices. The aforementioned share buy-back programme was resolved by the Shareholders' Meeting of 17 November 2023.
On 16 April 2025, the Shareholders' Meeting resolved a new share buyback programme which, in addition to the above objectives, also provided for the allocation of treasury shares to the implementation of incentive plans based on Company shares for directors and employees in key function roles within the Company.
Please refer to the specific section on this matter included below for more detailed information on the share incentive plan.
It should be noted that as at 31 December 2025, 512,471 treasury shares, equal to 1.903% of the share capital, had been purchased for a total amount of EUR 4,053 thousand.

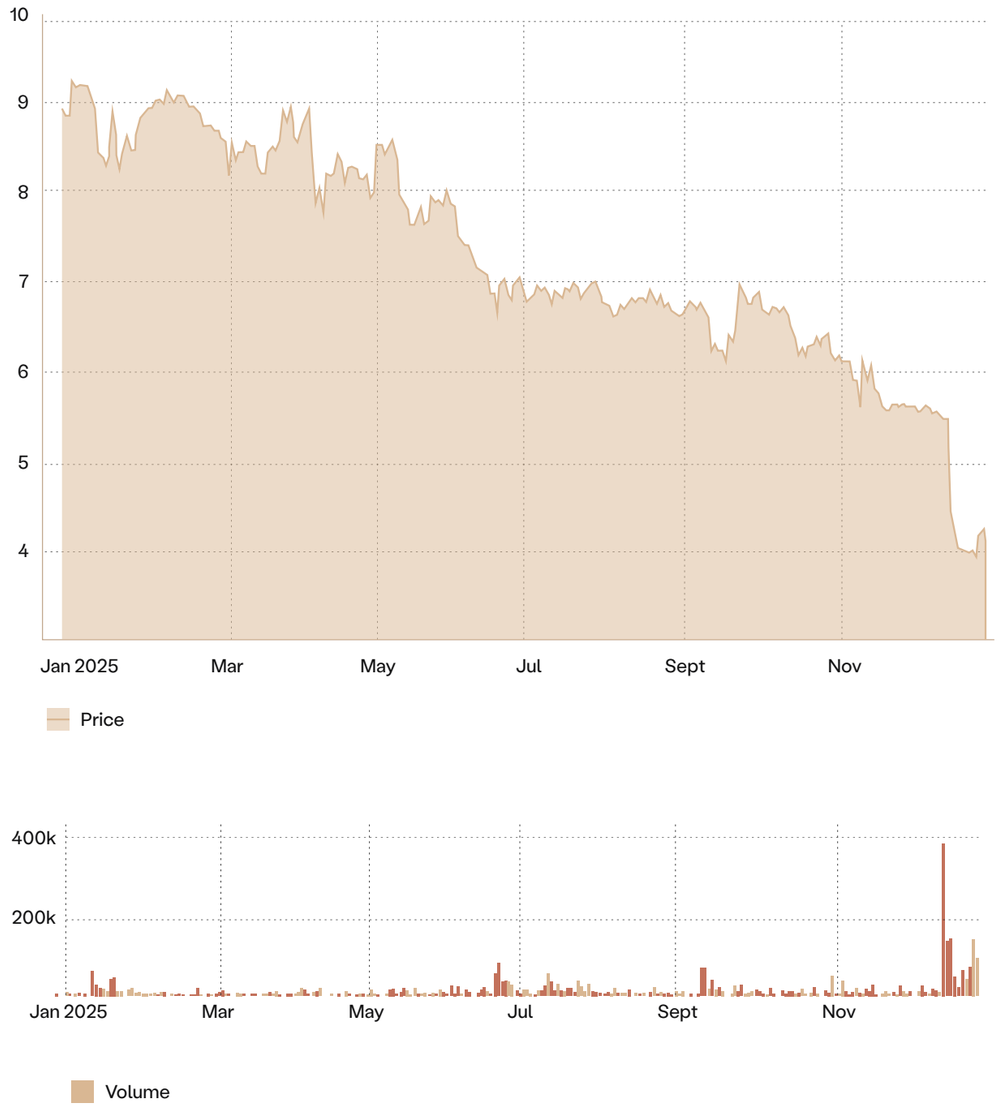
DEXELANCE S.P.A. ON THE STOCK EXCHANGE

The initial public offering period for the admission to trading of the Company's ordinary shares on Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A., began on 10 May 2023 and concluded positively on 15 May 2023. Dexelance stock forms part of the FTSE Italia Small Cap index. The launch of the trading of shares and the settlement date of the Offer took place on 18 May 2023. The Offer, which was priced at EUR 10.88 per share, was reserved exclusively for qualified investors and concerned 6,433,823 new shares. The price set included the share capital increase, excluding option rights and the share premium for a total equivalent of approximately EUR 70 million. In addition, 275,735 new shares were issued, worth approximately EUR 3 million, in the context of a capital increase reserved for certain shareholders/entrepreneurs from a selection of companies controlled by the Issuer, who subscribed at the Offer Price (reserved capital increase).

On 18 May 2023, Tamburi Investment Partners S.p.A. (hereinafter "TIP"), an industrial group investing in industrial excellence and listed on the Euronext STAR Milan segment of Borsa Italiana S.p.A., subject to listing, finalised the acquisition of 50.7% of Investindesign S.p.A., which in turn held 48% of Dexelance's ordinary shares (formerly Italian Design Brands S.p.A.), following the exercise of the greenshoe option described below. On the basis of the agreements entered into on 12 July 2023, TIP has exercised the option to acquire, on the same terms and conditions of the first acquisition, an additional 20% of the share capital of Investindesign S.p.A. through Club Deal.

Finally, in the context of the Offer, a so-called Greenshoe option was granted by the current shareholders of the Company in favour of Equita SIM S.p.A. on behalf of the Joint Global Coordinators for the purchase of a maximum of 965,074 shares, corresponding to 15% of the maximum number of shares subject to the Offer. It should be noted that the Greenshoe option was exercised on expiry of 30 days from the date of the start of trading the shares on Euronext Milan.

The chart below shows the price trend of the Dexelance S.p.A. stock and the related trading volumes from 1 January to 31 December 2025.



Source: borsaitaliana.it

In 2025, after having reached a high of EUR 9.2, the share price recorded a negative trend until the end of the year and in the first months of 2026.
As already indicated, as at 18 December 2023, the share buy-back programme became operative, aimed at supporting the value of the share and increasing the portfolio of treasury shares to be allocated to service transactions consistent with the Group's strategic development lines. Below, instead, are the share price performance figures recorded from 1 January to 31 December 2025.

Dexelance share price on the Milan Stock Exchange (EUR)	**Period 01/01/2025 - 31/12/2025**
IPO price	10.88
Maximum (03/01/2025)	9.25
Minimum (29/12/2025)	3.91
Average	7.20
End of period (31 December 2025)	4.22
Capitalisation as at 31 December 2025	113,628,978

During the third year of listing, the Dexelance Group developed numerous contacts with the national and international financial community, carrying out intensive investor relations activities through both in person and virtual roadshows, conferences organised by leading national and international brokers and conference calls following the publication of quarterly results. Investor engagement activities play a key role for the Group and will continue to be developed and strengthened in the coming years.

SHAREHOLDING

The shareholding structure as at 31 December 2025 is as follows:

	No. of shares	**%**
Investindesign S.p.A.	13,089,514	48.61%
Fourleaf S.r.l.	1,352,625	5.02%
Other partners	4,715,987	17.51%
Management	560,63	2.08%
Treasury shares	512,471	1.90%
Market	6,695,063	24.86%

Mohd
Dimora Cottanera.
Castiglione di Sicilia. Italy

BUSINESS OUTLOOK

The macroeconomic environment presents challenges stemming, in particular, from ongoing conflicts; the performance of the furniture market, as indicated in particular by Federlegno Arredo's research, remained largely flat during the financial year just ended, and the outlook for the 2026 financial year is one of prudence and caution. The Group's policy remains to operate in all global markets to minimise disruption in those regions affected by instability and to capitalise on opportunities in markets that instead show promising growth. Spreading sales across more than 80 countries has mitigated the negative impact of the ongoing conflicts in certain regions.
Throughout 2025, inflation remained moderate, with costs rising only slightly; these increases were absorbed by adjustments to retail prices.
The impact of US tariffs has not dampened demand for high-end durable goods, in which consumers are largely insensitive to price fluctuations.
As regards organic growth, the Group is confident that it will outperform the sector; with regard to external growth, opportunities are being monitored that are in line with the Group's objectives and which could materialise during the current financial year.

Milan, 16 March 2026

On behalf of the BOARD OF DIRECTORS

Chairman and Chief Executive Officer
Andrea Sasso

Mohd
Private Villa,
Amman, Jordan

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

Consolidated statement and financial position

(amounts in thousands of euros)	Notes	31 Dec 2025	31 Dec 2024
NON-CURRENT ASSETS			
Intangible assets	2	266,600	235,484
Goodwill		125,845	134,811
Brands		90,522	57,461
Models		4,781	6,085
Customer relations and order book		43,709	35,211
Other intangible assets		1,744	1,916
Right of use	3	35,319	34,427
Property, plant and equipment	4	37,646	28,223
Deferred tax assets	20	4,928	4,122
Equity investments	5	8,298	6
Other non-current assets	6	5,807	4,580
Total non-current assets		**358,598**	**306,842**
CURRENT ASSETS			
Inventories	7	59,834	37,096
Contract assets	8	9,600	8,433
Trade receivables	9	34,170	41,632
Income tax credits	10	3,710	1,440
Other current assets	11	9,263	7,385
Other current financial assets	12	21,361	34,614
Cash and cash equivalents	13	48,499	33,681
Total current assets		**186,436**	**164,279**
TOTAL ASSETS		**545,034**	**471,121**

(amounts in thousands of euros)	Notes	31 Dec 2025	31 Dec 2024
SHAREHOLDERS' EQUITY			
Share capital		26,926	26,926
Other reserves and retained earnings, including profit (loss) for the period		122,357	143,526
Total Group shareholders' equity		**149,284**	**170,452**
Shareholders' equity – minority interests		35,154	0
Total shareholders' equity consolidated	14	**184,438**	**170,452**
NON-CURRENT LIABILITIES			
Post-employment benefits	15	8,522	7,363
Provisions for risks and charges	16	5,305	4,801
Medium/long-term bank debts	17	89,334	39,510
Other non-current financial liabilities	18	22,464	47,435
Other medium/long-term loans	18	5,163	4,913
Non-current financial debts to lessors	18	29,798	29,430
Other non-current liabilities	19	1,997	1,858
Deferred taxes	20	33,080	23,889
Total non-current liabilities		**195,664**	**159,199**
CURRENT LIABILITIES			
Short-term bank debts	17	33,244	23,604
Other current financial liabilities	18	12,327	14,537
Current financial debts to lessors	18	7,592	6,512
Trade payables	21	58,951	53,611
Income tax payables	22	154	1,039
Other current liabilities	23	52,664	42,166
Payables to staff and social security organisations		*11,505*	*10,609*
Contract liabilities		*10,797*	*16,557*
Other payables		*30,361*	*15,000*
Total current liabilities		**164,932**	**141,470**
TOTAL LIABILITIES		**360,596**	**300,669**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**545,034**	**471,121**

Consolidated income statement

(amounts in thousands of euros)	Notes	31 Dec 2025	31 Dec 2024
Revenue	24	320,185	324,384
Other income	25	5,026	4,911
Total revenue and income		**325,211**	**329,295**
Purchases of raw materials	26	(141,437)	(126,799)
Change in inventories		4,621	392
Staff costs	27	(57,490)	(53,466)
Costs for services and use of third-party assets	28	(100,771)	(96,719)
Other operating costs	29	(3,277)	(2,312)
Provisions and write-downs	30	(671)	(436)
Amortisation, depreciation and write-downs of fixed assets	31	(46,742)	(22,541)
Operating profit/(loss) (EBIT)		**(20,555)**	**27,414**
Financial income	32	16,042	13,756
Financial expenses	32	(11,701)	(15,609)
Profit/(loss) before taxes resulting from continuing operations		**(16,214)**	**25,561**
Income tax	33	(1,483)	(7,658)
NET PROFIT/(LOSS)		**(17,697)**	**17,904**
Attributable to:			
Profit/(loss) pertaining to the Group		(17,697)	17,904
Profit/(loss) pertaining to third parties		0	0
BASIC EARNINGS LOSS PER SHARE		**(0.67)**	**0.67**
DILUTED EARNINGS LOSS PER SHARE		**(0.67)**	**0.67**

Consolidated statement of comprehensive income

(amounts in thousands of euros)	Note	31 Dec 2025	31 Dec 2024
Profit/(loss) for the year		**(17,697)**	**17,904**
Profit/(loss) from cash flow hedge		163	(54)
Tax effects		(39)	13
Total profit/(loss) from cash flow hedges, net of tax	34	**124**	**(41)**
Foreign currency translation differences		(470)	12
Other movements		(45)	(37)
Total comprehensive income items that will subsequently be reclassified to profit/(loss) for the year		**(391)**	**(65)**
Actuarial profits/(losses)		412	(88)
Tax effects		(99)	21
Total actuarial profit/(loss), net of taxes	34	**313**	**(67)**
Comprehensive income items that will not subsequently be reclassified to profit/(loss) for the year		313	(67)
Comprehensive income statement net of taxes		**(77)**	**(132)**
Total comprehensive net profit/(loss) for the period		**(17,774)**	**17,771**
Attributable to:			
Shareholders of the parent company		(17,774)	17,771
Minority shareholders		-	-

Gervasoni

Consolidated Statement of changes in shareholders' equity

(amounts in thousands of euros)	Share capital	Share premium reserve	Cash flow hedging reserve	Actuarial gains/ (losses)	Other reserves	Retained earnings	Profit/(loss) for the period	Total Group shareholders' equity	Capital and reserves – minority interests	Profit – minority interests	Shareholders' equity – minority interests	Total shareholders' equity consolidated
Balance at 1 January 2024	**26,926**	**66,971**	**(520)**	**183**	**(709)**	**33,521**	**28,007**	**154,378**	**-**	**-**	**-**	**154,378**
Allocation of result for the year	-	-	-	-	-	28,007	(28,007)	-	-	-	-	-
Other income statement items	-	-	(41)	(67)	(25)	-	-	(132)	-	-	-	(132)
Purchase of treasury shares	-	-	-	-	(1,880)	-	-	(1,880)	-	-	-	(1,880)
Share Incentive Plan	-	-	-	-	183	-	-	183	-	-	-	183
Profit/(loss) for the period	-	-	-	-	-	-	17,904	17,904	-	-	-	17,904
Balance at 31 December 2024	**26,926**	**66,971**	**(561)**	**115**	**(2,431)**	**61,528**	**17,904**	**170,452**	**-**	**-**	**-**	**170,452**

(amounts in thousands of euros)	Share capital	Share premium reserve	Cash flow hedging reserve	Actuarial gains/ (losses)	Other reserves	Retained earnings	Profit/(loss) for the period	Total Group shareholders' equity	Capital and reserves – minority interests	Profit – minority interests	Shareholders' equity – minority interests	Total shareholders' equity consolidated
Balance at 1 January 2025	**26,926**	**66,971**	**(561)**	**115**	**(2,431)**	**61,528**	**17,904**	**170,452**	**-**	**-**	**-**	**170,452**
Allocation of result for the year	-	-	-	-	-	17,904	(17,904)	-	-	-	-	-
Other income statement items	-	-	124	312	(515)	-	-	(77)	-	-	-	(77)
Purchase of treasury shares	-	-	-	-	(2,125)	-	-	(2,125)	-	-	-	(2,125)
Payments from third parties	-	-	-	-	2,695	-	-	2,695	-	-	-	2,695
Share Incentive Plan	-	-	-	-	264	-	-	264	-	-	-	264
Write-down of the Cubo Design put & call	-	-	(62)	(40)	-	(4,126)	-	(4,228)	35,154	-	35,154	30,926
Profit/(loss) during the period	-	-	-	-		-	(17,697)	(17,697)	-	-	-	(17,697)
Balance at 31 December 2025	**26,926**	**66,971**	**(498)**	**389**	**(2,112)**	**75,305**	**(17,697)**	**149,284**	**35,154**	**-**	**35,154**	**184,438**

Consolidated statement of cash flows

(amounts in thousands of euros)	31 December 2025	31 December 2024
A. Cash flows from operating activities (indirect method)		
Profit/(loss) for the period	(17,697)	17,904
Income tax	1,483	7,658
Interest expense/(interest income)	9,145	10,435
Other non-monetary income and expenses	(13,448)	(8,476)
(Dividends)	(37)	0
Capital (gains)/losses on disposals	(139)	(174)
1. Profit/(loss) before income taxes, interest, dividends and capital gains/losses from transfer	**(20,693)**	**27,346**
Severance Indemnity Provision	948	846
Provisions	1,316	877
Amortisation of fixed assets	22,542	22,541
Impairment losses	24,206	43
Other adjustments for non-monetary items	(553)	(174)
2. Cash flow before changes in net working capital	**27,767**	**51,479**
Decrease/(Increase) in inventories	(385)	(229)
Decrease/(Increase) in contract assets	(1,167)	(3,654)
Decrease/(Increase) in trade receivables	8,088	(2,628)
Increase/(Decrease) in trade payables	(2,721)	2,340
Increase/(Decrease) in contract liabilities	(5,760)	2,126
Decrease/(Increase) in other changes in net working capital	354	1,099
Interest received/paid on loans	(3,126)	(3,246)
Dividends collected	37	0
(Income taxes paid)	(6,608)	(6,924)
Disbursement of severance payments and other provisions	(1,149)	(1,198)
3. Cash flow after other adjustments	**(12,438)**	**(12,314)**
Cash flow of operating activities (A = 2 + 3)	**15,328**	**39,165**
B. Cash flows from investment activities		
Investments in tangible fixed assets, net of divestments	(11,160)	(5,804)
Investments in intangible assets, net of divestments	353	(700)
Investments in financial fixed assets, net of divestments	(7,919)	231
Investments in other financial assets, net of divestments	21,256	(5,993)
Acquisition or sale of subsidiaries or business units, net of cash	(40,701)	0
Exercise of options and earn-out	(11,153)	(9,163)
Cash flow of investment activities (B)	**(49,324)**	**(21,428)**
C. Cash flow of investment activities (B)		
Third-party financing		
Increase (decrease) in short-term bank debts	(1,141)	(284)
Loans taken out	88,736	14,160
Loan repayment	(30,514)	(29,312)
Payments for lease liabilities	(8,838)	(8,195)
Equity		
Payments from third parties	2,695	0
Purchase of treasury shares	(2,125)	(1,880)
Cash flow of financing activities (C)	**48,813**	**(25,512)**
Increase (decrease) in cash and cash equivalents (A ± B ± C)	14,818	(7,776)
Cash and cash equivalents at 1 January	33,681	41,457
Cash and cash equivalents at 31 December	48,499	33,681
Change in cash	**14,818**	**(7,776)**

Axolight

Turri

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

GENERAL INFORMATION

THE GROUP

Dexelance S.p.A. (hereinafter also "Dexelance") has its registered office in Milan and has been listed on the Italian Stock Exchange as of 18 May 2023. It was established on 10 March 2015 with the aim of promoting an Italian design pole in the furniture, fittings, lighting segment, high-end modular kitchen solutions and systems that can implement dimensional, organisational, managerial, strategic and distribution synergies, which allow Dexelance to compete internationally in a segment where Italy has a competitive advantage and excellent creative and product skills. From 2025 and following the acquisition of Mollura & C. S.p.A. (Mohd), the Group has entered a fifth business segment, the 'Omnichannel go-to-market', dedicated to the distribution of high-end lighting, design and furniture products through a unique and highly innovative omnichannel business model.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

It should be noted that the scope of consolidation has changed since 31 December 2024, due to the events described below:

- on 24 June 2025, Dexelance S.p.A. signed an agreement to acquire an initial 25% stake of Roda S.r.l., the parent company of the Roda Group, a leader in high-end outdoor furniture. Please note that the transaction was completed on 17 July 2025. The Company's investment is accounted for using the equity method from the date of acquisition;
- on 24 September 2025, 65% of the capital of Mollura & C. S.p.A. (Mohd) was acquired, a Made in Italy brand of excellence operating globally with an innovative omnichannel model that includes an online platform with over 12 million annual sessions and a large team of specialised designers. In partnership with over 500 top-tier brands, through showrooms, an online boutique and a dedicated design service, Mohd manages residential and contract projects worldwide;
- following the ongoing fruitful collaboration between the Dexelance Group and Bluna Holding S.r.l., owned by the Arangiaro family, the termination of the option agreement covering 40% of the share capital of Cubo Design S.r.l. was signed on 11 December 2025. In line with the parties' desire to renew their joint commitment to a major project for the company's development, Dexelance S.p.A. welcomed the request from the founders of Cubo Design to ensure continuity in management by mutually agreeing to cancel the put and call options exercisable in 2027. In light of the agreements reached, the Group has written off the debt relating to the option calculated on 40% of the shares in Cubo Design S.r.l. as at 31 December 2025 and has recognised the related minority interest, defined as the sum of the minority interest at the date of first consolidation at full goodwill, plus 40% of all the effects of the net results achieved in the years up to the date of cancellation of the option itself.

On 22 December 2025, the Group successfully concluded discussions with its lenders to secure waivers and amendment agreements regarding the covenants of certain loans. It should be noted that these waivers and amending agreements were obtained by the Group by 31 December 2025, as required by IAS 1 (revised).

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with International Accounting Standards as well as the provisions issued pursuant to Article 9 of Italian Legislative Decree No. 38 of 28 February 2005.
These standards comprise the set of IAS and IFRS standards issued by the International Accounting Standards Board (IASB), as well as the SIC (Standing Interpretations Committee) and IFRIC interpretations issued by the International Financial Reporting Interpretations Committee, which were endorsed by 31 December 2025. Any international accounting standards endorsed after this date and before the date of preparation of these financial statements are used in the preparation of the consolidated financial statements only if early adoption is permitted by the Endorsement Regulation and by the accounting standard being endorsed, and if the Group has exercised this option.
The publication of the consolidated financial statements of the Dexelance Group for the year ended 31 December 2025 was authorised by a resolution of the Board of Directors on 16 March 2026. These financial statements will be submitted to the shareholders' meeting of Dexelance S.p.A. on 27 April 2026.

From an economic, equity and financial standpoint, the Group's consolidated financial statements for the year ended 31 December 2025 include the figures of the subsidiaries (direct and indirect), adjusted where necessary, in order to align them with the accounting principles used by the Parent Company in preparing the consolidated financial statements, in compliance with the IFRS adopted by the European Union.
The consolidated financial statements comprise the Statement of Financial Position, the Income Statement, the Comprehensive Income Statement, the Cash Flow Statement, the Statement of Changes in Shareholders' Equity, and these explanatory notes. They are also accompanied by the Management Report.
The values shown in the financial statements are in thousands of euros; the explanatory notes are mainly in thousands of euros, unless otherwise specified.

For the purposes of drawing up consolidated financial statements in accordance with International Accounting Standards, the Group has adopted:

- A format for the consolidated statement of financial position that separates current and non-current assets and liabilities, it being understood that "current" refers to assets and liabilities that are achievable in the normal operating cycle (IAS 1 revised, para. 57), generally identified within the 12-month period following the reporting date;
- a format by nature for the statement of comprehensive income;
- the indirect method for cash flows in the cash flow statement.

Expression of compliance with International Accounting Standards

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and transposed into European Union and Italian law via Italian Legislative Decree No. 38 of 28 February 2005 at the reference date of the financial statements. The IFRS also include all revised International Accounting Standards (IAS), and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC).

SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Parent Company, Dexelance S.p.A., and the companies over which the Parent Company has the right to exercise control, determining their financial and management decisions and obtaining the related benefits. The companies included by means of the full consolidation method as at 31 December 2025, in accordance with the provisions of IFRS 10, are listed below.

Company Name	Registered office	Share capital	SBA	% direct ownership	% indirect ownership
Gervasoni S.p.A.	Pavia di Udine (Udine)	1,000,000	furniture	100%	0%
Meridiani S.r.l.	Misinto (Monza and Brianza)	120,000	furniture	61.11%	38.89%
Dexelance France SARL	Parigi (France)	100,000	furniture	100%	0%
Dexelance UK Ltd.	Londra (UK)	779,950 GBP	furniture	100%	0%
Cenacchi International S.r.l.*	Ozzano dell'Emilia (Bologna)	10,000	luxury contract	99%	0%
Davide Groppi S.r.l.	Piacenza	20,000	lighting	100%	0%
Saba Italia S.r.l.	San Martino di Lupari (Padua)	50,000	furniture	100%	0%
Modar S.p.A.	Barlassina (Monza and Brianza)	500,000	luxury contract	100%	0%
Dexelance China Co. Ltd.	Suzhou (China)	27,515,508 CNY	lighting	100%	0%
Flexalighting S.r.l.	Pontassieve (Florence)	10,000	lighting	51%	0%
Borman Lighting S.r.l.	Pontassieve (Florence)	10,000	lighting	0%	51%
Dexelance USA Corp.	New York (USA)	10,000 USD	lighting	100%	0%
Flexalighting North America Ltd.*	Surrey (Canada)	105 CAD	lighting	0%	26%
Gamma Arredamenti S.p.A.*	Forlì (Forlì-Cesena)	2,000,000	furniture	55%	0%
Gamma Arredamenti Inc.*	High Point (USA)	5,000 USD	lighting	0%	55%
Cubo Design S.r.l.	Notaresco (Teramo)	84,000	kitchen & systems	60%	0%
Axo Light S.r.l.	Scorzé (Venice)	119,000	lighting	100%	0%
Axo Light USA Corp.	New York (USA)	100,000 USD	lighting	0%	100%
Turri S.r.l.*	Carugo (Como)	1,000,000	furniture	51%	0%
Turri UK Ltd.*	Londra (UK)	10,000 GBP	furniture	0%	51%
Turri USA Corp.*	Miami (USA)	100 USD	furniture	0%	51%
Shanghai Turri Furnitures*	Shanghai (China)	8,576,479 CNY	furniture	0%	51%
Mollura & C. S.p.A.*	Messina	65,104	omnichannel	65%	51%

(*) Fully consolidated companies due to the put and call agreement with minority shareholders, the residual amount of which is recognised under Other current and non-current financial liabilities (see Note 18). The Parent Company currently holds the majority of the shares, but based on the agreements signed with the minority shareholders and the put option that they may exercise, it has the obligation to repurchase the remaining shares held under predefined contractual conditions.

Consolidation criteria

The criteria adopted for the consolidation of subsidiaries include:

- The elimination of the value of shareholdings against the assumption of the assets and liabilities of the investee companies using the global integration method; the carrying amount of shareholdings is eliminated against the corresponding fraction of the investee companies' shareholders' equity.
- At the date control is acquired, the shareholders' equity of the investee companies is determined by assigning their current value to the individual assets and liabilities. Any positive difference between the acquisition cost and the fair value of the net assets acquired is recorded under the asset item "Goodwill"; if negative, it is recognised in the income statement.
- The inclusion in the consolidated financial statements of each item in the income statement of the consolidated companies.
- The elimination of all intra-group transactions and, therefore, of payables, receivables, sales, purchases and unrealised gains and losses with third parties.
- The portion of the investee companies' shareholders' equity and their result for the period pertaining to minority shareholders, respectively, are recorded in a special equity item called "Minority interest in shareholders' equity" and "Minority interest in (profit)/loss for the period".

Companies in which the Group exercises control (subsidiaries) are consolidated on a full consolidation basis.

Control is achieved when the Group is exposed or entitled to variable returns from its relationship with the investee entity and, at the same time, has the ability to affect those returns by exercising its power over that entity.

Specifically, the Group controls an investee if, and only if, it has:

- power over the investee entity (i.e. it has valid rights that give it the ability to direct the relevant activities of the investee entity);;
- the exposure or rights to variable returns arising from the relationship with the investee entity;
- the ability to exercise power over the investee entity to affect the amount of its returns.

Generally, there is a presumption that a majority of the voting rights results in control. In support of this presumption, and when the Group holds less than a majority of the voting rights (or similar rights), the Group considers all relevant facts and circumstances to determine whether it controls the investee entity, including contractual arrangements with other holders of voting rights, rights arising from contractual arrangements, voting rights and potential voting rights of the Group.

Subsidiaries are consolidated from the date on which control is assumed and are deconsolidated from the date on which control ceases.

Translation of financial statements expressed in a currency other than the functional currency

The consolidated financial statements are presented in euro, which is the functional and reporting currency adopted by the Parent Company. Each Group company defines its own functional currency, which is used to measure items included in its separate financial statements.
At the balance sheet date, the assets and liabilities of Group companies, including any goodwill arising from the acquisition of a foreign operation, are converted into euro at the exchange rate of that date, while the revenues and expenses of the income statement and comprehensive income statement are converted at the average exchange rate. Exchange rate differences resulting from translation—i.e., a different exchange rate used compared to the consolidated financial statements of the previous year—as well as the difference between the exchange rate used to translate the result for the period and the year-end closing exchange rate, are recognised in other components of the comprehensive income statement, while in the statement of changes in shareholders' equity, exchange rate differences are allocated separately to the "Translation difference reserve" for the Group's share and to "Minority interest in capital and reserves" for the minority interest.
Upon the divestment of a foreign operation, the portion of the comprehensive income statement relating to such foreign operation is recognised in the income statement.
The following are the exchange rates applied when converting financial statements into a currency other than the euro for the periods ended on 31 December 2025 and 31 December 2024:

Currency	31/12/2024		31/12/2025	
	Average exchange rate	Accurate exchange rate	Average exchange rate	Accurate exchange rate
CAD	1.48210	1.49480	1.57870	1.60880
CNY	7.78750	7.758330	8.11850	8.22620
GBP	0.84662	0.82918	0.85679	0.87260
USD	1.08240	1.03890	1.13000	1.17500

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements were drawn up on a going concern basis, as the directors verified that there were no indicators of a financial, management or other kind that could indicate concerns regarding the Group's ability to meet its obligations in the foreseeable future and in particular within the 12 months following the date of approval of the draft financial statements.
The financial statements were drawn up on the basis of the historical cost principle, except for certain derivative financial instruments and deferred considerations (earn-outs) payable as a result of a business combination, which were measured at their fair value.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE TO FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

Below is a brief description of the accounting standards, amendments and interpretations applicable for the first time to the financial statements as at 31 December 2025. Standards, amendments and interpretations that, by their nature, cannot be adopted by the Group are excluded from the list.
Several changes were applied for the first time in 2025, but these had no impact on the Group's consolidated financial statement as at 31 December 2025.

Lack of exchangeability – Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is convertible and how it should determine the spot exchange rate where convertibility is absent. The amendments also require the disclosure of information that allows users of the financial statements to understand how a currency that is not convertible into another currency affects, or is expected to affect, the entity's profit or loss, financial position and cash flows.
The change had no significant impact on the Group's financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

At the reference date of this document, the relevant bodies of the European Union have not yet completed the approval process required for the adoption of the amendments and standards described below.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Additionally, entities will have to classify all expenses and revenues within the income statement within four categories: operating, investing, financing, income tax and discontinued operations, where the first three categories are new.
The standard also requires disclosures based on the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and it includes new provisions for the aggregation and disaggregation of financial information based on the identified roles of the Primary Financial Statements (PFS) and notes.
In addition, changes were introduced to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations based on the indirect method; from profit or loss to operating profit or loss, and removing the option to classify cash flows from dividends and interest.
Additionally, significant changes were made to several other accounting standards.
IFRS 18, and amendments to other standards, are effective for financial years beginning on or after 1 January 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.
The Group is currently working to identify impacts that the changes will have on the financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without public accountability: Disclosure

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the financial year, an entity must be a subsidiary as defined in IFRS 19, cannot have 'public accountability' and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available to the public and prepared in accordance with IFRS accounting standards.
IFRS 19 will become effective for financial years beginning on or after 1 January 2027, with early application possible.
As the Group's shares are publicly traded, the Group is not eligible for the application of IFRS 19.

Amendments to IFRS 9 and IFRS 7: Contracts that reference electricity that is dependent on the weather

On 18 December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 with reference to contracts relating to electricity that is dependent on the weather. The amendments clarify the application of the requirements for own use and allow hedge accounting if such contracts are used as hedging instruments. In addition, new disclosure requirements have been added to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.
The clarifications relating to the 'own use' requirements must be applied retrospectively, but the guidelines that allow hedge accounting must be applied prospectively to new designated hedging relationships on or after the date of initial application.
The amendments will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, but must be disclosed.
The Group is currently working to identify the potential impacts that the amendments will have on the financial statements and notes starting from the date the standard comes into effect.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

On 15 August 2023, the IASB issued amendments to IAS 21 that specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when there is no exchangeability.
A currency is considered exchangeable into another currency when the entity is able to obtain the other currency within a period of time that allows for normal administrative delay and through a market or an exchange mechanism in which an exchange transaction would create actionable rights and obligations. If a currency is not exchangeable for another currency, the entity is required to estimate the spot exchange rate at the measurement date. The objective of an entity in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity may use an observable exchange rate without adjustments or other estimation techniques. When an entity estimates a spot exchange rate because one currency is not exchangeable into another currency, it provides information that enables users of its financial statements to understand how the currency not exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual periods beginning on or after 1 January 2025. Earlier application is permitted and must be disclosed.
The Group is currently working to identify the potential impacts that the amendments will have on the financial statements and notes starting from the date the standard comes into effect.

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Improvements to IFRS

On 18 July 2024, the IASB published the following Annual Improvements to IFRS Standards – Volume 11, a process that deals with non-urgent but necessary clarifications and amendments to IFRS.

- *IFRS 1 First-time Adoption of International Financial Reporting Standards*
  Hedge Accounting by a First-time Adopter
  Paragraphs B5 and B6 of IFRS 1 have been amended to include cross-references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to resolve the potential confusion arising from an inconsistency between the wording of IFRS 1 and the requirements for hedge accounting in IFRS 9. The entity shall apply the amendments for annual periods beginning on or after 1 January 2026. Their earlier application is permitted.

- *IFRS 7 Financial Instruments: Disclosures*
  Profit or loss for any derecognitions
  The amendments update the wording related to unobservable inputs in paragraph B38 of IFRS 7 and include a cross-reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
  The entity shall apply the amendments for annual periods beginning on or after 1 January 2026. Their earlier application is permitted.

- *Guidance on Implementing IFRS 7 Financial Instruments: Disclosures*

  Introduction

  The amendments to paragraph IG1 of the implementation guidance for IFRS 7 clarify that the guidance does not necessarily illustrate all the provisions of the referenced paragraphs of IFRS 7, nor does it create additional provisions.

  Disclosure of the deferred difference between fair value and transaction price

  Paragraph IG14 of the Implementation Guidance for IFRS 7 has been amended primarily to make the wording consistent with the provisions of paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

  Credit risk disclosure

  Paragraph IG20B of the Implementation Guidance for IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

- *IFRS 9 Financial Instruments*

  Elimination of lease liabilities from the accounts of the lessee

  Paragraph 2.1 of IFRS 9 has been amended to clarify that, when the lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and a settlement of a lease liability in accordance with IFRS 9. The entity shall apply the amendments for annual periods beginning on or after 1 January 2026. Their earlier application is permitted.

  Transaction price

  Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to the 'transaction price as defined in IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and has therefore been removed. The term has also been deleted from Appendix A of IFRS 9.

  The entity shall apply the amendments for annual periods beginning on or after 1 January 2026. Their earlier application is permitted.

- *IFRS 10 Consolidated Financial Statements*

  Determination of a 'de facto agent'

  Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is only one example of the various relationships that could exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the provision in paragraph B73 for the entity to use judgement to determine whether other parties act as de facto agents.

  The entity shall apply the amendments for annual periods beginning on or after 1 January 2026. Their earlier application is permitted.

- *IAS 7 Statement of Cash Flows*

  Cost method

  Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the previous deletion of the definition of 'cost method'.

  The entity shall apply the amendments for annual periods beginning on or after 1 January 2026. Their earlier application is permitted.

MEASUREMENT CRITERIA ADOPTED

Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group defines whether to measure the non-controlling interest in the acquiree at fair value (the full goodwill method) or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets (the partial goodwill method). Acquisition costs are expensed out in the year and classified as consulting and services.

The Group believes that it has acquired a business when the integrated whole of its operations and assets includes at least one factor of production and one substantial process which, together, contribute significantly to the ability to generate output. The acquired process is considered substantial if it is crucial to the ability to continue generating output, and the acquired production factors include an organised workforce that possesses the necessary skills, knowledge and experience to carry out that process, or that contributes significantly to the ability to continue generating output, and it is considered unique or scarce, or that it cannot be replaced without significant costs, effort or delays to the ability to continue generating output.

When the Group acquires a business, it classifies or designates the financial assets acquired or the liabilities assumed in accordance with the contractual terms, economic conditions and other relevant conditions existing at the date of acquisition. This includes verifying whether an embedded derivative should be separated from the host contract.

Any potential consideration payable is recognised by the purchaser at fair value at the acquisition date. Any potential consideration classified as equity is not subject to remeasurement, and its subsequent payment is recognised with a corresponding offsetting entry in equity. Any change in the fair value of contingent consideration classified as an asset or liability, whether or not it is a financial instrument within the scope of IFRS 9 Financial Instruments, must be recognised in the income statement in accordance with IFRS 9. Any potential consideration that does not fall within the scope of IFRS 9 is measured at fair value at the reporting date, and changes in fair value are recognised in the income statement.

If the business combination is achieved in stages, the previous shareholding is measured at fair value at the date control is acquired and any resulting gain or loss is recognised in the income statement.

In the case of put options granted to minority shareholders, the Group recognises a financial liability equal to the present value of the option exercise price. If the terms and conditions of the put option already give the Group access to the economic benefits associated with the capital share optioned, the Group accounts for this share as if it had already been acquired and, therefore, upon initial recognition of the liability, this value is reclassified from equity by reducing the minority interest. The liability is subsequently remeasured at each reporting date in accordance with IFRS 9.

Goodwill is initially recognised at cost represented by the excess of the consideration transferred and the amount recognised for non-controlling interests over the identifiable net assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration transferred, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and reviews the procedures used to determine the amounts to be recognised at the acquisition date. If the remeasurement still results in a fair value of the net assets acquired in excess of the consideration, the difference (gain) is recognised in the income statement.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each cash-generating unit of the Group that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that

unit, the goodwill associated with the disposed asset is included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the disposed asset is determined on the basis of the relative values of the disposed asset and the retained portion of the cash-generating unit. Changes in shareholdings in a subsidiary that do not result in a loss of control are recognised in shareholders' equity.

On the other hand, in the event of the sale of part of the shareholdings with a corresponding loss of control, the shareholding is adjusted to its fair value and its new valuation becomes part of the capital gain/(loss) arising from the sale transaction.

Intangible assets

Intangible assets acquired separately are recognised as assets at acquisition cost including directly attributable accessory charges. Those acquired through business combinations are recognised at fair value at the date of acquisition. After initial recognition, intangible assets are recognised at cost, net of related amortisation and any accumulated impairment losses.
The useful life of intangible assets is measured as finite or indefinite.
Intangible assets with a finite useful life are amortised on a line basis over their useful life and are subject to a test of their value whenever there are indicators of a possible impairment. The amortisation period and method are reviewed at least at each financial year-end. Changes in the expected useful life or in the manner in which the future economic benefits associated with the asset are realised are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Amortisation charges are recognised in the income statement under the cost category consistent with the function of the intangible asset.
Intangible assets with an indefinite useful life are not amortised, but are tested annually for impairment, both on an individual basis and at the level of the cash-generating unit. The assessment of indefinite useful life is reviewed annually to determine whether this classification remains appropriate; if not, the change from indefinite to finite useful life is applied prospectively.
Gains or losses arising from the disposal of an intangible asset are determined as the difference between the disposal value and the carrying amount of the asset, and are recognised in the income statement at the time of disposal.
Trademarks acquired as part of business combinations are recognised at fair value at the date of the transaction.
The Group's trademarks have been considered assets with an indefinite useful life and, therefore, are not subject to a systematic amortisation process, but rather undergo impairment testing at least annually in the manner indicated in the section "Impairment".

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Other intangible assets

Intangible assets are initially measured at cost, normally determined as the price paid for their acquisition, including accessory charges and any non-recoverable taxes, net of trade discounts and allowances.
After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any impairment losses determined in accordance with IAS 36.
Intangible assets are subject to amortisation, except when they have an indefinite useful life. Amortisation is applied systematically over the useful life of the intangible asset depending on its estimated economic use.
The residual value at the end of its useful life is assumed to be zero, unless there is a commitment by a third party to acquire the asset at the end of its useful life, or there is an active market in which the asset is traded.
The directors review the estimated useful life of intangible assets at the end of each financial year.
Internally generated intangible assets consisting of the development costs of new products or new production processes are recognised as assets only if all of the following conditions are met:

- the asset being developed is identifiable;
- the asset created is likely to generate future economic benefits;
- the development project is likely to be completed and the related costs can be measured reliably.

These intangible assets are amortised on a straight-line basis over their respective useful lives. Amortisation of the asset begins when the development is complete and the asset is available for use.
The amortisation rates for intangible assets with a finite useful life are shown below on an annual basis:

	Depreciation rate
Patent rights	20%
Software licences	33%
Models	10-20%
Customer relations	7-10%
Order books	Based on the progress of current contract work
Other fixed assets	10-20%

Property, plant and equipment

Plants, machinery, equipment and buildings are recorded at purchase or production cost net of accumulated depreciation and any writedowns for impairment losses.
Assets consisting of components, of significant amounts and with different useful lives, are considered separately when determining depreciation.
Depreciation is determined on a straight-line basis relative to the cost of the assets, according to their estimated useful life represented by the following rates on an annual basis:

	Depreciation rate
Plants and machinery	11.5%
Equipment and passenger cars	25%
Vehicles and internal means of transport	20%
Furniture	12%
Office equipment and machinery	20%

Depreciation rates are reviewed on an annual basis and any changes, where necessary, are made prospectively.
The residual value and useful life of the assets are reviewed at least at each financial year-end and if, regardless of the depreciation already accounted for, an impairment loss occurs determined on the basis of the application of IAS 36, the fixed asset is correspondingly written down; if, in subsequent years, the reasons for the write-down no longer apply, its original value is reinstated, adjusted only for depreciation.
When an asset is sold or when there is no expected future economic benefit from its use, it is derecognised and any loss or gain (calculated as the difference between the disposal value and the residual book value) is recognised in the income statement in the year of such derecognition.
Maintenance and repair costs, which are not likely to increase the value and/or extend the remaining life of the assets, are expensed in the period in which they are incurred; otherwise, they are capitalised.

Rights of use for leased assets

When entering into a contract, the Group assesses whether it is, or contains, a lease; in other words, whether the contract confers the right to control the use of an identified asset for a period of time in exchange for consideration.
The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date, net of any incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the useful life of the right-of-use asset, or to the end of the lease term, whichever is earlier, as follows:

- Plant and machinery 3 to 15 years
- Vehicles and other equipment 3 to 5 years
- Land and buildings from 2 to 25 years

Lease liabilities are instead measured at the present value of the lease payments not paid at that date. Payments due include fixed payments (including in-substance fixed payments) less any lease incentives to be received, variable lease payments that depend on an index or rate, and the amounts expected to be payable under residual value guarantees. In calculating the present value of the payments due, the Group uses the incremental borrowing rate at the start date if the implicit interest rate cannot be readily determined. After the commencement date, the amount of the lease liability increases to account for interest on the lease liability and decreases to account for payments made. Furthermore, the carrying amount of lease liabilities is restated in the event of any changes to the lease or a revision of the contractual terms and conditions resulting in changes to the payments.

In particular, it accounts for:

- a right of use: on the lease commencement date, i.e. the date on which the underlying asset is available for use. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date, net of any incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the useful life of the right-of-use asset. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the purchase option, the lessee shall depreciate the asset consisting of the right of use from the commencement date until the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment;
- a financial liability at the lease commencement date. The Group recognises lease liabilities by measuring them at the present value of lease payments not yet paid at that date. Payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be paid as a guarantee of the residual value. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that such option will be exercised by the Group, and lease termination penalty payments, if the lease term takes into account the Group's exercise of its lease termination option. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that generated the payment occurs. In calculating the present value of the payments due, the Group uses the marginal borrowing rate at the start date. After the commencement date, the amount of the lease liability increases to account for interest on the lease liability and decreases to account for payments made. In addition, the carrying amount of lease payables is restated in the event of any changes to the lease or for a revision of the contractual terms to amend payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine such payments;
- separately classifies contracts for which the unit value of the underlying assets does not exceed, indicatively, USD 5,000 when new (so-called low-value assets), such as computers, telephones, tablets, office printers and multifunctional printers. For such contracts, lease payments are recognised in the income statement on a straight-line basis over the term of the contract.

As required by the standard, the Group has adopted certain elements of professional judgement and the use of assumptions and estimates in relation to contractual terms (lease term) and to the definition of the marginal financing rate. The main elements are summarised below:

- renewal clauses, extension options and early termination clauses of contracts are taken into account in determining the duration of the contract when their exercise is deemed reasonably certain, i.e. when the

Group has the right to exercise them without the need to obtain the counterparty's consent;
- marginal borrowing rate (incremental borrowing rate): the Group has decided to use the marginal borrowing rate as the discount rate to discount lease payments. This rate is either the implicit interest rate of the contract, if easily determinable, or, alternatively, the Group's average marginal borrowing rate;
- the asset consisting of the right of use for leased assets, in accordance with IFRS 16, is measured at cost including the present value of future payments discounted at the marginal borrowing rate as defined above, the initial direct costs incurred by the lessee, the lease payments paid in advance and the estimated costs for dismantling, removal and restoration. The value of the asset is systematically depreciated.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the purchase option, the lessee shall depreciate the asset consisting of the right of use from the commencement date until the end of the useful life of the underlying asset.

Impairment

At each balance sheet date, the Group reviews the carrying amount of its property, plant and equipment and intangible assets to determine whether there are any indications that these assets are impaired. If such indications exist, the recoverable amount of these assets is estimated in order to determine the amount of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Intangible assets with an indefinite useful life, including goodwill and trademarks, undergo tests annually to determine whether there is any indication of impairment.
The recoverable amount is the higher of fair value, less selling costs, and value in use. In determining the value in use, estimated future cash flows are discounted to their present value using an after-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.
If the recoverable amount of an asset (or the assets of a cash-generating unit) is estimated to be lower than its carrying amount, the latter is reduced to the lower recoverable amount. An impairment loss is recognised in the income statement in the same period in which it is identified.
When an impairment loss no longer exists, the carrying amount of the asset (or the assets of a cash-generating unit), with the exception of goodwill, is increased to the new value resulting from an estimate of its recoverable amount, but not beyond the net carrying amount that the asset would have had if the impairment loss had not been recognised. The reversal of the impairment loss is recorded in the income statement.

Shareholdings in associated companies and other shareholdings

Associated companies are those over which significant influence is exercised, which is presumed to exist when the shareholding is between 20% and 50% of the voting rights. Shareholdings in associates are initially recognised at cost and subsequently accounted for using the equity method. The carrying amount of these shareholdings is aligned with shareholders' equity adjusted, where necessary, to reflect the application of IFRS and includes the recognition of the higher values attributed to assets and liabilities and any goodwill identified at the time of acquisition. The financial statements of companies accounted for using the equity method are also adjusted to make the valuation criteria consistent with those adopted by the Group. Gains or losses pertaining to the Group are accounted for from the date on which the significant influence began and until the date on which the significant influence ceases; in the event that, as a result of losses, the Company shows a negative equity, the carrying amount of the shareholding is cancelled and any surplus pertaining to the Group, where the latter has undertaken to fulfil the legal or implicit obligations of the investee company, or in any case to cover its losses, is recognised in a specific provision;

changes in the equity of companies accounted for using the equity method that are not represented by the income statement result are recognised directly as an adjustment to the equity reserves. Unrealised gains generated on transactions between the Parent Company/Subsidiaries and the investee company accounted for using the equity method are eliminated in accordance with the value of the Group's shareholding in the investee company; unrealised losses are eliminated unless they represent impairment. Shareholdings in companies other than associated companies (generally with an ownership percentage of less than 20%) are valued at acquisition cost, which may be reduced if necessary in the event of impairment losses. If any impairment loss exceeds the carrying amount of the shareholding, the value of the shareholding is written down and the portion of share of further losses is recognised as a liability provision in the event that the Company is liable for them. The cost is reinstated in subsequent years if the reasons for the writedowns no longer apply.

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Inventories

Inventories are stated at the lower of the acquisition cost (including accessory charges) or the production cost and estimated net realisable value, represented by the amount the company expects to obtain from their sale in the ordinary course of business.
The cost of inventories of raw materials, packaging materials, and semi-finished and finished goods is determined by applying the weighted average cost method on an annual basis.
The production cost of finished and semi-finished goods includes the direct cost of materials and labour plus a share of production overheads defined on the basis of normal production capacity, not considering financial expenses.
Obsolete and slow-moving inventories are valued in relation to their possibility of utilisation or realisation.

Contract assets and liabilities

The recognition of contract assets or liabilities (hereinafter also referred to as "orders") depends on the method used to transfer control to the customer of the good or service: in the case where this occurs gradually as the good is constructed or the services are rendered, the assets are recognised at the value of the agreed contractual consideration, according to the cost-to-cost method, taking into account the stage of progress achieved; in the case where, on the other hand, the transfer of control occurs at the time of the final delivery of the good or the completion of the promised services, the assets are recognised at acquisition cost.

A contract is recognised as a single asset if it identifies a single contractual obligation, i.e. if the promise is to transfer a single good/service to the customer over a period of time in the same manner. If different contractual obligations are identified within the contract, they are recognised as separate assets arising from the same contract with the customer.
In particular, "contract assets" represented by the closing inventories of work in progress, considering the costs incurred plus the margins recognised, are shown in the consolidated financial statements net of contractual advances and payments on account received. If the contractual advances/payments on account received exceed the value of the closing inventories of work in progress, they are classified under "contract liabilities arising from contracts"; otherwise, they will be classified under a separate asset item called "contract assets".
If the completion of an order is expected to result in a loss at the level of the industrial margin, this is recognised in its entirety in the period in which it becomes reasonably foreseeable and shown in the provisions for risks and charges as a "provision for onerous contracts".
The accounting closure of orders takes place after the installations have been tested.

Financial assets

Upon initial recognition, financial assets are classified into one of the three categories identified by IFRS 9, according to the measurement methods below. The classification depends on the characteristics of the contractual cash flows and the business model the Group adopts to manage them.
The business model refers to the manner in which cash flows are generated, which may result from the collection of contractual cash flows, the sale of assets or both.
A financial asset is classified as an asset measured at amortised cost if it is held as part of a business model whose objective is the collection of contractually agreed-upon cash flows, represented solely by payments, expected at predetermined dates, of principal and interest. The measurement involves the use of the effective interest criterion.
A financial asset is classified as an asset measured at fair value with changes recognised in the comprehensive income statement if it is held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling them, and cash flows consisting solely of principal and interest payments are contractually expected at predetermined dates. For assets included in this category, interest income, changes in exchange rate differences and impairment losses are recognised in the income statement in the result for the period; the remaining changes in fair value are recognised in the comprehensive income statement. Upon derecognition, the cumulative change in fair value recognised in OCI is released to the income statement.
Upon initial recognition, equity instruments may be included in the category of financial assets measured at fair value with changes recognised in the income statement.
The category of financial assets measured at fair value with changes recognised in the income statement includes assets held for trading, i.e. acquired for sale in the short-term, and assets designated as such.
Upon initial recognition, an equity security not held for trading purposes may be designated as one of the financial instruments whose subsequent changes in fair value are recognised in other comprehensive income. This election is made for each asset and is irrevocable.

Derecognition of financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed a contractual obligation to pay them in full and without delay to a third party;
- the Group has transferred the right to receive cash flows from the asset and has substantially transferred all risks and rewards of ownership of the financial asset or has transferred control of it.

Trade receivables

Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with IFRS 15. They are recognised at nominal value less a write-down provision to reflect estimated expected credit losses. Expected losses are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Group expects to receive, including cash flows arising from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual terms.
Impairment losses against non-recoverable amounts are recognised in the income statement when there is objective evidence that the receivables have lost value. The estimation of the risk of possible non-collection of trade receivables is carried out analytically, taking into account the historical recovery experience, payment delays and the objective situations of the customers, also with the support of the lawyers appointed by the company to oversee disputes.

Cash and cash equivalents

Cash and cash equivalents include cash, bank accounts and deposits repayable on demand and other short-term, highly liquid financial investments that are readily convertible to cash and are subject to an insignificant risk of change in value. Therefore, a financial investment is usually classified as a cash equivalent when it has a short maturity of three months or less from the date of immediate availability.

Financial liabilities - Financing

The Group's financial liabilities include mortgages, bank loans and overdrafts, payables arising from business acquisitions and derivative financial instruments.
All financial liabilities are measured at amortised cost. As a result, if the interest rate of the transaction is not significantly different from the market rate, the liability is initially recognised at a value equal to the nominal value, net of all transaction costs and all premiums, discounts and allowances directly arising from the transaction that generated the liability. These transaction costs, such as incidental expenses for obtaining financing, any fees and any difference between the initial value and the nominal value at maturity are allocated over the term of the liability using the effective interest method.
When, on the other hand, it appears that the interest rate of the transaction that can be deduced from the contractual terms is significantly different from the market rate, the liability is initially recorded at a value equal to the present value of future cash flows, determined by applying the market rate, and taking into account any transaction costs.
Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees and costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial expenses in the income statement.
The value of liabilities is subsequently reduced by the amounts paid, both principal and interest.
Loans are classified as current liabilities if the maturity date is less than 12 months after the reporting date and the Group does not have an unconditional right to defer their payment for at least 12 months.
Loans are derecognised in the financial statements when extinguished or when all risks and charges relating to them have been transferred to third parties.

Derivative instruments and hedge accounting

The Group's assets are primarily exposed to financial risks arising from changes in interest rates and exchange rates. Interest rate risks arise from existing loans; in order to hedge these risks, it is the Company's policy to convert a portion of its variable-rate liabilities into a fixed rate or to limit their maximum value, and to designate the financial instruments that achieve this objective as cash flow hedges.

The Group does not hold derivative financial instruments of a speculative nature; however, in cases where derivative financial instruments do not meet all of the conditions for hedge accounting required by IFRS 9, changes in the fair value of such instruments are recognised in the income statement as financial income or expenses.
Derivative financial instruments are initially recognised at fair value at the date they are entered into; subsequently, this fair value is periodically measured and accounted for in relation to the characteristics and consequent classification of the instrument. For hedge accounting purposes, hedges are classified as:

- fair value hedges if they regard the risk of a change in the fair value of the underlying asset or liability, or a firm commitment (except for a currency risk);
- cash flow hedges if they regard the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or currency risk in a firm commitment;
- hedges of a net investment in a foreign company (net investment hedge).

When initiating a hedging transaction, the Group formally designates and documents the hedge ratio to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk, and how the company intends to measure the effectiveness of the hedge in offsetting exposure to changes in the fair value of the hedged item or cash flows attributable to the hedged risk. These hedges are expected to be highly effective in offsetting the hedged item's exposure to changes in fair value or cash flows attributable to the hedged risk; the assessment of whether these hedges have indeed proved to be highly effective is performed on an ongoing basis during the periods in which they are designated.

When financial instruments qualify for hedge accounting, the following accounting treatments apply:

- cash flow hedge: if a financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecast transaction that could affect the income statement, the effective portion of any gain or loss on the financial instrument is recognised in shareholders' equity; the cumulative gain or loss is removed from equity and recognised in the income statement in the same period in which the hedged transaction affects the income statement; the gain or loss associated with a hedge or a portion of the hedge that has become ineffective is recognised in the income statement when the ineffectiveness is reported;
- fair value hedge: if a derivative financial instrument is designated as a hedge of the exposure to changes in the fair value of a recognised asset or liability attributable to a particular risk that may affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognised in the income statement; the gain or loss on the hedged item, attributable to the hedged risk, is recognised as part of the carrying amount of that item and offset in the income statement.

If a hedging instrument or hedging relationship is terminated, but the hedged transaction has not yet been carried out, the cumulative gains and losses, which up to that point have been recognised in shareholders' equity, are recognised in the income statement when the related transaction is carried out. If the hedged transaction is no longer considered probable, unrealised gains or losses suspended in shareholders' equity are recognised in the income statement.
The fair value of interest rate swaps used to hedge interest rate risk represents the amount the Group estimates it will have to pay or collect to close out the contract at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty. The fair value of interest rate swaps is determined with reference to the market value for similar instruments.

Financial assets and liabilities measured at fair value, and derivative contracts in particular, are classified into the three hierarchical levels described below, based on the relevance of the information (input) used in determining the fair value. In particular:

- Level 1: financial assets and liabilities whose fair value is determined on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: financial assets and liabilities whose fair value is determined on the basis of inputs other than quoted prices referred to in Level 1, but which are directly or indirectly observable (such as, mainly: market exchange rates at the reference date, expected rate differentials between the currencies concerned and volatility of the reference markets, interest rates);
- Level 3: financial assets and liabilities whose fair value is determined on the basis of inputs that are not based on observable market data.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation underlying the liability is settled, cancelled or fulfilled. When an existing financial liability is exchanged for another from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts of the old liability and the new liability recognised in the income statement.

Trade payables

These liabilities are initially recognised at the fair value of the consideration payable. Subsequently, the payables are measured using the amortised cost method determined using the effective interest method.

Treasury shares

Repurchased treasury shares are recognised at cost and deducted from shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the purchase value and the consideration, in case of reissue, is recognised in the share premium reserve.

Provisions for risks and charges

Provisions for risks and charges are made when the Group has a present obligation (legal or constructive) as a result of a past event, where an outflow of resources to meet the obligation is probable and a reliable estimate can be made of the amount of the obligation.
When the Group considers that a provision for risks and charges must be partly or fully reimbursed or indemnified (e.g. in the case of risks covered by insurance policies), the indemnity is recognised separately as an asset and, only if reimbursement is virtually certain, the cost of the provision, if any, is recognised in the income statement net of any reimbursement.
Allocations to these provisions require the use of estimates, based on historical experience in similar cases and objective facts known at the date the financial statements are prepared. With regard to contingent liabilities for outstanding litigations, the estimation of which involves complex evaluations, including those of a legal nature, and which are subject to a different degree of uncertainty in consideration of the facts involved in the litigation, the applicable legislation and jurisdiction, and other issues, the estimate is made on the basis of the knowledge of the objective facts at the date the financial statements are prepared, also taking into account the considerations expressed by the Group's legal advisors.

For contracts where the unavoidable costs associated with the fulfilment of the obligation are greater than the economic benefits expected to be obtained from them, the current contractual obligation is recognised and measured as an allocation to a provision

Severance payments

Severance payments are defined as a defined benefit obligation. The relative cost is determined using the projected unit credit method, making actuarial assessments at the end of each financial year and charging them to the income statement. The liability reflected in the financial statements represents the present value of the obligation that will be recognised at the end of the employment relationship.
The determination of the liability recognised in the financial statements in accordance with the aforementioned accounting standard involves making estimates based on statistical assumptions about the occurrence of future events, including subjective ones (mortality rate, staff turnover, discounting interest rates, wage growth etc.): in this process, the Directors use independent actuaries.
Payments for defined contribution plans are charged to the income statement in the period in which they are due.
Following the changes to severance payments introduced by Italian Law No. 296 of 27 December 2006, the accounting provided for in IAS 19 for defined benefit obligations remained applicable only to the liability relating to severance payments accrued up to 31 December 2006, since the amounts accrued from 1 January 2007 are paid to a separate entity (Supplementary Pension Fund or INPS Funds) for companies with more than 50 employees. Consequently, the severance payments accrued after 31 December 2006 for these companies is a contribution benefit plan (defined contribution plan) and is accounted for as an expense in the vesting period. In fact, since the severance payment is entirely paid into social security funds, the Group companies to which this law is applicable no longer have any obligations to provide employees, in the event their employment is terminated, with the severance payments accrued after the amendment came into force.

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Put and call and earn-out options

Financial liabilities include the best estimate of the present value of earn-outs and put and call options entered into with the minority shareholders of the acquired companies. These financial liabilities are remeasured at every period-end, and where necessary in the interim, or when a liquidation event occurs. Their effects are then reflected under financial income or expenses in the income statement, together with the estimated cost of discounting the financial liabilities.

Long Term Incentive Plan

In order to align the interests of management with those of shareholders, the Company has established a medium- and long-term incentive plan linking remuneration to results.
To this end, on 9 May 2023, the Board of Directors approved – subject to the start of trading of the Company's shares on the regulated market of Borsa Italiana – an incentive plan addressed to the Company's Chief Executive Officer and Managing Director. The value and recognition of this incentive plan is linked to the increase in value of the Company's share price, recorded for a period of at least 30 consecutive days on the trading market compared to the IPO price, during the first three years of office and/or during the second three years of office in the case of renewal of office and failure to meet the objectives during the first three years of office. This is calculated and paid in cash by the Company during the month, following a positive verification by the Board of Directors that the long-term incentive has accrued.

The plan provides for the recognition of EUR 5,250 thousand in the case of an increase in value of the share equal to or greater than 30% and up to 49%; and the recognition of an additional amount of EUR 3,500 thousand in the case of an increase in value of the share equal to or greater than 50% (for a total amount of EUR 8,750 thousand).
This incentive plan falls within the scope of IAS 19. The liability is remeasured at each period-end or when the event requiring payment occurs. Its effects are recorded in the income statement under costs for services, showing among interest payable the financial component related to the cost of discounting, in addition to the related anticipated taxation.
In determining the amount to be allocated for the incentive plan approved by the Board of Directors, the Group used an independent expert who determined the fair value of the instrument, which was consequently accounted for in accordance with IAS 19. At the valuation date, the quantification was based on certain technical bases that were identified by the appraisal expert in agreement with Management.
The methodology adopted to estimate fair value follows the risk neutral approach typically used in the valuation of these instruments. For the determination of the fair value, market data taken at the valuation date from the 'Eikon Refinitiv' platform was used. The definition of the value of the LTI Premium was measured using a stochastic simulation with the Monte Carlo Method, which, on the basis of appropriate assumptions, allowed for the definition of a substantial number of alternative scenarios over the time period considered. Specifically, in each scenario, the projection of the share price is made from the initial value, according to a geometric Brownian motion. Subsequently, for each scenario simulated by feeding the valuation model, the appreciation of the share and consequently the relative LTI Premium was estimated; each estimated value was then discounted using the risk free rates of the EUR Interest Rate Swap curve (equal to 2.207%) determining the overall fair value of the LTI Premium at the valuation date as the average of the discounted payoffs of all scenarios.
As of 31 December 2025, the Group has set aside an amount totalling EUR 345 thousand in the income statement, in addition to the related expected taxation of EUR 83 thousand.

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Share-based payments

Some of the Group's employees (including executives) receive part of their remuneration in the form of share-based payments; thus, employees provide services in exchange for shares.
The cost of equity-settled transactions is determined by the fair value at the date the assignment is made using an appropriate valuation method. This cost, together with the corresponding increase in equity, is recognised under personnel costs over the period in which the conditions relating to the achievement of objectives and/or service performance are met. The cumulative costs recognised in respect of such transactions at the end of each financial year up to the maturity date are commensurate with the maturity period and the best estimate of the number of equity instruments that will actually vest.
The cost or income in the statement of profit/(loss) for the year represents the change in cumulative cost recognised at the beginning and end of the year.
Service or performance conditions are not taken into account when determining the fair value of the plan at the grant date. However, the probability that these conditions will be met is taken into account when defining the best estimate of the number of capital instruments that will mature. Market conditions are reflected in the fair value at the allocation date. Any other plan-related condition that does not involve a service obligation is not considered a vesting condition. Non-vesting conditions are reflected in the fair value in the plan and result in the immediate recognition of the cost of the plan, unless there are also service or performance conditions.
No cost is recognised for rights that do not mature because the performance conditions are not met.
When rights include a market condition or a non-vesting condition, they are treated as if they had vested regardless of whether the market conditions or other non-vesting conditions to which they are subject are fulfilled or not, it being understood that all other performance conditions must be fulfilled.
If the terms of the plan are changed, the minimum cost to be recognised is the fair value at the grant date in the absence of the change, assuming the original terms of the plan are satisfied. In addition, a cost is recognised for any change that increases the total fair value of the payment plan, or which is otherwise favourable to employees; this cost is measured in reference to the date of the change.
When a plan is derecognised by the entity or the counterparty, any remaining element of the plan's fair value is expensed immediately in the income statement.

Earnings per share

Earnings per share are calculated by dividing the profit attributable to holders of ordinary equity instruments of the parent entity by the weighted average number of ordinary shares outstanding during the year.
Diluted earnings per share is calculated by dividing the profit attributable to holders of ordinary equity instruments (adjusted for interests in convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that could be issued upon conversion into ordinary shares of all dilutive potential ordinary shares.

Recognition of revenue and income in the income statement

The item "Revenue" includes the consideration for sales of goods to customers and for the provision of services.
Revenue represent the consideration generated in return for the transfer of the promised goods and/or services to the customer, excluding amounts collected on behalf of third parties.
The Group recognises revenue when it fulfils its obligation under the contract, i.e. when it transfers control of the goods or services to the customer.
Based on the five-step model introduced by IFRS 15, the Group recognises revenue when the following criteria are met:

1. the parties have approved the contract (in writing, verbally or in accordance with other customary business practices) and have committed to fulfil their respective obligations; there is therefore an agreement between the parties that creates rights and obligations that are enforceable regardless of the form in which the agreement is manifested;
2. the rights of each party with respect to the goods or services to be transferred are identified;
3. the terms of payment for the goods or services to be transferred are identified;
4. the contract has commercial substance; and
5. it is likely that the Group will receive the consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer.

If the consideration promised in the contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for the transfer of the goods to the customer.
Revenue from contracts with customers are recognised on the basis of the transfer of control of the goods and/or services to the customer over time. If the transfer of control takes place as the asset is constructed or the services are rendered, revenue is recognised "over time", i.e. as the activities progress gradually; if, on the other hand, control is not transferred as the asset is constructed or the services are rendered, revenue is recognised "at a point in time", i.e. at the time of the final delivery of the asset or the completion of the services. In order to assess the progress of "over time" orders, the Company has chosen the criterion of the percentage of progress measured using the cost-to-cost method. When it is likely that the total costs of the order over its life will exceed the total revenue of the order over its life, the potential loss is recognised immediately in the income statement.
Capital and operating grants are recognised when there is reasonable certainty that they will be received and the conditions attached to them are met. In the case of capital grants, their nominal value is suspended under liabilities and credited to the income statement in proportion to the useful life of the assets to which they relate.
Operating grants are recognised on a systematic basis over the periods in which the entity recognises as expenses the related costs that the grants are intended to offset.

Costs and expenses

Costs are recognised in the income statement when they relate to goods and services sold or consumed during the period, or by systematic allocation, or when their future usefulness cannot be identified.

Dividends, financial income and expenses

Dividends distributed constitute a change in shareholders' equity in the period in which they are approved by the Shareholders' Meeting.
Dividends received are recognised when the Group's right to receive payment arises.
Financial income and expenses are recognised on an accrual basis.

Income tax

Taxes for the period represent the sum of current and deferred taxes.
Current taxes Current tax assets and liabilities for the financial year are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax legislation used to calculate the amount are those in force, or substantially in force, at the reporting date in the countries where the Group operates and generates its taxable income. Taxable income differs from the result reported in the income statement because it excludes positive and negative items that will be taxable or deductible in other years and also excludes items that will never be taxable or deductible. The liability for current taxes is calculated according to the tax rules in force at the reporting date.
Current taxes on items recognised directly in the equity are also recognised in equity and not in the statement of profit or loss for the financial year. Management periodically reviews the position taken in the income tax return where tax regulations are subject to interpretation and allocates provisions, where appropriate.
Deferred taxes Deferred taxes are calculated by applying the liability method to the temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised in respect of all deductible temporary differences, tax credits and unused tax losses carried forward, to the extent likely that sufficient future taxable income will be available to allow the utilisation of the deductible temporary differences, and of the tax credits and losses carried forward. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer likely that there will be sufficient taxable income to allow for all or part of the recovery of these receivables.
Deferred tax assets and liabilities are measure based on the tax rate expected to be in force when the asset is realised or the liability is extinguished. Deferred taxes are recognised directly in the income statement, except for those related to items recognised directly in shareholders' equity, in which case the related deferred taxes are also recognised in shareholders' equity.
As a consolidating company, Dexelance S.p.A. has exercised the option for the national tax consolidation scheme governed by Article 117 et seq. of Italian Presidential Decree 917/1986 ("TUIR"), which allows corporate income tax to be determined on a taxable base corresponding to the algebraic sum of the positive and negative taxable amounts of the individual companies involved. The consolidation agreement was entered into on 4 October 2018 with the subsidiaries Gervasoni, Meridiani and Cenacchi International; as of 2020, Davide Groppi, Saba Italia and Modar have also taken part; Flexalighting joined as of 2021, Gamma Arredamenti International as of 2023, and Cubo Design and Turri as of 2024, and Axo Light from 2025.

Binova

Foreign currency transactions

Foreign currency transactions are initially recognised in the functional currency, using the spot exchange rate at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date.
Realised exchange differences or those arising from the translation of monetary items are recognised in the income statement, with the exception of monetary items that form part of a hedge of a net investment in a foreign operation. These differences are recognised in other comprehensive income until the net investment is disposed of, at which point the total amount is reclassified to the income statement. Taxes attributable to exchange differences on monetary items are also recognised in the statement of comprehensive income.

Discretionary measurements and significant accounting estimates

The preparation of financial statements and the related notes in accordance with IFRS requires Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on experience and other factors considered relevant. The results obtained afterwards may therefore differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes to them are reflected in the income statement in the period in which the estimate revision occurs, if the revision affects only that period, or in subsequent periods if the revision affects both current and future periods.

The main assumptions of the Directors used in the process of applying the accounting standards with regard to the future and which could result in significant adjustments to the value of assets and liabilities during the period after the reporting period are described with reference to the individual measurement criteria. The Group has based its estimates and assumptions on parameters available at the time the consolidated financial statements were prepared. However, current circumstances and assumptions about future events may change due to changes in the market or events beyond the Group's control.
Any such changes are reflected in the assumptions when they occur.

The main estimates made by the Group concern:

- the recoverability of the value of non-current intangible assets;
- the estimate of the earn-out and the exercise of put options related to the business combination transactions finalised during the various years;
- the estimates related to the medium- to long-term incentive plan that links remuneration to results (The "Long-Term Incentive Plan") and the Performance Shares Plan;
- Financial payables to lessors and the relevant recording of the related rights of use.
- provisions for inventory obsolescence.

Goodwill and trademarks with an indefinite useful life

With regard to goodwill and trademarks, both of which have an indefinite useful life, they are tested for impairment at least annually; this test requires an estimate of the value in use of the cash-generating unit to which the goodwill and trademark is allocated.
An impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value, less selling costs, and its value in use.
Fair value less selling costs is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.
The calculation of the value in use is based on a discounted cash flow model. The cash flows are derived from the Plan for the three years following the current one (2026–2028) and do not include restructuring activities to which the Group has not yet committed or significant future investments that will increase the results of the business included in the cash-generating unit being measured. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, as well as the expected future cash flows and the growth rate used for the extrapolation.
As at 31 December 2025, the carrying amount of goodwill was EUR 125,845 thousand and the value of trademarks was EUR 90,522 thousand. Further details are provided in Note 2.

Exercise price of put options due to minority shareholders and earn-outs for the acquisition of minority interests

Acquisitions of Group companies completed over the last few years usually take place through a process involving the establishment of a special purpose vehicle to acquire the target company and the subsequent reverse merger of the special purpose vehicle into the target company. The purchase price normally includes the recognition of an earn-out, to be settled within a certain time frame at a price with predefined parameters. The earn-out is directly linked to the performance of the target companies, usually EBITDA and net financial position as contractually defined between the parties. These parameters may differ in the final figures compared with the estimates in the business plan of the target company.
Acquisitions are sometimes 100%, but in some cases involve the initial acquisition of the majority share and a put-and-call mechanism (put in favour of the seller and call in favour of the buyer) for the acquisition of the subsequent minority share. The value of the minority stake was also subject to a contractual definition that links its value to actual company performance compared with the estimates in the business plan, using

calculation parameters that are still contractually predefined between the parties (usually EBITDA and net financial position).
Interest accrues on both financial liabilities (earn-out debt and put option value), which take into account the debt rate of the parent company, but also the nature of the financial liability.
The estimate of the earn-out debt and the value of the put option may vary from one period to the next, reflected in the income statement under financial expenses, as they strictly depend on the actual performance of the companies compared to that initially forecast in the plan. For further details, please refer to Note 18 "Other financial liabilities" as well as the indications in the following note on financial risks.

Inventory obsolescence

The Group companies adopt calculation methods to estimate the inventory loss allowance, analyticallyon the basis of specific considerations on the life cycle of products and the relative state of inventories, and at a flat rate on the basis of specific turnover ratios, calculated separately for raw materials and finished products. The turnover ratios are associated with write-down percentages that reflect the specificity of individual productions. These measurements have inevitable elements of subjectivity that may be reflected in the estimation of the provisions of the various Group companies. For further information, see Note 7.

Using estimates

Developments in the global economy, the environment of political, economic and financial instability and the volatility of financial markets could influence the performance of the Group, with possible adverse effects on its economic, capital and financial position. In the overall macroeconomic context, there are significant uncertainties regarding (i) the impacts of sanctions imposed worldwide relating to the conflict between the Federal Republic of Russia and Ukraine, the Israeli-Palestinian conflict, and, the most recent conflict in the Middle East, (ii) the potential risks related to climate change, and (iii) the potential protectionist measures taken by the US government.
These financial statements contain estimates and assumptions made by the Group relating to assets and liabilities, expenses, income, other total gains/losses and contingent liabilities as at the date of the end of the reporting period. These estimates are based on assumptions considered reasonable and realistic, based on the information available at the time of the estimate. They are reviewed periodically and their effects are reflected in the income statement for the time when they occur.

The most significant estimates used to draw up the financial statements for the period ended 31 December 2025 are as follows:

- Tangible and intangible fixed assets. Taking into account the latest available information and the currently configurable scenarios, the Group did not identify the emergence of elements that could lead to value adjustments to the tangible assets or significant losses in the value of intangible and tangible assets recorded in the financial statements. Please refer to the following paragraphs on the impairment test performed as at 31 December 2025.
- Provision for doubtful accounts. Receivables are shown net of an estimated write-down fund to account for any losses that may affect the recoverability of these same receivables. Management periodically reviews the assumptions underlying the estimates used to ensure that these appropriations are prudent, taking into account both the status of recorded receivables and the macroeconomic situation. For further information, see Note 9.
- Inventories. Inventories are shown net of write-down funds for finished materials and products, which are considered obsolete or slow to rotate, taking into account their expected future use and their realisable value. For further information, see Note 7.
- Provisions for risks and contingent liabilities. The Group makes different provisions for litigation or risks of various kinds, involving different issues and subject to the jurisdictions of different countries. These provisions were assessed on the basis of up-to-date information that took into account potential effects stemming from the current context. For further information, see Note 16.
- Put and call and earn-out options. Financial liabilities include the best estimate of the present value of earn-outs and put and call options entered into with the minority shareholders of the acquired companies. These financial liabilities are remeasured at every period-end or when a liquidation event occurs. Their effects are then reflected under financial income or expenses in the income statement, together with the estimated cost of discounting the financial liabilities. For further information, see Note 18.
- Financial payables to lessors. The term of the lease is determined on the basis of the individual ontract and comprises the "non-cancellable" period, together with the effects of any extensions or early terminations the exercise of which is considered reasonably certain to occur, also taking into account the terms and conditions of the contract itself. Furthermore, the discount rate for leases falling within the scope of IFRS 16 is determined in reference to the Group's average cost of debt.
- Long-Term Incentive Plan. The liability includes the best estimate of the present value of the incentive plan for the Company's Directors accrued to date.
- Performance Shares Plan. At each reporting date, the Company revises its assumptions on the number of shares expected to vest and recognises the effect of the value of the shares vested during the period by recording any change in estimate in the income statement and adjusting the corresponding equity reserve.

Strategic business area information

The companies through which the Group operates are aggregated for the purpose of strategic business area (SBA) reporting in the five reference businesses: 'Furniture', 'Lighting', 'Luxury Contract', 'Kitchens and Systems' and 'Omnichannel go-to-market'.
IFRS 8 Operating segments requires that detailed information be provided for each operating segment, defined as a component of an entity whose operating results are periodically reviewed by top management for the purpose of making decisions about the resources to be allocated and assessing performance.
At the reference date of the financial statements, the organisation of the Dexelance Group is divided into five operating segments or strategic business areas (SBAs), as defined at operational management level, and one other segment (mainly attributable to the Parent Company with a holding company function):

- Furniture: dedicated to the design, production (both in-house and through third-party manufacturers) and marketing of indoor and outdoor furniture products, mainly dedicated to the living area. At the reference date of the financial statements, this business activity is concentrated in Gervasoni S.p.A., Meridiani S.r.l., Saba Italia S.r.l., Gamma Arredamenti International S.p.A. and Turri S.r.l.;
- Lighting: dedicated to the design, production (both in-house and through third-party manufacturers) and marketing of high-quality designer lighting products. At the reference date of the financial statements, this segment was made up of Davide Groppi S.r.l., Flexalighting S.r.l., Flexalighting North America Ltd. and Axo Light S.r.l.;
- Luxury Contract: dedicated to the design and installation of bespoke and commissioned fittings predominantly for luxury brand shops and high-end hotels and homes, commissioned and in collaboration with well-known architects and designers. At the reference date of the financial statements, this SBA was concentrated and active at Cenacchi International S.r.l. and Modar S.p.A.;
- Kitchens and Systems: dedicated to the design, production and marketing of modular kitchen solutions and systems. At the reporting date, Cubo Design S.r.l. was a member.

- Omnichannel go-to-market: following the completion of the acquisition of a majority stake in Mollura & C. S.p.A. (Mohd) in September 2025, which is described in greater detail in the section on business combinations, the Group's business now comprises a fifth operating segment, "Omnichannel go-to-market", dedicated to the distribution of high-end products in lighting, design, and furniture, with a unique and highly innovative omnichannel business model;
- Other: this consists of the parent company Dexelance S.p.A.

The strategic business area is typically the reference unit by means of which the Group monitors the performance of its business, and is characterised by the homogeneity of the core markets, without however having an independent organisation.

Income statement by strategic business area

The breakdown of the income statement by strategic business area (SBA) as at 31 December 2024 and 31 December 2025 is shown below where intra-segment revenue has been eliminated in the amount of EUR 3,102 thousand (EUR 2,722 thousand at 31 December 2024):

amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	31/12/2024
Revenue (*)	141,696	32,077	91,251	59,360	-	324,384
Other income	2,760	480	144	1,216	311	4,911
Total revenue and income	**144,455**	**32,557**	**91,395**	**60,576**	**311**	**329,295**
Purchases of raw materials	(55,123)	(10,581)	(30,794)	(29,898)	(12)	(126,407)
Costs for services and use of third-party assets	(44,067)	(9,020)	(28,161)	(12,929)	(4,854)	(99,031)
Staff costs	(25,761)	(7,192)	(12,561)	(6,587)	(1,365)	(53,466)
Provisions and write-downs	(56)	(50)	(22)	(308)	-	(436)
Gross operating profit (EBITDA)	**19,449**	**5,715**	**19,858**	**10,855**	**(5,921)**	**49,955**
Amortisation, depreciation and write-downs of fixed assets	(9,734)	(1,817)	(4,558)	(6,196)	(237)	(22,541)
Operating profit/(loss) (EBIT)	**9,715**	**3,898**	**15,300**	**4,659**	**(6,157)**	**27,414**
Financial income	-	-	-	-	-	13,756
Financial expenses	-	-	-	-	-	(15,609)
Gross result	**-**	**-**	**-**	**-**	**-**	**25,561**
Income tax	-	-	-	-	-	(7,658)
Net profit/(loss)	**-**	**-**	**-**	**-**	**-**	**17,904**

amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Omnichannel go-to-market	Other	31/12/2025
Revenue (*)	124,867	34,581	76,368	64,090	20,278	-	320,185
Other income	2,241	519	644	1,420	178	24	5,026
Total revenue and income	**127,108**	**35,100**	**77,012**	**65,510**	**20,456**	**24**	**325,211**
Purchases of raw materials	(50,196)	(10,756)	(29,003)	(33,539)	(13,318)	(3)	(136,816)
Costs for services and use of third-party assets	(45,376)	(9,975)	(25,989)	(13,072)	(4,458)	(5,179)	(104,048)
Staff costs	(26,475)	(8,212)	(13,185)	(6,984)	(1,400)	(1,234)	(57,490)
Provisions and write-downs	(122)	(32)	-	(517)	-	-	(671)
Gross operating profit (EBITDA)	**4,939**	**6,126**	**8,835**	**11,398**	**1,280**	**(6,391)**	**26,187**
Amortisation, depreciation and write-downs of fixed assets	(31,724)	(3,606)	(4,467)	(5,787)	(902)	(256)	(46,742)
Operating profit/(loss) (EBIT)	**(26,785)**	**2,519**	**4,368**	**5,611**	**378**	**(6,646)**	**(20,555)**
Financial income	-	-	-	-	-	-	16,042
Financial expenses	-	-	-	-	-	-	(11,701)
Gross result	**-**	**-**	**-**	**-**	**-**	**-**	**(16,214)**
Income tax	-	-	-	-	-	-	(1,483)
Net profit/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(17,697)**

(*) Revenue for each segment include both revenue realised in respect of third parties and revenue realised in respect of other Group operating segments. The figure for the latter was not material: it was therefore not deemed necessary to provide further details.

Revenue from the 'Lighting' and 'Kitchen & Systems' SBAs in 2025 increased compared to the same period in 2024 (both by +8%), due in full to the organic growth recorded by the companies in these various sectors. Revenue from the 'Furniture' and 'Luxury Contract' SBAs, however, fell significantly compared with the previous financial year, due to the slowdown observed in the relevant market for the former, and the decline in orders from clients for the latter.
The decrease in EBITDA is mainly related to the unsatisfactory result of the 'Furniture' SBA and the increase in business development costs. The performance of the 'Furniture' SBA is mainly affected by the negative result of some orders won by Turri that were impaired by significant non-conformities and programming errors that required a substantial adjustment and recalculation of the margins to be completed.
The decline in EBITDA for the 'Luxury Contract' SBA is also significant, standing at 12% of revenue compared with 22% in 2024, due to a decline in turnover from certain clients.
The contribution to EBITDA (6% of revenue) of the new strategic business area "Omnichannel go-to-market", established with the acquisition of Mollura, should be noted.
The negative contribution to EBITDA of the strategic business area "Other" finally should be noted, which is due mainly to the parent's structural costs.

Statement of financial position by strategic business area

The following is the breakdown of the statement of financial position by strategic business area (SBA) as at 31 December 2024 and 31 December 2025, in which inter-segment receivables and payables have been eliminated:

Gamma

amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	31/12/2024
Intangible assets	99,241	22,011	42,025	72,158	49	235,484
Right of use	20,581	2,999	3,881	6,332	634	34,427
Property, plant and equipment	15,353	2,056	2,108	7,949	757	28,223
Holdings and other non-current assets	6,005	546	592	1,262	303	8,708
Non-current assets	**141,181**	**27,611**	**48,606**	**87,702**	**1,743**	**306,842**
Inventory and contract assets	28,235	6,751	7,470	3,072	-	45,529
Trade receivables	19,906	4,191	9,838	7,697	-	41,632
Business advances and contract liabilities	(14,823)	(903)	(11,130)	(1,580)	-	(28,435)
Trade payables	(25,613)	(4,426)	(12,651)	(10,460)	(461)	(53,611)
Operating net working capital	**7,705**	**5,614**	**(6,473)**	**(1,271)**	**(461)**	**5,114**
Other current liabilities	(6,359)	(1,778)	(3,228)	(1,739)	(1,667)	(14,771)
Other current assets	4,891	595	919	1,415	1,005	8,824
Net working capital	**6,238**	**4,431**	**(8,782)**	**(1,595)**	**(1,123)**	**(832)**
Provisions for risk and severance pay	(5,269)	(1,515)	(3,399)	(1,862)	(119)	(12,163)
Other non-current liabilities	(8,307)	(527)	(3,391)	(12,660)	(862)	(25,748)
Net invested capital	**133,843**	**30,000**	**33,033**	**71,585**	**(361)**	**268,099**
Net financial position	-	-	-	-	-	(97,647)
Consolidated shareholders' equity	-	-	-	-	-	(170,452)
Financing sources	**-**	**-**	**-**	**-**	**-**	**(268,099)**

amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Omnichannel go-to-market	Other	31/12/2025
Intangible assets	74,509	19,456	38,667	70,189	63,712	68	266,600
Right of use	20,403	2,484	2,636	5,436	3,637	724	35,319
Property, plant and equipment	16,642	2,513	6,111	6,975	4,674	730	37,646
Holdings and other non-current assets	6,472	530	548	662	2,240	8,580	19,033
Non-current assets	**118,027**	**24,982**	**47,962**	**83,263**	**74,262**	**10,103**	**358,598**
Inventory and contract assets	28,483	6,609	6,789	3,464	24,089	-	69,434
Trade receivables	14,395	4,427	6,729	7,398	1,221	(0)	34,170
Business advances and contract liabilities	(10,785)	(1,141)	(9,034)	(1,729)	(14,682)	-	(37,371)
Trade payables	(23,371)	(4,102)	(10,145)	(9,710)	(11,211)	(411)	(58,951)
Operating net working capital	**8,722**	**5,793**	**(5,662)**	**(578)**	**(583)**	**(411)**	**7,282**
Other current liabilities	(5,898)	(2,285)	(2,497)	(1,967)	(2,456)	(344)	(15,447)
Other current assets	4,812	532	2,203	1,271	562	3,592	12,972
Net working capital	**7,637**	**4,040**	**(5,956)**	**(1,274)**	**(2,476)**	**2,837**	**4,808**
Provisions for risk and severance pay	(5,402)	(1,631)	(3,441)	(1,927)	(1,251)	(175)	(13,827)
Other non-current liabilities	(7,973)	(467)	(2,630)	(12,178)	(10,850)	(979)	(35,077)
Net invested capital	**112,288**	**26,924**	**35,934**	**67,884**	**59,684**	**11,786**	**314,501**
Net financial position	-	-	-	-	-	-	(130,063)
Consolidated shareholders' equity	-	-	-	-	-	-	(184,438)
Financing sources	**-**	**-**	**-**	**-**	**-**	**-**	**(314,501)**

Overall, there was significant growth in non-current assets, mainly related to the corporate acquisitions carried out during the period. Net operating working capital shows a modest increase, rising from EUR 5,114 thousand as at 31 December 2024 to EUR 7,282 thousand, mainly due to the increase in the value of inventories (+53%), partly offset by the increase in advances from customers and contract-related advances (+31%) and trade payables (+10%), and by the decrease in trade receivables (-18%).

In the 'Furniture' segment, the decrease in non-current assets is primarily attributable to the amortisation and impairment for the period of intangible assets with a finite useful life recognised during the PPA. Operating working capital shows a positive change, mainly as a result of the increase in the value of trade payables and customer advances, partially compensated for by the reduction in trade receivables due to the related dynamics of collection and payment (+EUR 1,017 thousand).

The decrease in non-current assets in the 'Lighting' segment is primarily attributable to the amortisation and impairment for the period of intangible assets with a finite useful life recognised during the PPA. Net operating working capital remains substantially in line with last year.
Non-current assets in the Luxury Contract segment have decreased due to the amortisation of customer relationships, partially offset by the increase arising from the purchase of a building by Cenacchi International and Modar. The increase in net working capital as at 31 December 2025 for the 'Luxury Contract' operating segment is mainly attributable to the combined effect of the financial dynamics of the collection of receivables, advance payments and the payment of payables on job orders in progress.
Non-current assets in the 'Kitchens and Systems' segment decreased due to depreciation, while net operating working capital, which was negative, increased by EUR 693 thousand due to financial dynamics in the payment of trade payables.
The net working capital of the segment "Omnichannel go-to-market" is negative by EUR 583 thousand.
Please note that in the 'Other' operating segment, net working capital remains broadly in line with the previous financial year.

Earnings per share

The information on basic and diluted earnings per share required by IAS 33 is provided below.

	31/12/2024	31/12/2025
Net profit (Loss) attributable to the ordinary shareholders of the Parent Company for the purposes of basic and diluted earnings per share (in thousand euros)	17,904	(17,697)
Weighted average number of ordinary shares, including treasury shares, for the purpose of earnings per share	26,926,299	26,926,299
Weighted average number of treasury shares	106,833	342,257
Weighted average number of ordinary shares, excluding treasury shares, for the purpose of diluted earnings per share	26,819,466	26,584,042
Profit (Loss) per share: - **Basic**, for the earnings (loss) for the period attributable to the ordinary shareholders of the Parent Company - **Diluted**, for the earnings (loss) for the period attributable to the ordinary shareholders of the Parent Company	0.67 0.67	(0.67) (0.67)

The shares forming the share capital are ordinary shares and there are no requirements regarding dividend distribution or other preferred forms of performance allocation among the shares. Moreover, there are no outstanding instruments with a potential dilutive effect on the profit and loss of the shareholders of the Parent Company.

FINANCIAL RISK MANAGEMENT

The Group is exposed to the following financial risks related to normal operations:

- credit risk in relation to normal customer relationships;
- liquidity risk, with particular reference to the availability of financial resources and access to credit markets and financial instruments in general;
- exchange rate risk, in connection with the Group's commercial buying and selling activities in currencies other than its functional currency;
- interest rate risk, related to the cost of indebtedness to the financial system;
- financial liability remeasurement risk for earn-outs, put and call options and the long-term incentive plan;
- market risk, with particular reference to the risk of changes in the price of materials and the consequent maintenance of product sales margins.

Group companies constantly monitor the risks to which they are exposed, in order to assess in advance the potential negative effects and take appropriate action to mitigate them.
The following section provides qualitative and quantitative reference information on the impact of these risks.

Credit risk

Credit risk is connected to the inability of counterparties to meet their obligations and essentially relates to sales. Given the business segment, the customer portfolio of the Group companies is divided into many, often small, entities, and exposure is therefore limited. Subsidiaries Cenacchi International S.r.l., Modar S.p.A. and Turri S.r.l. operate on the global market with renowned clients. it should be noted here that there is a concentration towards several companies that are traceable to a few economic entities with which the company management's relationships are very well established; in particular, the turnover in question amounts to EUR 61.1 million as of 31 December 2025.
Credit risk is managed through the close and timely monitoring of customers and by assigning an exposure level to each of them, over which supply may be suspended. However, the risk is limited; for many EU customers and all non-EU customers, the Group companies normally require advance payment or guarantees. For the purpose of preparing the end-of-period financial statements, positions, if individually significant, are subject to individual writedowns when an objective condition of partial or total non-recoverability is detected. For payables that are not subject to individual writedowns, the Group applies a simplified approach in calculating expected losses, recognising them in full at each reporting date.
To determine expected losses, the Group has established a system based on historical and statistical information, revised to consider prospective elements with reference to specific types of debtors and their economic environment.
The Group's maximum exposure to credit risk is equal to the carrying amount recorded in the financial statements, gross of the provision for doubtful accounts, which totalled EUR 36,603 thousand as at 31 December 2025 and EUR 43,021 thousand as at 31 December 2024.
Trade balances as at 31 December 2025, totalling EUR 34,170 thousand, include current receivables in the amount of EUR 22,401 thousand and past due receivables in the amount of EUR 11,769 thousand, of which EUR 6,304 thousand within 90 days and EUR 5,464 thousand beyond 90 days, net of the related provision for doubtful accounts.
As at 31 December 2025, there were no insured or guaranteed receivables.
Trade balances as at 31 December 2024, totalling EUR 41,632 thousand, include current receivables in the amount of EUR 26,154 thousand past due receivables in the amount of EUR 15,477 thousand, of which EUR 8,208 thousand within 90 days and EUR 7,269 thousand beyond 90 days, net of the related provision for doubtful accounts.
As at 31 December 2024, there were no insured or guaranteed receivables.
For further details, please refer to Note 9.

Liquidity risk

Liquidity risk may arise when it is not possible to obtain, under favourable economic conditions, the financial resources necessary for the operation of the Group companies. Liquidity risk relates to the cash flows generated and absorbed by day-to-day operations and the resulting need to access financing to support business expansion. Liquidity risk is also linked to the existence of contractual obligations to comply with certain financial ratios (also known as "covenants") to be calculated on the financial statements of the individu\al subsidiaries and on the consolidated financial statements.
The evolution of cash flows and the use of credit facilities are closely monitored by the Group Finance Department and the directors in order to ensure that financial resources are used efficiently and effectively, including in terms of expenses and interest.
Please note that on 22 December 2025, the Group successfully concluded discussions with its lenders to obtain waivers for the covenants of certain outstanding loans. For further details, please refer to Note 17 on bank loans.
The Group's financial resources are mainly ensured by medium-long-term loans and undrawn credit lines for current operations granted by primary banking institutions. Specifically, as at 31 December 2025, the Group had cash and other similar financial assets in the amount of EUR 69,859 thousand and undrawn bank credit lines. At the same date, total nominal financial indebtedness to third parties amounted to approximately EUR 199,922 thousand, of which EUR 122,578 thousand to banks and EUR 77,344 thousand to others, of which EUR 5,163 thousand to third-party shareholders for loans, EUR 34,791 for put & call options and earn-outs for the benefit of minorities, and EUR 37,391 for payables to lessors (IFRS 16). The portion maturing in less than 12 months amounted to EUR 53,163 thousand, of which EUR 33,244 thousand due to banks, EUR 12,327 thousand for put & call options and earn-outs, and EUR 7,592 thousand for lease payables (IFRS 16).

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will change due to fluctuations in exchange rates.
The Group has a limited exposure to the risks arising from exchange rate fluctuations, which may affect profit or loss and shareholders' equity as the prevailing transactions are in euros and because the Group's net investments in foreign entities (currency translation risk) are limited. Since receipts and payments in US dollars are partly offset, currency risks are contained. The use of currencies beyond the euro, US dollar and British pound in commercial transactions is almost zero.
The following table shows the sensitivity to a possible change in the US dollar and pound sterling exchange rate, with all other variables held constant. The effect on Group profit before tax is due to changes in the fair value of monetary assets and liabilities outstanding at the end of the period, while the effect on shareholders' equity before tax includes the effect of translating the net assets/liabilities of foreign consolidated companies. The Group's exposure to exchange rate variations for all other foreign currencies is not material.

amounts are shown in €/1,000	-10%	-5%	+5%	+10%
Foreign exchange gain/(loss) from a fluctuation in the euro/US dollar exchange rate	226	107	(97)	(185)
Foreign exchange gain/(loss) from a fluctuation in the euro/pound sterling exchange rate	(187)	(89)	80	153
Total	**39**	**19**	**(17)**	**(32)**

Interest rate risk

Interest rate risk can be defined as the risk that changes in market interest rates will result in a decrease in business profitability. The Group makes use of external financial resources in the form of debt. Changes in market interest rates influence the cost and return of various forms of financing by affecting financial expenses. Interest rate risk is managed through the use of derivative financial instruments in the form of interest rate swaps.
As at 31 December 2025, the Group had financial exposure to banks for financing in various technical forms for a total amount of EUR 122,578 thousand, on which variable interest rates accrued ranging from 1.3% to 6.7% over 2025, and cash and other similar financial assets totalling EUR 69,859 thousand.
Interest rate swap contracts are in place to cover this exposure, with a total notional residual amount of EUR 46,794 thousand.
Such contracts have a notion to scale on the basis of the amortisation plan of the underlying loans, as shown in the following table (values are expressed in thousands of euros):

National	Maturity date	Amount	Type of contract	Mark to Market (assets)	Mark to Market (liabilities)
UniCredit amortising line	31/12/2026	2,000	IR Swap	-	(27)
UniCredit amortising line	30/06/2029	2,941	IR Swap	-	(87)
Intesa amortising line	31/01/2030	2,167	IR Swap	-	(48)
BPM amortising line	31/01/2030	2,167	IR Swap	-	(48)
Intesa amortising line	30/07/2029	736	IR Swap	40	-
Intesa amortising line	06/08/2029	830	IR Swap	34	-
UniCredit amortising line	19/09/2030	27,600	IR Swap	-	(69)
BPER amortising line	31/12/2030	6,354	IR Swap	-	(3)
Intesa amortising line	01/12/2028	1,000	IR Swap	-	(4)
Intesa amortising line	04/12/2028	1,000	IR Swap	-	(4)
Total		**46,794**		**74**	**(290)**

The following table shows the sensitivity to a possible change in interest rates on that portion of variable-rate debt and loans, after hedge accounting effects. With all other variables held constant, and therefore based on the value of the financial debt to banks at the end of the period and the repayment flows expected in the respective amortisation schedules, this positive or negative change in interest rates would result in higher or lower financial income and expenses before the tax effect as shown below:

amounts are shown in €/1,000	-500BP	-250BP	+250BP	+500BP
(Lower) / Higher financial income	(5)	(3)	3	5
Lower / (Higher) financial expenses	1,162	886	(1,585)	(3,170)
Total	**1,157**	**883**	**(1,583)**	**(3,165)**

Financial liability remeasurement risk for earn-outs and put and call options

Financial liabilities include the best estimate of the present value of earn-outs and put and call options entered into with the minority shareholders of the acquired companies. The earn-out and put and call option values are directly linked to the achievement of certain economic and financial targets by the companies acquired (generally contractually defined EBITDA and NFP) in the periods following the taking over of control.
For the sensitivity analysis on the re-measurement risk of earn-outs and put & call options, a 10% increase or decrease in the contractually expected EBITDA in the various plan years concerned was assumed, as well as an EBITDA-to-NFP conversion rate of 60%. The related effects on net profit before tax are summarised in the following table:

amounts are shown in €/1,000*	Actual	EBITDA +10%	EBITDA -10%
Put & Call	29,223	31,644	26,918

** estimated EBITDA to NFP conversion rate of 60%*

It should be noted that some earn-outs are residual not strictly correlated to the value of the EBITDA; therefore, management deemed it appropriate to reflect in the sensitivity analysis changes in the underlying elements that it deemed reasonable based on their nature. The analysis indicates a potential expenditure range of between a minimum of EUR 3,961 thousand and a maximum of EUR 5,568 thousand.

Price risk

Purchase prices normally have a duration of one year, while sales prices absorb and tend to neutralise increases in purchases. Even in the presence of an inflationary scenario over the year, the impact of the increase in raw material prices remains limited, also due to the ability of the Group companies to adjust their sales prices accordingly and maintain margins.

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MACROECONOMIC REPORTING

Developments in the global economy, the environment of political, economic and financial instability and the volatility of financial markets could influence the performance of the Group, with possible adverse effects on its economic, capital and financial position.

Risks related to the global geopolitical situation

The Group is exposed to the risks associated with the current and future global, European and Italian economic and political situation, which is also aggravated by recent political and military tensions in the Middle East and the Russia-Ukraine war, the development and political and economic impact of which are still uncertain and hard to assess. Therefore, it cannot be excluded that the occurrence and/or continuation of an economic recession and/or political instability and any future negative impacts, even significant ones, on the global, European and/or national economy may lead to a weakening of demand for the Group's products, with potential adverse effects on the Group's business and prospects, as well as on its economic, capital and financial position.
The global geopolitical situation is undergoing an extremely tense and complex period due to military conflicts in an already critical situation caused by the pandemic, which has further stimulated inflationary phenomena and speculative dynamics. The Group has very limited involvement in the areas affected by the Russian-Ukrainian conflict and the Israeli-Palestinian conflict, and its business model is not particularly exposed to inflationary commodity phenomena or higher energy costs; however, it cannot be excluded that the continuation of this situation may lead to margin pressures or impacts on the propensity to consume durable goods.
Looking ahead, there are unknowns related to the effects of the fiscal and trade policy that the US administration will decide to implement. Specifically, the introduction of duties and tariffs on numerous countries and geographical areas to make imports less advantageous and competitive compared to domestic products or services could undermine international trade in goods and services. In this context, despite the risks associated with the drift towards protectionism in the United States, the Group does not foresee any particular risks or concerns to date, especially in view of the high-end market to which its products are aimed, which are not very sensitive to price changes. However, it cannot be ruled out that fiscal policy may have an impact on the propensity to consume and, therefore, the Group pays continuous attention to developments in the external environment.

Risks related to climate change

In preparing the annual consolidated financial statements, taking into account the priorities expressed by ESMA and in light of the findings of The Global Risks Report 2024 authored by the World Economic Forum, Dexelance's management has assessed the effect of climate risks on the Group on the basis of the historical probability of the occurrence of climate events.
Specifically, by defining the potential impacts of physical risks and transition risks (relating to technological innovations, regulatory changes, and changing market expectations), Management was able to obtain a sufficiently complete picture of the situation at the Group level. The Group considers climate-related issues in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for the Group from both physical and transitional risks. Although the Group believes that its business model and products will still be attractive as a result of the transition to a low-emissions economy, climate-related issues increase the uncertainty of estimates and assumptions concerning numerous elements or items in the financial statements. Although climate-related risks may not have a significant impact on measurement at present, the Group is closely monitoring developments and changes, such as new climate-related regulations and standards. The elements that are most directly impacted by climate-related issues are:

- The useful life of property, plant and equipment. When recalculating the estimated residual value and useful life of an asset, the Group considers climate-related issues, such as climate-related secured regulations that may limit the use of assets or require significant capital expenditure.
- Determination of the recoverable amount of non-financial assets. The estimated value in use could be impacted in different ways by transition risk, in particular, climate-related regulations or a change in demand for the Group's products. This notwithstanding, the Group concluded that there were no significant climate-related assumptions.

In the light of these considerations, no significant influence was found in the estimates and assessments of the plans. Fully aware of the strategic importance of responsible and sustainable operations, the Group decided some time ago to take a proactive stance on sustainability, including by voluntarily communicating information to its stakeholders on environmental, social and governance factors. The Group recognises the fundamental role played by strong and long-lasting cooperation with all stakeholders and its commitment to an increasingly sustainable business.
In 2025, Dexelance strengthened its commitment to sustainability by further rolling out initiatives to comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD). In line with the requirements of the new regulations, Dexelance defined and formalised its own Sustainability Strategic Guidelines, aligning future actions with the European Sustainability Reporting Standards (ESRS) and consolidating a responsible and ESG-conscious management approach. The analysis of climate risks is an integral part of the Group's sustainability strategy, which is divided into three macro-impact areas: environment, people and governance.
Specifically in the environmental sphere, Dexelance has implemented actions aimed at reducing climate-changing emissions, adopting more sustainable operating practices and promoting eco-design and circularity throughout the product life cycle.
With the aim of monitoring and consequently reducing its carbon footprint, Dexelance has completed its greenhouse gas inventory for 2025, verified by an accredited third party in accordance with ISO 14064-3, confirming its commitment to offsetting emissions through the purchase of carbon credits and thus ensuring carbon neutrality.
In addition, the Group further strengthened its risk management approach by adopting a corporate Enterprise Risk Management (ERM), which integrates the sustainability risk assessment into the Risk Register. Dual materiality analysis was a key element in this process, harmonising ESG risks with financial risks and ensuring continuous monitoring through the involvement of the Sustainability Team, the CFO, the CEO, the Audit and Risk, Related Party Transactions and Sustainability Committee, and the Board of Directors.
The analysis revealed several risk factors related to climate change, including physical climate risks and dependence on key raw materials. These, along with other identified ESG risks, are addressed through structured mitigation strategies, including formal policies, control procedures, periodic audits and a robust governance based on a clear separation of duties (SOD).
Through targeted energy efficiency strategies, the Group intends to mitigate its own environmental impact by promoting the responsible use of resources. In particular, Dexelance has included further capital expenditure (CapEx) in its current business plan for the installation of on-site energy generation facilities to increase its internal capacity to generate energy from renewable sources.
The Group also plans to implement efficiency measures for its energy requirements, such as investments for the replacement of production machinery, the replacement of lighting systems at production sites not equipped with LEDs, and the promotion of more sustainable company mobility measures. The goal is to construct a sustainability path that combines growth with environmental protection in line with stakeholder expectations and the global challenges tied to climate. These initiatives will accompany the reduction in consumption and, consequently, in GHG emissions to mitigate the group's environmental impact.
The adoption of ERM and the strengthening of the climate risk analysis, also considered within the company's strategy, demonstrate Dexelance's commitment to building a resilient business model, capable of facing future challenges and ensuring long-term sustainable growth.
Further details on Dexelance's sustainability and risk management strategy can be found in the section "Management Report in the Consolidated and Separate Financial Statements as at 31 December 2025 – Consolidated Sustainability Statement" of this document.

CAPITAL MANAGEMENT

For the purposes of managing the Group's capital, it has been established that this includes the share capital issued, the share premium reserve and all other reserves, including retained earnings (Group shareholders' equity).
The objectives of capital management are mainly linked to the achievement of a strong credit rating, in order to support operational activities, as well as growth for external lines and to maximise shareholder value.
The Group monitors capital by following the development of the debt ratio, which comes from a comparison between the value of the net financial position (financial debt) and consolidated equity. The Group includes loans and financing in net financial debt, including financial and operational lease payables, derivative contracts and payables for company acquisitions (earn-outs and put options), net of cash and cash equivalents and comparable current financial assets.

amounts are shown in €/1,000	**31/12/2024**	**31/12/2025**
Net financial position	97,647	130,063
Consolidated shareholders' equity	170,452	184,438
NFP/consolidated shareholders' equity ratio	0.57	0.71

The change in the ratio is linked both to the increase in net financial debt – mainly due to liabilities relating to put & call options and earn-out obligations arising or amended during the financial year, and to the change in equity, resulting primarily from the net loss for the period.
The Group's capital management aims, inter alia, to ensure that any covenants related to interest-bearing financing and loans, which lay down capital structure requirements, are respected. Any breaches in the covenants would allow banks to demand the immediate repayment of loans and financing. As at 31 December 2025, the covenants applicable to the loan provided by the Intesa Sanpaolo / BPM syndicate to the subsidiary Cubo Design S.r.l., the loan granted by BPER to the parent company Dexelance, the loan granted by the Unicredit / CDP syndicate to the parent company Dexelance, and the loan granted by BPM to the parent company Dexelance were respected. The parent company Dexelance (with regard to the loans contracted separately with Unicredit and CDP), Modar S.p.A. and Gamma Arredamenti International S.p.A. had instead failed to meet certain financial covenants on their existing loans, as their operating profit fell short of expectations. However, the companies had obtained a special waiver from the financial institutions by 31 December 2025. For more details, please see Note 17.

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ANALYSIS OF THE COMPOSITION OF THE MAIN BALANCE SHEET ITEMS AS AT 31 DECEMBER 2025

COMMENTS ON ASSET ITEMS

BUSINESS COMBINATIONS

Acquisition of Mollura & C. S.p.A.

On 24 September 2025, Dexelance acquired 65% of the share capital of Mollura & C. S.p.A. (Mohd), a brand of excellence operating globally with an innovative omnichannel model that includes an online platform and a large team of specialised designers.
The price set for the acquisition totals EUR 44,283 thousand.
At the same time as the acquisition, a put and call agreement was signed between Dexelance and the selling shareholders for the transfer of the remaining 35%. The agreement provides that:

- in 2026, Dexelance will have the right to purchase a further 10% of the share capital of Mollura & C. S.p.A. from the minority shareholders, who will be obliged to sell, for a consideration to be determined at the time of the acquisition;
- in 2030, following the approval of the financial statements for the year ended 31 December 2029:
  - the minority shareholders will have the right to sell (put option) to Dexelance which will have the obligation to purchase – their shares of the company for a consideration calculated on the basis of average EBITDA in the two-year period prior to the exercise of the option, to which a multiplication factor is applied and the net financial position at the end of the year prior to the exercise of the right is deducted from the result;
  - if the minority shareholders do not exercise the put option, Dexelance will have the right to purchase (call option) the remaining 25% of the share capital of Mollura & C. S.p.A. from the same, which will have the obligation to sell, for a consideration determined using the same calculation methods as for the put option.

On the basis of this combination of put and call options, the shareholding recognized by the Group in the consolidated financial statements is equal to 100% of the subsidiary Mollura. At the same time, the financial liability at fair value for the purchase of the 35% minority interest was recognised under other non-current financial liabilities, totalling EUR 25,832 thousand at the acquisition date.
The consolidated financial statements of Dexelance Group as at 31 December 2025 include revenue for goods and services of Mollura & C. S.p.A. for the period after the acquisition date of EUR 20,278 thousand.
If the acquisition of the company had taken place at the start of the 2025 period, revenue for goods and services would have come to EUR 72,823 thousand.

The table below breaks down the information on assets and liabilities, respectively acquired and assumed as at the acquisition date. The difference between the net proceeds of the acquisition and the total net assets acquired was allocated to brands, to customer relations and the order book, and, residually to goodwill:

(amounts in thousands of euros)	Carrying amounts at the acquisition date	Allocation	Overall amounts at fair value
ASSETS			
Intangible assets	474	48,077	48,552
Goodwill	-	-	-
Brands	-	33,065	33,065
Customer relations and order book	-	15,013	15,013
Other intangible assets	474	-	474
Right of use	3,870	-	3,870
Property, plant and equipment	4,567	-	4,567
Deferred tax assets	446	-	446
Other non-current assets	1,693	-	1,693
Inventories	22,254	-	22,254
Trade receivables	1,984	-	1,984
Income tax credits	11	-	11
Other current assets	90	-	90
Other current financial assets	8,004	-	8,004
Cash and cash equivalents	3,582	-	3,582
TOTAL ASSETS	**46,975**	**48,077**	**95,053**
LIABILITIES			
Post-employment benefits	936	-	936
Provisions for risks and charges	199	-	199
Financial debts	5,742	-	5,742
Deferred taxes	11	10,888	10,899
Trade payables	8,064	-	8,064
Income tax payables	1,191	-	1,191
Other current liabilities	13,509	-	13,509
TOTAL LIABILITIES	**29,652**	**10,888**	**40,539**
TOTAL NET ASSETS ACQUIRED (A)	-	-	54,513
CONSIDERATION FOR THE ACQUISITION (B)(*)	-	-	70,115
GOODWILL FROM BUSINESS COMBINATION (C = - A + B)	-	-	15,601
Cash and cash equivalents acquired (D)	-	-	3,582
Deferred put and call payments (E)	-	-	25,832
PAYMENTS MADE FOR THE ACQUISITION (B - (D + E)) (**)	**-**	**-**	**40,701**

(*) Calculated as the sum of the present value of the ownership interest and debts for put and call options.
(**) Calculated as the consideration for the acquisition net of cash and cash equivalents and debts for put and call options.

Goodwill (EUR 15,601 thousand) was determined as the difference between the fair value of the consideration and the fair value of the net assets acquired. To determine the fair value of the intangible assets acquired, the measurement techniques used by the independent consultant, who supported the Board of Directors in the purchase price allocation process, are the Royalty Method and the Multi-Period Excess Earning Method (MPEEM).
Please note that the business combination involving Mollura & C. S.p.A. has been finalised.

INTANGIBLE ASSETS

The composition of and changes to intangible assets as at 31 December 2024 and 31 December 2025 are as follows:

amounts are shown in €/1,000	Goodwill	Brands	Models	Customer relations and order book	Other intangible assets	Total
Initial gross value	134,919	57,461	16,839	63,241	8,409	280,868
Initial depreciation fund	-	-	(9,446)	(21,004)	(6,783)	(37,233)
Initial net value 01/01/2024	**134,919**	**57,461**	**7,303**	**42,236**	**1,626**	**243,635**
Transactions during the period	-	-	-	-	-	-
Acquisitions	-	3	6	-	887	895
Business Combinations	-	-	-	-	-	-
Divestments	-	-	-	-	-	-
Other changes	(108)	(3)	-	-	(22)	(134)
Depreciation for the period	-	-	(1,313)	(7,025)	(513)	(8,851)
Business combinations (fund)	-	-	-	-	-	-
Divestment fund disposals	-	-	-	-	-	-
Other fund changes	-	-	(1)	-	(62)	(62)
Total transactions during the period	**(108)**	**(0)**	**(1,308)**	**(7,025)**	**290**	**(8,151)**
Final gross value	134,811	57,461	16,844	63,241	9,274	281,630
Final depreciation fund	-	-	(10,759)	(28,029)	(7,358)	(46,146)
Final net value 31/12/2024	**134,811**	**57,461**	**6,085**	**35,211**	**1,916**	**235,484**

amounts are shown in €/1,000	Goodwill	Brands	Models	Customer relations and order book	Other intangible assets	Total
Initial gross value	134,811	57,461	16,844	63,241	9,274	281,630
Initial depreciation fund	-	-	(10,759)	(28,029)	(7,358)	(46,146)
Initial net value 01/01/2025	**134,811**	**57,461**	**6,085**	**35,211**	**1,916**	**235,484**
Transactions during the period	-	-	-	-	-	-
Acquisitions	-	-	7	-	742	749
Business combinations	15,601	33,065	-	15,013	2,571	66,250
Divestments	-	-	-	-	(40)	(40)
Other changes	(367)	(3)	-	-	(719)	(1,089)
Depreciation and amortisation for the period	(24,200)	-	(1,312)	(6,516)	(656)	(32,684)
Business combinations (fund)	-	-	-	-	(2,097)	(2,097)
Divestment fund disposals	-	-	-	-	9	9
Other fund changes	-	-	(0)	(0)	18	18
Total transactions during the period	**(8,966)**	**33,061**	**(1,304)**	**8,497**	**(172)**	**31,117**
Final gross value	150,045	90,522	16,852	78,254	11,828	347,500
Final depreciation and amortisation fund	(24,200)	-	(12,701)	(34,545)	(10,084)	(80,900)
Final net value 31/12/2025	**125,845**	**90,522**	**4,781**	**43,709**	**1,744**	**266,600**

Mohd
Villa A12,
Catania, Italy

Intangible assets as at 31 December 2025 amounted to EUR 266,600 thousand, compared to EUR 235,484 thousand in the previous year, with an increase of EUR 31,117 thousand due almost exclusively to the values attributed to intangible fixed assets during the business combination of Mollura & C. S.p.A, as described in Note 1, excluding the permanent impairment losses recorded during the period following the impairment test.
Brands and goodwill are considered assets with an indefinite useful life and thus are not amortised. Therefore, they are subject to impairment testing.
In particular, all brands in the Dexelance Group are considered to have an indefinite useful life based on the provisions of IAS 38, taking into account in particular their reputation, economic performance, the characteristics of the target market and the level of supporting marketing initiatives and investments. The business plan approved by the Group confirms these assumptions by management.
The models, customer relations and order book were considered to have a definite useful life, with an amortisation period of 5 to 14 years.

The directors examined the impairment tests on the values of the assets with an indefinite useful life recorded in the consolidated financial statements of the Dexelance Group as at 31 December 2025, and on the values of the investments recorded in the separate financial statements of the Parent Company of the same date.
For the purposes of the consolidated financial statement, the impairment test compares the values in use of the different CGUs with the respective values of net invested capital, including assets with an indefinite useful life and other net assets recorded in relation to business combinations.
The impairment test as at 31 December 2025 refers to the following Cash Generating Unit (CGU) specifications[24]: (i) Gervasoni; (ii) Meridiani; (iii) Cenacchi International; (iv) Davide Groppi; (v) Saba Italia; (vi) Modar; (vii) Flexalighting; (viii) Gamma Arredamenti International; (ix) Cubo Design; (x) Axo Light, (xi) Turri, (xii) Mollura and, finally, of Dexelance S.p.A. itself, taking into account the capital invested in the subsidiaries and the results of this company, in its role of strategic management, coordination and control of the Group.
The business plan used for the impairment test, from which the discounted cash flows were derived, will be approved upon approval of these financial statements. The documents underlying the impairment test include the consolidated statement of financial position as at 31 December 2025 and the economic and financial plan for the period 2026–2028, from which the explicit cash flows subject to discounting were produced.
The business plan and its strategy review have been prepared by management and

- their assumptions are consistent with actual past performance and Group performance in relation to historical trends in the relevant market;
- the objectives of the plan are aligned with current developments.

The estimate of the recoverable amount of the asset group under analysis was conducted in accordance with the notion of value in use. The value in use of an asset group is the present value of the future cash flows, both incoming and outgoing, that are expected to result from the continued use of the asset group. This is discounted at an appropriate discount rate that reflects current market estimates of the time value of money and the risks specific to the asset group in question.
To estimate the value in use, the Board of Directors used the explicit cash flows of the 2026-2028 business plans. It also considered an indefinite time horizon for the estimate of the terminal value of the individual CGU.
The method applied to estimate the value in use of assets is the discounted cash flow (DCF) method, which estimates the value of invested capital (enterprise value) as the present value of its future operating cash flows, discounted at a rate equal to the weighted average cost of capital (WACC).

[24] The cash generating unit (CGU) identified for the purposes of brand recoverability and goodwill corresponds to the company acquired (and its subsidiaries) as a whole.

The assumptions used for each CGU are described below, and the methods do not deviate from those used when preparing the annual financial statements as at 31 December 2024. In any case, these reflect the different results provided for in the new plan approved by the parent company's Board of Directors, as well as the update of variables used to determine the WACC and growth rate (g).
With the support in this regard of a special fairness opinion issued by an independent third-party expert, the Board of Directors did identify impairments for three of the Group's CGUs, the value of which was adjusted in light of the results of the impairment test.

The details for calculating the WACC used in each CGU subject to analysis are as follows:

	Gervasoni	Meridiani	Saba Italia	Gamma Arr.	Turri	Davide Groppi	Flexalighting	Axolight	Cenacchi Int.	Modar	Cubo Design	Mollura
Cost of gross debt	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%
Tax rate	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Cost of debt (Kd)	**3.74%**	**3.74%**	**3.74%**	**3.74%**	**3.74%**	**3.74%**	**3.74%**	**3.74%**	**3.74%**	**3.74%**	**3.74%**	**3.74%**
Risk-free rate	3.46%	3.71%	3.62%	4.55%	5.67%	4.10%	3.60%	3.94%	3.43%	3.59%	3.62%	3.11%
Equity market risk premium	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Unlevered beta	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	1.08
Target D/E	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.16
Tax rate	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Relevered beta	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.21
Additional risk premium	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%
Concentration risk									0.50%			
Cost of equity (Ke)	**12.41%**	**12.66%**	**12.57%**	**13.50%**	**14.62%**	**13.05%**	**12.55%**	**12.89%**	**12.88%**	**12.54%**	**12.57%**	**12.42%**
E/(E+D)	69.33%	69.33%	69.33%	69.33%	69.33%	69.33%	69.33%	69.33%	69.33%	69.33%	69.33%	86.52%
D/(E+D)	30.67%	30.67%	30.67%	30.67%	30.67%	30.67%	30.67%	30.67%	30.67%	30.67%	30.67%	13.48%
WACC	**9.75%**	**9.93%**	**9.86%**	**10.51%**	**11.28%**	**10.20%**	**9.85%**	**10.08%**	**10.08%**	**9.84%**	**9.86%**	**11.25%**

For the preparation of the impairment test for the consolidated financial statements for the year ended 31 December 2025, management identified a WACC for each of the CGUs, as shown in the table above.
The discount rate used to discount future cash flows expresses the post-tax weighted average cost of capital (WACC) and was determined using: free-risk rates at the CGU level determined as the weighted average rate of 10-year government bond yields with the revenues realised by each CGU in the countries in which it operates, Beta, the Equity Risk Premium and the cost of debt. For CGUs with revenues generated by more than 50% by a single client, such as Cenacchi, a concentration risk was also introduced to represent the concentration risk of clients. In light of this consideration, the risk-free rate in these cases was calculated by weighting the geographic spread of the customer's own revenues from which the concentration derives.

The Board of Directors, with the assistance of the external consultant, used a growth rate (g rate) of individual CGU consistent with the main countries in which each company operates.
Compared with the 2024 financial year, certain parameters used to calculate the WACC have been updated.

It should be noted that in carrying out the impairment test procedures as at 31 December 2025, aspects that may generate potential risks in both economic-financial and reputational terms were considered.
In preparing the 2026-2028 business plans used to estimate the value in use of the assets subject to impairment testing, Management considered multiple aspects related to sustainability and estimated the future expenses that the individual CGUs will be required to incur to address ESG (Environmental, Social and Corporate Governance) aspects. In particular, all actions aimed at generating an increase in electricity from renewable sources, such as the installation of photovoltaic panels and the purchase of guarantees of origin from certified suppliers, were considered, with an estimate of the related costs. In addition, the necessary expenses to obtain certifications (such as ISO 14001 or ISO 9001) and the increases in costs related to insurance policies (for example, those covering catastrophic risks) were considered. The Group has set itself the goal of adopting a system for monitoring and evaluating its main suppliers using ESG metrics. However, it is important to mention that currently the individual CGUs mainly refer to Italian suppliers subject to stringent regulations in the field of workplace safety.

Below is a summary of the results of the impairment test for the individual CGUs, also considering the effects of discounting negative cash flows of the parent holding company for its role of strategic management, coordination and control of the Group (corporate asset):

CGU	Enterprise Value	Net invested capital	Headroom
Gervasoni S.p.A.	53,694	31,243	22,451
Meridiani S.r.l.	23,704	21,658	2,046
Saba Italia S.r.l.	15,382	8,307	7,075
Gamma Arredamenti Int.	20,296	20,272	25
Turri	26,443	26,443	0
Davide Groppi S.r.l.	30,611	11,759	18,852
Flexalighting	35,593	13,764	21,829
Axolight	2,722	2,722	0
Cenacchi Int. S.r.l.	60,222	28,518	31,704
Modar S.p.A.	22,898	7,704	15,195
Cubo Design S.r.l.	95,723	66,933	28,790
Mollura & C. S.p.A.	60,294	59,430	864
CGU Subtotal	**447,584**	**298,753**	**148,831**
Holding Dexelance	-	7,456	(7,456)
Recoverable amount Parent Company (as corporate asset)	(37,649)	-	(37,649)
Consolidated subtotal	**409,935**	**306,209**	**103,726**
Equity investments in associated companies	-	8,292	-
Total	**-**	**314,501**	**-**

The enterprise value of the Holding Parent Company mainly includes the negative cash flows of Dexelance S.p.A.
The excess of the recoverable amount over the carrying amount is EUR 148,831 thousand (pre-holding costs). Taking into account the recoverable value of the corporate asset, the surplus amounts to EUR 103,726 thousand (EUR 196,050 thousand at 31 December 2024).

In particular, the Turri CGU reported negative results, which were also influenced by extraordinary and non-recurring events relating to certain contracts (such as contractual claims) that occurred in 2025. The directors still remain strongly convinced of the development and potential of the business in question, in view of the significant commercial opportunities that could present themselves, but which are not yet confirmed at the moment and therefore, prudentially, have not been fully considered in the updated flows underlying the impairment test.
With these premises, it is noted that the enterprise value, calculated through the impairment test for the Turri CGU, was EUR 26,443 thousand. Considering that the net invested capital before the write-down amounted to EUR 34,077 thousand, which includes a write-down made on 30 June 2025 of EUR 11,200 thousand, the directors recorded a partial write-down allocated to goodwill in the amount of EUR 7,600 thousand, and thus for a total of EUR 18,800 thousand for the period, maintaining a residual carrying amount of the goodwill post-write-down of EUR 10,482 thousand.
Since the impairment test has already shown an impairment loss, for the purposes of sensitivity analyses, please note that:

- the increase of one percentage point in the WACC rate would result in an additional goodwill impairment of EUR 2.4 million;
- the reduction of the g rate by one percentage point would result in an additional goodwill impairment of EUR 1.9 million;
- at constant WACC and g rates, a further 10% decrease in EBITDA would lead to an additional goodwill impairment of EUR 3.2 million.

The Gamma CGU saw a slight decline in turnover and margins during the year, due to the slowdown in its main target markets. This situation may persist for a limited period of time. For this reason, the enterprise value, calculated by performing an impairment test for the Gamma CGU, amounts to EUR 20,296 thousand. Considering that the net invested capital before the write-down amounted to EUR 23,872 thousand the directors recorded a partial write-down allocated to goodwill in the amount of EUR 3600 thousand maintaining a residual carrying amount of the goodwill post-write-down of EUR 5,593 thousand.
Since the impairment test has already shown an impairment loss, for the purposes of sensitivity analyses, please note that:

- the increase of one percentage point in the WACC rate would result in an additional goodwill impairment of EUR 2.2 million;
- the reduction of the g rate by one percentage point would result in an additional goodwill impairment of EUR 1.9 million;
- at constant WACC and g rates, a further 10% decrease in EBITDA would lead to an additional goodwill impairment of EUR 2.4 million.

During 2025, the Axo CGU was the subject of measures taken by management to restore profitability and expand into various markets, including a review of the current product portfolio.
For this reason, the enterprise value, calculated through the impairment test for the Axo CGU, was EUR 2,722 thousand. Considering that the net invested capital before the write-down amounted to EUR 4,544 thousand the directors recorded a partial write-down allocated to goodwill in the amount of EUR 1800 thousand, maintaining a residual carrying amount of the goodwill post-write-down of EUR 1,749 thousand.
Since the impairment test has already shown an impairment loss, for the purposes of sensitivity analyses, please note that:

- the increase of one percentage point in the WACC rate would result in an additional goodwill impairment of EUR 0.3 million;
- the reduction of the g rate by one percentage point would result in an additional goodwill impairment of EUR 0.3 million;
- at constant WACC and g rates, a further 10% decrease in EBITDA would lead to an additional goodwill impairment of EUR 0.4 million.

The following is a reconciliation of the booked net invested capital, highlighting the components of assets with an indefinite useful life:

CGU Holding	Initial value goodwill	Impairment loss	Net value goodwill	Net value brands	Total intangible assets with indefinite useful life	Net invested capital excluding intangible assets with indefinite useful life	Net invested capital after impairment loss
Gervasoni	10,012	-	10,012	13,149	23,162	8,081	31,243
Meridiani	8,203	-	8,203	4,598	12,801	8,857	21,658
Saba Italia	197	-	197	3,992	4,189	4,118	8,307
Gamma Arredamenti Int.	9,193	(3,600)	5,593	6,956	12,548	7,723	20,272
Turri	29,282	(18,800)	10,482	3,641	14,123	12,319	26,443
Davide Groppi	2,604	-	2,604	4,460	7,063	4,696	11,795
Flexalighting	9,975	-	9,975	-	9,975	3,789	13,764
Axo Light	3,549	(1,800)	1,749	-	1,749	973	2,722
Cenacchi Int.	22,312	-	22,312	-	22,312	6,205	28,518
Modar	8,633	-	8,633	-	8,633	(929)	7,704
Cubo Design	30,483	-	30,483	20,662	51,145	15,788	66,933
Mollura	15,601	-	15,601	33,065	48,666	10,764	59,430
CGU Subtotal	**150,045**	**(24,200)**	**125,845**	**90,522**	**216,367**	**82,386**	**298,753**
Holding Dexelance	-	-	-	-	-	7,456	7,456
Investments in associates	-	-	-	-	-	8,292	8,292
Total	**150,045**	**(24,200)**	**125,845**	**90,522**	**216,367**	**98,134**	**314,501**

The calculation of the value in use is particularly sensitive to the following assumptions: (i) EBITDA, (ii) discount rate, (iii) growth rate (g rate) used to extrapolate cash flows beyond the forecast period.
The sensitivity analyses carried out by the company as at 31 December 2025 confirm that, even if the parameters of the WACC and the reference growth rate were to change by 1%, there would be a positive excess of the recoverable amount for the CGUs that are not directly affected by the impairment tests.
A further sensitivity analysis was also introduced on the results obtained by identifying the level of WACC and EBITDA that determine the break-even (understood as the equality between Value in Use and Carrying Amount).
This analysis, as regards the Turri CGU, already includes the impairment loss of EUR 11.2 million disclosed in the half-yearly financial report as at 30 June 2025.

CGU	% change in expected EBITDA based on individual business plans that would make the recoverable amount of the CGU equal to its book value	% increase in discount rates (WACC) compared to those used in preparing the impairment test that would make the recoverable amount of the CGU equal to its carrying amount
Gervasoni	-34.9%	5.42%
Meridiani	-3.7%	0.44%
Saba Italia	-30.6%	5.96%
Gamma Arredamenti Int.	15.1%	-1.23%
Turri	23.9%	-2.18%
Davide Groppi	-49.7%	12.43%
Flexalighting	-53.6%	10.83%
Axo Light	39.5%	-3.04%
Cenacchi Int.	-36.9%	5.18%
Modar	-47.9%	9.80%
Cubo Design	-25.0%	3.39%
Mollura	-3.9%	0.41%

In particular, it should be noted that the sensitivity analyses carried out highlight potential impairment loss situations with reference to the Meridiani and Mollura CGUs, in addition to those already presenting an impairment loss, in a scenario of a significant joint deterioration of the parameters considered.
However, these results for Mollura are partly justified by the timing of the Company's acquisition; in fact, having been acquired in 2025, it is reasonable to assume that the headroom is not particularly substantial, whereas for Meridiani, management foresees actions to strengthen its profitability. In any case, the Management constantly monitors the company's performance on the basis of the sensitivity results of the impairment test.

RIGHT OF USE

The composition of and changes to rights of use as at 31 December 2024 and 31 December 2025 are as follows:

amounts are shown in €/1000	Rights of use land and buildings	Rights of use equipment and machinery	Rights of use other assets	Rights of use Other intangible assets	Total
Initial gross value	44,988	1,208	434	-	46,630
Initial depreciation fund	(13,160)	(442)	(118)	-	(13,720)
Initial net value 01/01/2024	**31,829**	**766**	**316**	**-**	**32,910**
Transactions during the period	-	-	-	-	-
Business combinations	-	-	-	-	-
Entry of rights of use	5,671	-	2,084	36	7,791
Divestments	(803)	-	(97)		(899)
Other changes	1,399	(12)	2	(0)	1,388
Depreciation for the period	(6,381)	(325)	(612)	(7)	(7,326)
Business combinations (fund)	-	-	-	-	-
Divestment fund disposals	767	-	16	-	784
Other fund changes	(47)	(4)	(170)	0	(221)
Total transactions during the period	**605**	**(341)**	**1,223**	**29**	**1,517**
Final gross value	51,255	1,196	2,424	36	54,911
Final depreciation fund	(18,821)	(771)	(885)	(7)	(20,484)
Final net value 31/12/2024	**42,434**	**425**	**1,539**	**29**	**34,427**

amounts are shown in €/1000	Rights of use land and buildings	Rights of use equipment and machinery	Rights of use equipment	Rights of use other assets	Rights of use Other intangible assets	Total
Initial gross value	51,255	1,196	-	2,424	36	54,911
Initial depreciation fund	(18,821)	(771)	-	(885)	(7)	(20,484)
Initial net value 01/01/2025	**32,434**	**425**	**-**	**1,539**	**29**	**34,427**
Transactions during the period	-	-	-	-	-	-
Business combinations	3,824	-	17	-	-	-
Entry of rights of use	5,516	-	89	29	-	3,870
Divestments	(3,330)	(144)	-	1,089	-	6,693
Other changes	(645)	12	-	(612)	-	(4,087)
Depreciation for the period	(6,909)	(266)	(16)	(14)	(3)	(649)
Business combinations (fund)	-	-	-	(763)	(11)	(7,665)
Divestment fund disposals	1,950	144	-	424	-	2,519
Other fund changes	218	5	(2)	(13)	(1)	209
Total transactions during the period	**924**	**(248)**	**88**	**141**	**(13)**	**892**
Final gross value	56,620	1,063	106	2,917	34	60,739
Final depreciation fund	(23,262)	(886)	(18)	(1,237)	(18)	(25,420)
Final net value 31/12/2025	**33,358**	**177**	**88**	**1,680**	**16**	**35,319**

Leased assets are recorded on the basis of the value of the right of use in application of IFRS 16.
Depreciation was determined on the basis of an estimate of the duration of each contract, taking into account the renewal clauses that the Group could exercise without the need to obtain consent from the counterparty. These contracts essentially concern real estate used as offices, industrial sheds, commercial showrooms and vehicles. The change during the year in rights of use recorded in the financial statements mainly refers to new real estate leasing contracts and medium- to long-term rental contracts for motor vehicles and motor vehicles.
At the reference date, there are no contracts with guarantees for the residual value or undertakings for contracts that have yet to commence. No sale or leaseback transactions were carried out during the financial year.

The amounts recorded in the income statement for the two periods are as follows:

amounts are shown in €/1000	2024	2025
Depreciation on assets for rights of use	7,326	7,665
Interest expense for leases	1,594	1,738
Rental costs – short-term leases and/or moderate unit value	1,165	1,218
Total costs recorded in the income statement	**10,085**	**10,662**

The change during the period in rights of use recorded in the financial statements mainly refers to new real estate leasing contracts and medium- to long-term rental contracts for motor vehicles and vehicles.
There was an early termination of a lease agreement for a building that was purchased by the company Cenacchi International. The related impact is reported as a historical cost and the related provision under the items "disposals" and "divestments".
The item “other changes” mainly includes the effects of adjusting foreign currency contracts to the exchange rate of the reporting period.

PROPERTY, PLANT AND EQUIPMENT

The following statements summarise the changes in property, plant and equipment during financial years 2024 and 2025:

amounts are shown in €/1000	Land and buildings	Plants and machinery	Equipment	Other	Total
Initial gross value	12,742	37,001	5,198	19,081	74,123
Initial depreciation fund	(3,065)	(25,867)	(4,063)	(12,496)	(45,491)
Initial net value 01/01/2024	**9,677**	**11,134**	**1,135**	**6,685**	**28,631**
Transactions during the period					
Acquisitions	289	2,417	345	3,978	7,029
Business combinations	-	-	-	-	-
Divestments, historical cost	(1,238)	(194)	(18)	(445)	(1,895)
Other changes	113	155	4	(83)	189
Depreciation for the period	(390)	(3,770)	(393)	(1,811)	(6,364)
Business combinations (fund)	-	-	-	-	-
Divestment fund disposals	123	160	18	370	670
Other fund changes	(9)	(111)	(4)	87	(37)
Total transactions during the period	**(1,113)**	**(1,342)**	**(48)**	**2,095**	**(408)**
Final gross value	11,906	39,379	5,529	22,631	79,446
Final depreciation fund	(3,341)	(29,588)	(4,442)	(13,851)	(51,222)
Final net value 31/12/2024	**8,565**	**9,791**	**1,087**	**8,781**	**28,223**

amounts are shown in €/1000	Land and buildings	Plants and machinery	Equipment	Other	Total
Initial gross value	11,906	39,379	5,529	22,631	79,446
Initial depreciation fund	(3,341)	(29,588)	(4,442)	(13,851)	(51,222)
Initial net value 01/01/2025	**8,565**	**9,791**	**1,087**	**8,781**	**28,223**
Transactions during the period					
Acquisitions	2,448	2,476	378	6,104	11,406
Business combinations	3,853	797	365	2,143	6,888
Divestments, historical cost	-	(319)	(5)	(345)	(669)
Other changes	377	270	(9)	(849)	(211)
Depreciation for the period	(452)	(3,464)	(460)	(2,017)	(6,393)
Business combinations (fund)	(206)	(380)	(180)	(1,554)	(2,321)
Divestment fund disposals	-	243	1	308	551
Other fund changes	11	(0)	9	153	172
Total transactions during the period	**5,760**	**(378)**	**(98)**	**3,943**	**9,422**
Final gross value	18,315	42,602	6,258	29,684	96,859
Final depreciation fund	(3,990)	(33,190)	(5,073)	(16,961)	(59,213)
Final net value 31/12/2025	**14,325**	**9,413**	**1,184**	**12,723**	**37,646**

The most significant changes in the 2025 financial year relate to the items “Land and Buildings” and “Other”, specifically the purchase of a building by Cenacchi International (following the early termination of the relevant lease agreement) and by Modar, as well as improvements made during the year. Please note that, with respect to what is set forth in the ‘Sustainability Report’ of this document regarding the actions taken by the Group to maintain energy efficiency, EUR 728 thousand were capitalised during the year relating to the installation of photovoltaic systems at some of the Group’s plants.

EQUITY INVESTMENTS

Investments amount to EUR 8,298 thousand, representing an increase of EUR 8,292 thousand compared with the previous financial year, due to the acquisition of a 25% stake in the share capital of Roda S.r.l., for a total of EUR 8,500 thousand, the value of which was adjusted during the period following the application of the equity method in the valuation of the investment, taking into account the effects of the allocation of the premium paid (the exercise of the Purchase Price Allocation), amounting to EUR-208 thousand.

Amounts are shown in €/1000	Equity investments in associated companies	Other equity investments	Total
Initial value 01/01/2025	**-**	**6**	**6**
Transactions during the period	-	-	-
Acquisitions	8,500	-	8,500
Divestments	-	-	-
Other changes	-	-	-
Business combinations	-	-	-
Roda Group's proportionate share of the result	(192)	-	-
Depreciation effect and allocation of capital gains	(16)	-	(208)
Total transactions during the period	**8,292**	**-**	**8,292**
Final value 31/12/2025	**8,292**	**6**	**8,298**

OTHER NON-CURRENT ASSETS

The accounting item of EUR 5,807 thousand includes the receivables from insurance companies for payments of the provision for severance indemnities of directors amounting to EUR 2,120 thousand (balanced by the same amount in the funds as the directors themselves are entitled to), security deposits of EUR 1,639 thousand, financial assets measured at fair value relating to derivative contracts amounting to EUR 74 thousand, non-current financial receivables of EUR 1,655 thousand and other receivables amounting to EUR 318 thousand.

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Security deposits	1,499	139	1	1,639
Receivables from insurance companies	2,020	1,554	102	3,675
Derivative contracts	150	-	(76)	74
Restricted cash and cash equivalents	-	-	-	-
Non-current financial receivables	636	-	(536)	100
Other receivables	275	-	44	318
Total	**4,580**	**1,693**	**(466)**	**5,807**

INVENTORIES

Inventories as at 31 December 2025 was as follows:

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Raw materials	14,191	-	33	14,224
Semi-finished products	5,661	-	934	6,594
Finished products	12,279	21,810	3,057	37,146
Advance payments	4,965	443	(3,539)	1,869
Total	**37,096**	**22,254**	**485**	**59,834**

As can be seen from the table above, the overall increase refers mainly to the business combination of Mollura, which was partially offset by the reduction in advances.
The amount of inventories includes a provision for write-downs of EUR 6,326 thousand for finished products and raw materials with low turnover or obsolescence.

The changes in the inventory write-down provision are as follows:

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Increase	Uses	Balance at 31/12/2025
Raw materials	1,864	-	161	(134)	1,891
Semi-finished products	1,469	-	221	-	1,690
Finished products	1,610	1,099	125	(89)	2,745
Total	**4,943**	**1,099**	**507**	**(223)**	**6,326**

Changes in the provision are closely linked to the evolution of obsolete or slow-moving stock turnover ratios.

CONTRACT ASSETS

amounts are shown in in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Contract assets	8,433	-	1,167	9,600
Total	**8,433**	**-**	**1,167**	**9,600**

As can be seen from the table above, the overall increase relates mainly to the progress of business performance-related orders and the delivery timing of those orders.
Assets resulting from contracts assessed on the basis of the state of progress of the works totalled EUR 8,838 thousand, while those for which revenue are recognised at the time of final delivery of the goods or completion of the services provided (at a point of time) totalled EUR 862 thousand.
Below is a breakdown of the value of the gross contract work in progress and the advances received so far to reduce the same:

amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Contract work in progress	10,506	-	3,289	13,795
Advances for work in progress	(2,073)	-	(2,122)	(4,195)
Contract assets	**8,433**	**-**	**1,167**	**9,600**

TRADE RECEIVABLES

The composition of and changes to trade receivables are as follows:

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Trade receivables from third parties	41,632	1,984	(9,446)	34,170
Total	**41,632**	**1,984**	**(9,446)**	**34,170**

Trade receivables totalling EUR 34,170 thousand refer to receivables arising from the company's characteristic activities and are recorded net of a total write-down of EUR 2,433 thousand. This reduction is linked to normal business operations and the client mix.

Changes in the provision for doubtful accounts are as follows:

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Increases	Uses	Balance at 31/12/2025
Bad debt provision	1,389	746	353	(56)	2,433

In addition, the ageing of trade receivables, net of writedowns made, is attached in order to show the delay period, in particular for positions that are past due in receipts.

Customer ageing		past due							total
	due	total past due	1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	more	
2024	26,154	15,477	4,350	2,808	1,050	676	5,958	636	41,632
2025	22,401	11,769	3,327	1,974	1,003	332	408	4,724	34,170

A past-due date of more than 150 days as at 31 December 2025 refers to specific positions monitored by the Management, the specific risk of which is currently deemed to be contained.

INCOME TAX CREDITS

The composition of and changes to the item are as follows:

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Income tax credits	1,440	11	2,259	3,710

The item in the financial statements consists mainly of tax credits in the amount of EUR 2,300 thousand and IRAP regional productivity tax credits in the amount of EUR 486 thousand. In particular, it should be noted that on 4 October 2018 the Company entered into a consolidated national tax agreement, pursuant to Articles 117 et seq. of Italian Presidential Decree No. 917 of 22 December 1986 (the "TUIR" or Consolidated Income Tax Act"); as of 2020, Davide Groppi, Saba Italia and Modar have also taken part, along with Flexalighting, as of 2023, Gamma Arredamenti International and, as of 2024, Cubo Design and Turri, and as of 2025 Axo Light.

OTHER CURRENT ASSETS

amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Other current assets	7,385	90	1,788	9,263

This item amounted to EUR 9,263 thousand and consists of VAT receivables amounting to EUR 4,500 thousand to the Treasury, miscellaneous receivables amounting to EUR 3,031 thousand from payments made during the year but for subsequent payments and advances to service providers amounting to EUR 1,251 thousand.

OTHER CURRENT FINANCIAL ASSETS

Other current financial assets amount to EUR 21,361 thousand and relate mainly to the Parent Company and to Mollura.
To temporarily invest the surplus liquidity, Dexelance has subscribed time deposits with maturities of one month for a total of EUR 13,000 thousand. Deposits may be closed early, with minimum notice, but with a penalty on returns granted to the Company.
This item includes investments by Mollura amounting to EUR 7,791 thousand in securities characterised by a high level of liquidity. The Group regards these instruments as readily liquidable cash assets, as the underlying contracts and the nature of the relevant markets allow them to be liquidated at short notice and without incurring significant penalties or restrictions for an early exit. Specifically, these consist of mutual funds amounting to EUR 6,446 thousand, bonds amounting to EUR 1,000 thousand and other securities totalling EUR 346 thousand.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to EUR 48,499 thousand and consist of bank deposits and cash not subject to any constraints. The financial performance of the Group's liquidity is displayed analytically in the cash flow statement, to which reference should be made.

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Cash and cash equivalents	33,681	3,582	11,236	48,499

SHAREHOLDERS' EQUITY

Please see the statement of changes in shareholders' equity for a description of the change in shareholders' equity at 31 December 2025.

The share capital is fully paid up and subscribed at EUR 26,926 thousand as at 31 December 2025, divided into 26,926,298 ordinary shares with no par value.
In other net equity components, the translation difference reserve shows a total increase of EUR 470 thousand over the period, while the negative cash flow hedge reserve of EUR 375 thousand is recorded as an offset to the recognition of the mark-to-market, net of the fiscal effect, of the contracts entered into to hedge risks from interest rate changes on outstanding loans.
In addition, in relation to the guidance provided by IAS 19, the actuarial (losses)/gains on severance pay are also included under other equity components. Net of the related tax effect, the amount stood at a positive figure of EUR 469 thousand.
It should be noted that, in respect of the tax realignment operations carried out in the year ended 31 December 2020 pursuant to Italian Decree-Law No. 104 of 2020 (the "August Decree"), as amended, the item "Retained earnings" includes reserves subject to deferred tax restrictions of EUR 19,674 thousand. In particular, the Group companies Gervasoni S.p.A., Meridiani S.r.l., Cenacchi International S.r.l., Davide Groppi S.r.l., Saba Italia S.r.l. and Modar S.p.A. have realigned the fiscal values of the brands and models, as long as they were already included in the 2019 financial statements, to the statutory values, following the payment of a substitute tax of 3%. The tax realignment took place for an amount of EUR 20,154 thousand, while at the same time the related deferred tax fund of EUR 5,622 thousand was released and a substitute tax of EUR 605 thousand was allocated. The deferred tax provision pursuant to Article 110 of Italian Decree-Law No. 104/2020 of EUR 19,674 thousand arises from the tax values subject to realignment, after the deduction of the substitute tax due.
As at 31 December 2025, there were 512,471 own shares held, equal to 1.903% of the share capital, for a total amount of EUR 4,053 thousand.
Equity reserves also include, as described above, the reserve related to the application of IFRS 2 on the basis of the regulation of the Performance Shares plan subscribed during the year, in the amount of EUR 447 thousand.
"Minority interests" as at 31 December 2025, amounting to EUR 35,154 thousand, regard the minority interests in Cubo Design following the termination of the put & call agreements with Bluna Holding on 11 December 2025, as described in the introduction. This transaction resulted, amongst other things, in the write-off of the option liability of EUR 30,926 thousand at year-end, which had been recognised under financial liabilities.
Minority interests have been calculated as the sum of minority interests at the date of first consolidation at full goodwill and 40% of the cumulative net profit or loss for the years up to the date on which the option is cancelled (i.e., until 31 December 2025). The overall impact on the Group's equity amounts to EUR 4,228 thousand. The transaction carried out at the end of the financial year had no impact on the accounting treatment of minority interests in 2025.
In light of this transaction, the Group did not recognise any change in the carrying amount of the goodwill allocated at the time of the initial business combination. This transaction did not give rise to any impacts requiring recognition in the income statement of the Group's consolidated financial statements.

COMMENTS ON LIABILITY ITEMS

NON-CURRENT LIABILITIES

POST-EMPLOYMENT BENEFITS

This item, which amounted to EUR 8,522 thousand as at 31 December 2025, reflects the non-current share of severance payments due to employees.
Overall, the present value of the obligation, determined in accordance with the measurement methodology required by IAS 19 for defined benefit plans, changed as follows:

Amounts are shown in €/1000	Post-employment benefits 2024	Post-employment benefits 2025
Initial fund	7,027	7,363
Accrual period	846	987
Interests	207	241
Actuarial (gains)/losses	90	(411)
Other changes	(177)	(39)
Business combinations	-	936
Paid	(629)	(554)
Total	**7,363**	**8,522**

As already pointed out in the section on the accounting principles applied, following the provisions on severance pay introduced by the 2007 Finance Act and its implementing decrees and respecting the choices made by its employees regarding the use of their severance pay accrued from 1 January 2007, the Group shall pay this periodically to the funds indicated, remaining obliged to employees solely for the part of the allowance already accrued as at 31 December 2006. The obligation relating to severance pay accrued subsequently, however, lies with the pension funds to which the accrued shares are paid during the year.
The actuarial valuation of severance pay is performed according to the "accrued benefit" method using the projected unit credit (PUC) criterion, as set out in paragraphs 67–69 of IAS 19. The actuarial reference model for the assessment of severance pay is based on a number of assumptions, both demographic and economic. For some of the assumptions used, reference best practices were taken into account where possible.
The technical and economic bases used are as follows.

Assumptions	31/12/2024	31/12/2025
Annual discount rate	3.38%	3.96%
Annual inflation rate	2.00%	2.00%
Annual rate of severance pay increase	3.00%	3.00%
Annual rate of salary increase	1.00%	1.00%

The annual frequencies of advances and turnover of the individual Italian companies in the Group are deduced based on historical experience

PROVISIONS FOR FUTURE RISKS AND CHARGES

The provisions for future risks and charges are detailed in the table below, which also shows the changes in the funds in 2025:

amounts are shown in €/1,000	Balance at 31/12/2024	Buiness combinations	Accrual period	Uses	Other changes	Balance at 31/2025
Provision for severance payments	2,153	109	153	(10)	-	2,404
Provision for supplementary customer allowances	2,004	-	293	(241)	36	2,092
Litigation risk fund	161	-	18	(102)	-	77
Litigation risk fund	212	-	-	-	-	212
Other	270	-	393	(242)	8	520
Total	**4,801**	**199**	**857**	**(595)**	**44**	**5,305**

The provision for severance payments reflects the revalued payments to be made by the Group on 31 December 2025; the accounts are balanced with the asset item "Other non-current assets", representing the receivables from the insurance company.
The provision for supplementary customer allowances reflects the appreciation of the risk associated with the potential termination of the term given to agents in the cases provided for by law, and has been set aside on the basis of the provisions of the collective economic agreement and civil law provisions.

BANK DEBTS

The composition and changes in payables due to banks is reported below, broken down by short-term and long-term:

amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Loans taken out	Capital repayments / Interest payments	Interest payable accrued	Balance at 31/12/2025
UniCredit 10.375 ML	635	-	-	(655)	19	-
Simest 0.48 ML	359	-	-	(122)	3	239
BPER DL 0.5 ML	210	-	-	(127)	2	85
Intesa DL 1.75 ML	699	-	-	(459)	18	258
Intesa DL 1.25 ML	499	-	-	(328)	12	183
Simest 0.48 ML	362	-	-	(120)	1	243
UniCredit 3.6 ML	747	-	-	(765)	18	-
Intesa DL 1.9 ML	719	-	-	(498)	19	241
Intesa DL 1.1 ML	416	-	-	(288)	11	139
Banco Desio DL 0.75 ML	347	-	-	(192)	3	159
Simest 0.48 ML	359	-	-	(122)	2	240
Mediocredito 2 ML	569	-	-	(219)	17	368
UniCredit A 5 ML	493	-	-	(344)	14	163
Credem DL 1 ML	169	-	-	(169)	0	-
Simest 0.48 ML	359	-	-	(120)	1	239
UniCredit B 2 ML	2,025	-	-	(2,112)	86	-
Simest 0.48 ML	359	-	-	(122)	3	239
Simest 0.4 ML	80	-	-	(80)	0	-
Intesa 0.6 ML	512	-	-	(115)	15	412
UniCredit A 11.03 ML	8,188	-	-	(2,271)	464	6,380
UniCredit 12 ML	8,043	-	-	(4,281)	246	4,008
UniCredit 2.8 ML	712	-	-	(731)	19	-
Simest 0.48 ML	359	-	-	(122)	3	239
Simest 0.056 ML	16	-	-	(16)	0	-
Simest 0.09 ML	87	-	90	(41)	1	138
Intesa / BPM A 13 ML	10,601	-	-	(2,727)	628	8,503
Intesa / BPM B 6 ML	5,858	-	-	(6,071)	212	-
Simest 0.48 ML	360	-	-	(122)	2	240
Intesa 1.15 ML	860	-	-	(162)	38	736
Intesa 1.55 ML	1,049	-	-	(260)	43	832
BPM 2 ML	613	-	-	(413)	6	206
Simest 0.36 ML	280	-	-	(46)	3	238
Banca Pop. di Sondrio 0.8 ML	560	-	-	(186)	26	400
Cassa Depositi e Prestiti 10.8 ML	9,936	-	-	(2,464)	478	7,950
BPER 16 million	-	-	12,707	(382)	236	12,561
Credem 0.5 ML	-	-	500	(5)	7	502
BCC Carate and Treviglio 0.45 million	-	-	450	(41)	5	414
BCC Banca di Udine 1.9 million	-	-	1,900	(2)	26	1,924
Banca360 2 million	-	-	2,000	(2)	22	2,020
BPM 1.5 ML	-	-	1,500	(81)	31	1,450
Intesa 1.5 ML	-	-	1,500	(18)	16	1,499
Forvalue 0.05 ML	-	-	49	(6)	-	42
BPM 2 ML	-	-	2,000	(353)	20	1,666
UniCredit/ CDP 46 ML	-	-	46,000	(934)	536	45,602
UniCredit 1 ML	-	254	-	(51)	1	204
Simest 0.18 ML	-	33	-	-	-	33
UniCredit 1 ML	-	594	-	(52)	3	545
BPM 1.5 ML	-	998	-	(76)	8	931
Intesa 2 ML	-	-	2,000	(10)	7	1,997
Intesa 2 ML	-	-	2,000	(10)	7	1,997
BPM 6.5 ML	-	-	6,500	(201)	11	6,310
Derivative contracts	684	-	-	-	(230)	454
Short-term advances	4,989	-	9,540	(5,322)	142	9,349
Total	**63,115**	**1,880**	**88,736**	**(34,413)**	**3,261**	**122,578**

i valori sono espressi in €/1000	Balance at 31/12/2024	within 1 year	from 1 to 5 years	beyond 5 years	Balance at 31/12/2025	within 1 year	from 1 to 5 years	beyond 5 years
UniCredit 10.375 ML	635	635	-	-	-	-	-	-
Simest 0.48 ML	359	111	247	-	239	114	125	-
BPER DL 0.5 ML	210	126	85	-	85	85	-	-
Intesa DL 1.75 ML	699	441	257	-	258	258	-	-
Intesa DL 1.25 ML	499	315	185	-	183	183	-	-
Simest 0.48 ML	362	123	239	-	243	123	120	-
UniCredit 3.6 ML	747	747	-	-	-	-	-	-
Intesa DL 1.9 ML	719	478	241	-	241	241	-	-
Intesa DL 1.1 ML	416	277	139	-	139	139	-	-
Banco Desio DL 0.75 ML	347	189	159	-	159	159	-	-
Simest 0.48 ML	359	109	250	-	240	113	127	-
Mediocredito 2 ML	569	201	368	-	368	201	167	-
UniCredit A 5 ML	493	330	163	-	163	163	-	-
Credem DL 1 ML	169	169	-	-	-	-	-	-
Simest 0.48 ML	359	111	248	-	239	114	125	-
UniCredit B 2 ML	2,025	2,025	-	-	-	-	-	-

Simest 0.48 ML	359	111	247	-	239	114	125	-
Simest 0.4 ML	80	80	-	-	-	-	-	-
Intesa 0.6 ML	512	100	403	8	412	101	311	
UniCredit A 11.03 ML	8,188	1,808	6,380	-	6,380	1,815	4,566	-
UniCredit 12 ML	8,043	4,032	4,011	-	4,008	4,008	-	-
UniCredit 2.8 ML	712	712	-	-	-	-	-	-
Simest 0.48 ML	359	119	239	-	239	120	120	-
Simest 0.056 ML	16	16	-	-	-	-	-	-
Simest 0.09 ML	87	24	63	-	138	55	83	-
Intesa / BPM A 13 ML	10,601	2,090	8,511	-	8,503	2,101	6,402	-
Intesa / BPM B 6 ML	5,858	-	5,858	-	-	-	-	-
Simest 0.48 ML	360	120	240	-	240	120	120	-
Intesa 1.15 ML	860	124	520	216	736	126	529	80
Intesa 1.55 ML	1,049	219	830	-	832	225	608	-
BPM 2 ML	613	407	206	-	206	206	-	-
Simest 0.36 ML	280	123	157	-	238	126	112	-
Banca Pop. di Sondrio 0.8 ML	560	160	400	-	400	160	240	-
Cassa Depositi e Prestiti 10.8 million	9,936	1,981	7,954	-	7,950	1,987	5,963	-
BPER 16 million	-	-	-	-	12,561	1,363	11,198	-
Credem 0.5 million	-	-	-	-	502	78	424	-
BCC Carate e Treviglio 0.45 million	-	-	-	-	414	86	328	-
BCC Banca di Udine 1.9 million	-	-	-	-	1,924	-	1,924	-
Banca360 2 million	-	-	-	-	2,020	-	2,020	-
BPM 1.5 million	-	-	-	-	1,450	282	1,169	-
Intesa 1.5 million	-	-	-	-	1,499	746	752	-
Forvalue 0.05 ML	-	-	-	-	42	24	18	-
BPM 2 ML	-		-	-	1,666	1,327	340	-
UniCredit/ CDP 46 million	-	-	-	-	45,602	4,845	40,757	-
UniCredit 1 ML	-	-	-	-	204	204	-	-
Simest 0.18 ML	-	-	-	-	33	33	-	-
UniCredit 1 ML	-	-	-	-	545	201	343	-
BPM 1.5 ML	-	-	-	-	931	272	659	-
Intesa 2 ML	-	-	-	-	1,997	639	1,358	-
Intesa 2 ML	-	-	-	-	1,997	639	1,358	-
BPM 6.5 ML	-	-	-	-	6,310	-	4,550	1,760
Derivative contracts	684	-	684	-	454	-	454	-
Short-term advances	4,989	4,989	-	-	9,349	9,349	-	-
Total	**63,115**	**23,604**	**39,286**	**225**	**122,578**	**33,244**	**87,494**	**1,840**

The increase in the net debt of EUR 59,464 thousand is mainly due to the acquisition of Mollura, the shareholding in Roda, and the exercise of the put and call option in Flexalighting, for which the Group obtained specific long-term loans for a nominal amount of EUR 65,207 thousand.
Loans by category are shown in the table below:

amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Loans taken out	Capital repayments / Interest payments	Interest payable accrued	Balance at 31/12/2025
Bank loans:						
Loans for acquisitions	45,779	-	65,207	(22,440)	2,931	91,478
Loans pursuant to the Liquidity Decree	3,060	-	-	(2,061)	65	1,064
Other loans to banks	13,592	1,880	23,529	(9,912)	494	29,582
Financial derivative liabilities	684	-	-	-	(230)	454
Total	**63,115**	**1,880**	**88,736**	**(34,413)**	**3,261**	**122,578**

Acquisition financing includes contractual clauses that provide for compliance with certain economic and financial parameters (covenants) based on the results of the financial statements of the beneficiary subsidiary as at 31 December of each year.

Loan	Parameter	Outstanding bank debt as at 31/12/2025	Limit
UniCredit 5.0 ML 30.06.26	NFP/EBITDA	163	< 2.0
UniCredit 5.0 ML 30.06.26	NFP Equity	163	< 1.2
UniCredit 15.03 ML 30.06.29	NFP/EBITDA	6,380	< 2.5
UniCredit 15.03 ML 30.06.29	NFP/Equity	6,380	< 1.2
UniCredit 12 ML 31.12.26	NFP/EBITDA (*)	4,008	< 3.0
UniCredit 12 ML 31.12.26	NFP/Equity (*)	4,008	< 1.5
Intesa/BPM 19 million 31.01.30	NFP/EBITDA	8,503	< 2.4
Intesa/BPM 19 ML 31.01.30	NFP/Equity	8,503	< 1.0
CDP 10.8 ML 28.09.29	NFP/EBITDA (*)	7,950	< 3.0
CDP 10.8 ML 28.09.29	NFP/Equity (*)	7,950	< 1.5
BPER 16 million 31.12.30	NFP/EBITDA (*)	12,561	< 3.5
BPER 16 million 31.12.30	NFP/Equity (*)	12,561	< 1.5
Unicredit/CDP 46 million 19/09/30	NFP/EBITDA (*)	45,602	< 3.0
Unicredit/CDP 46 million 19/09/30	NFP/Equity (*)	45,602	< 1.5
Intesa/BPM 6.5 million 30.06.32	NFP/EBITDA (*)	6,310	< 4.0
Intesa/BPM 6.5 million 30.06.32	NFP/Equity (*)	6,310	< 1.5

(*) Referring to the Dexelance Group Consolidated Financial Statements

Reference values are contractually defined. In the event of a failure to respect these economic and financial parameters, the banking institutions could exercise their right to request early repayment of the remaining part of the loans issued.
With reference to the financial statements as at 31 December 2025, all covenants provided for on outstanding loans have been complied, with the exception of those referred to on the UniCredit loan granted for the acquisition of Gamma Arredamenti International S.p.A.
In the final quarter of 2025, the Company had become concerned about its ability to meet the covenants attached to its existing loans. In November 2025, the Company therefore entered into discussions with its lenders with a view to obtaining waivers on the financial covenants. In particular, a potential risk of non-compliance with the contractually stipulated leverage ratio (NFP to EBITDA ratio) had been identified.
In December, by 31 December 2025, in accordance with IAS 1 (revised), the Company obtained specific amendment agreements and waivers from its lending banks.
In particular, the Company secured specific amendment agreements to the four loan agreements entered into by Dexelance S.p.A. with Unicredit, Cassa Depositi e Prestiti, BPER and the Unicredit/Cassa Depositi e Prestiti syndicate for the 2025 financial year only (and, therefore, also as at the calculation date of 31 December 2025), even though the financial covenants were ultimately being met even without the granting of the waivers, as well as to the Unicredit loans entered into for the acquisition of Modar S.p.A. and Gamma Arredamenti International S.p.A.
At the reporting date, there are no facts or circumstances that indicate a risk of non-respect of the covenants in the coming years, taking the future plans of the Group and its subsidiaries into account.

The table below shows the main characteristics of the loans:

n.	amounts are shown in €/1,000	Initial amount	Remaining amount	Start date	End date	Conditions
	Medium-/long-term (ML) loans					
1	**Unicredit 10,375 ML**	10,375	-	14/09/17	30/09/25	Euribor 6M + 2.4%
2	**Simest 0,48 ML**	480	239	11/06/21	31/12/27	0.55%
3	**BPER DL 0,5 ML**	500	85	13/08/20	13/08/26	0.90%
4	**Intesa DL 1,75 ML**	1,750	258	03/07/20	03/07/26	Euribor 1M + 1.3%
5	**Intesa DL 1,25 ML**	1,250	183	14/07/20	14/07/26	Euribor 1M + 1.3%
6	**Simest 0,48 ML**	480	243	19/05/21	31/12/27	0.055%
7	**Unicredit 3,6 ML**	3,600	-	13/06/19	30/06/25	Euribor 12M + 2.7%
8	**Intesa DL 1,9 ML**	1,900	241	30/06/20	30/06/26	Euribor 1M + 1.3%
9	**Intesa DL 1,1 ML**	1,100	139	29/06/20	30/06/26	Euribor 1M + 1.3%
10	**Banco Desio DL 0,75 ML**	750	159	12/10/20	10/10/26	1.05%
11	**Simest 0,48 ML**	480	240	11/06/21	31/12/27	0.55%
12	**Mediocredito 2 ML**	2,000	368	03/08/17	31/10/27	Euribor 1M + 1.55%
13	**Unicredit A 5 ML**	5,000	163	05/06/19	30/06/26	Euribor 6M + 2.6%
14	**Credem DL 1 ML**	1,000	-	31/07/20	31/07/25	0.60%
15	**Simest 0,48 ML**	480	239	16/04/21	31/12/27	0.055%
16	**Unicredit B 2 ML**	2,000	-	24/10/18	31/10/25	Euribor 6M + 3%
17	**Simest 0,48 ML**	480	239	19/05/21	31/12/27	0.55%
18	**Simest 0,4 ML**	400	-	24/05/18	31/12/25	0.82%
19	**Intesa 0,6 ML**	600	412	31/01/22	31/01/30	Euribor 1M + 1.2%
20	**Unicredit A 11,03 ML**	11,030	6,380	01/06/22	30/06/29	Euribor 6M + 3.2%
21	**Unicredit 12 ML**	12,000	4,008	30/01/23	31/12/26	Euribor 6M + 1.5%
22	**Unicredit 2,8 ML**	2,800	-	30/10/20	30/10/25	Euribor 3M + 1.65%
23	**Simest 0,48 ML**	480	239	02/07/21	31/12/27	0.55%
24	**Simest 0,056 ML**	56	-	28/01/22	23/11/25	0.055%
25	**Simest 0,09 ML**	90	138	22/09/22	24/05/28	0.051%
26	**Intesa/BPM A 13 ML**	13,000	8,503	31/01/23	31/01/30	Euribor 6M + 3.05%
27	**Intesa/BPM B 6 ML**	6,000	-	31/01/23	31/01/30	Euribor 6M + 4%
28	**Simest 0,48 ML**	480	240	31/03/21	31/12/24	0.55%
29	**Intesa 1,15 ML**	1,150	736	31/07/21	31/07/31	Euribor 1M + 2.4%
30	**Intesa 1,55 ML**	1,550	832	05/08/21	05/08/29	Euribor 1M + 1.9%
31	**BPM 2 ML**	2,000	206	19/06/20	19/06/26	EuroIRS 5A + 1.54%
32	**Simest 0,36 ML**	360	238	07/04/21	31/12/27	0.55%
33	**Banca Pop. di Sondrio 0,8 ML**	800	400	01/02/22	31/03/28	Euribor 6M + 2.25%
34	**Cassa Depositi e Prestiti 10,8 ML**	10,800	7,950	03/11/23	28/09/29	Euribor 6M + 2.5%
35	**BPER 16 ML**	12,707	12,561	17/07/25	31/12/30	Euribor 3M + 1.8%
36	**Credem 0,5 ML**	500	502	21/07/25	21/07/30	Euribor 3M + 0.98%
37	**BCC Carate e Treviglio 0,45 ML**	450	414	29/07/25	29/07/30	Euribor 3M + 0.5%
38	**BCC Banca di Udine 1,9 ML**	1,900	1,924	29/07/25	29/01/27	Euribor 6M + 0.7%
39	**Banca360 2 ML**	2,000	2,020	31/07/25	31/01/27	Euribor 1M + 0.5%
40	**BPM 1,5 ML**	1,500	1,450	05/08/25	31/08/30	Euribor 3M + 2.375%
41	**Intesa 1,5 ML**	1,500	1,499	15/09/25	15/03/27	Euribor 1M + 1.65%
42	**Forvalue 0,05 ML**	49	42	18/09/25	18/09/27	0.00%
43	**BPM 2 ML**	2,000	1,666	22/09/25	31/03/27	Euribor 3M + 1.1%
44	**Unicredit/CDP 46 ML**	46,000	45,602	24/09/25	19/09/30	Euribor 6M + 1.6%
45	**Unicredit 1 ML**	1,000	204	30/11/20	30/11/26	0.90%
46	**Simest 0,18 ML**	180	33	05/07/22	21/02/26	0.06%
47	**Unicredit 1 ML**	1,000	545	02/08/22	31/08/28	Euribor 3M + 1.55%
48	**BPM 1,5 ML**	1,500	931	27/02/23	27/02/29	Euribor 3M + 1.27%
49	**Intesa 2 ML**	2,000	1,997	01/12/25	01/12/28	Euribor 1M + 1.8%
50	**Intesa 2 ML**	2,000	1,997	01/12/25	01/12/28	Euribor 1M + 1.8%
51	**BPM 6,5 ML**	6,500	6,310	18/12/25	30/06/32	Euribor 3M + 2.2%
52	**Derivative contracts**	-	454	-	-	-
53	**Short-term advances**	-	9,349	-	-	-
	Total	**208,890**	**122,578**			

As already indicated in the paragraph "Financial risk management", derivative contracts were concluded to hedge rate risks, for a notional amount of approximately EUR 46.8 million, decreasing in proportion to the repayments of the related loans.
The following shall provide, at Group level and for each class of financial instruments measured at fair value, the classification according to the following categories, representative of the degree of objectivity of the criteria used in determining fair value:

- Level 1 – financial instruments at fair value determined on the basis of values and listings observable directly from regulated active markets;
- Level 2 – financial instruments at fair value determined on the basis of formulas and methodologies that use values mainly deduced from regulated active markets;
- Level 3 – Financial instruments at fair value determined on the basis of calculation methods based on data not observable on regulated markets.

Interest rate swaps for hedging interest rates recorded at fair value can be classified under level 2 of fair value and come to EUR -380 thousand (of which a positive EUR 74 thousand was recorded under "Other non-current assets" and a negative EUR 454 thousand was recorded under "Non-current financial liabilities").
Of these, hedging IRS derivative contracts amount to a total of -EUR 216 thousand (of which EUR 74 thousand is recognised as a positive balance under "Other non-current assets" and EUR 290 thousand as a negative balance under "Non-current financial liabilities").
Finally, level 3 includes financial liabilities for an earn-out of EUR 5,568 thousand as at 31 December 2025.
During the period there were no transfers from level 1 to level 2 or level 3 and vice versa.

OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The composition of and changes to other medium- to long-term financing are as follows:

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Increases	Decreases	Payments	Balance at 31/12/2025
Other financing	4,913	-	312	(0)	(62)	5,163
Financial payables to lessors	35,492	3,862	8,107	(1,876)	(8,644)	37,931
Other financial liabilities	61,972	25,832	3,758	(45,619)	(11,153)	34,791
Total	**102,827**	**29,694**	**12,177**	**(47,495)**	**(19,859)**	**77,344**

Details of other financial liabilities are provided:

Amounts are shown in €/1000	Balance at 31/12/2024	Within 1 year	From 1 to 5 years	Beyond 5 years	Balance at 31/12/2025	Within 1 year	From 1 to 5 years	Beyond 5 years
Earn-out debts	6,570	4,790	1,780	- -	5,568	3,992	1,576	-
Payable for pot options	55,403	9,747	45,656	- -	29,223	8,335	20,883	-
Total	**61,972**	**14,537**	**47,435**	**-**	**34,791**	**12,327**	**22,464**	**-**

The earn-out liability, totalling EUR 5,568 thousand and recognised as at 31 December 2025, relates to contractual price adjustments payable to the sellers of Cubo Design S.r.l. (EUR 592 thousand) and Turri S.r.l. (EUR 4,976 thousand).
This constitutes the update of the best possible estimate of the deferred payment, pre-defined at the acquisition date and accounted for at fair value as at 31 December 2025.
Debts for options to minority shareholders amounted to EUR 29,223 thousand and regard the fair value of the liability for the exercise of the put & call option (in favour of the seller and the Group, respectively), for the purchase of the remaining share of 1% of Cenacchi International for EUR 487 thousand, 49% of Flexalighting North America for EUR 2,070 thousand, 45% of Gamma Arredamenti International for EUR 580 thousand, and 35% of Mollura for EUR 26,087 thousand.
Financial liabilities, at least of each period-end shall be discounted and remeasured against the initial estimates that led to their recording. The values of financial liabilities are mainly influenced by the estimate of EBITDA and net financial position in the financial year of those liabilities, which may differ at the end of the year from the estimates in the target company's business plan in the year of its acquisition.
The appropriately discounted values of options and earn-outs were updated as at 31 December 2025 on the basis of the latest financial projections prepared by management for each of the investments indicated. The adjustment of the respective financial liability in income or expenses is allocated to the income statement, which should be referred to for further details.

The overall decrease debt over the period (EUR 27,181 thousand) reflects:

- The payment of the earn-out (EUR 1,499 thousand), including the restatement of the debt at 31 December 2024 and the share of accrued interest, amounting to EUR 193 thousand;
- The exercise of put and call options for EUR 9,653 thousand towards the former shareholders of Flexalighting S.r.l., including the restatement of the debt existing at 31 December 2024 and the interest accrued amounting to EUR 446 thousand;
- the remeasurement of the debt relating to put & call options held by the minority shareholders in Turri (49%) amounting to EUR 9,289 thousand, including accrued interest of EUR 280 thousand. Consistently with the impairment exercise, this debt was remeasured against the updated economic projections approved by Turri's directors, which led to the write-off of the debt recorded by the Group in the amount of EUR 9,009 thousand as at 31 December 2024. The earn-out payable to the same minority shareholders of the company Turri was instead not written off, as it formed part of the right accrued for the achievement of objectives contractually defined at the time of the acquisition and was thus based on the fulfilment of certain job orders that were almost entirely completed as of the date of this Annual Financial Report;
- the cancellation of the option granted to the minority shareholders of Cubo Design for 40% of the Company, in accordance with the waiver agreement referred to in the preceding paragraphs. In fact, in light of the agreements reached with the Arangiaro family on 11 December 2025, the Group has written off the debt relating to the option calculated on 40% of the shares in Cubo Design S.r.l. as at 31 December 2025, amounting to EUR 30,926 thousand, as the obligation was contractually cancelled;
- The setting of the option value and the expected earn-out for business combinations completed during 2025 (EUR 26,087 thousand), which accrued interest of EUR 255 thousand;
- The interest accrued over the period for an amount of EUR 773 thousand and the debt remeasurement for options and the earn-out existing as at 31 December 2024, and still present at 31 December 2025 for EUR -5,228 thousand.

Details of financial payables to lessors are given in relation to the application of the accounting standard IFRS 16.

Amounts are shown in €/1000	Balance at 31/12/2024	Within 1 year	From 1 to 5 years	Beyond 5 years	Balance at 31/12/2025	Beyond 1 year	From 1 to 5 years	Beyond 5 years
Leasing liabilities IFRS 16	35,942	6,512	20,831	8,598	37,391	7,592	23,232	6,566
Total	**35,942**	**6,512**	**20,831**	**8,598**	**37,391**	**7,592**	**23,232**	**6,566**

The amount was determined by discounting the rent provided for in existing lease agreements, in particular those relating to property.
The increase for the year mainly refers to new real estate lease contracts for office and industrial use, and the medium- to long-term leasing of motor vehicles and motor vehicles, as well as to the renewal of certain expiring contracts.

Details of other financings are provided below:

Amounts are shown in €/1000	Balance at 31/12/2024	Within 1 year	From 1 to 5 years	Beyond 5 years	Balance at 31/12/2025	Within 1 year	From 1 to 5 years	Beyond 5 years
Other financing	4,913	-	3,106	1,807	5,163	-	5,163	-
Total	**4,913**	**-**	**3,106**	**1,807**	**5,163**	**-**	**5,163**	**-**

They refer to low-interest loans granted by the minority shareholders during the year, the repayment of which is subordinated to the repayment of certain bank debts related to acquisition transactions.

With regard to the Group's net financial debt, the following financial information has been drawn up in accordance with the format required by the CONSOB Communication, updated with the requirements of ESMA Guidance 32-382-1138 of 4 March 2021 as transposed by CONSOB warning notice no. 5/21 of 29 April 2021, indicating the intention to align its supervisory practices with the aforementioned ESMA Guidelines.

The financial debt of the Dexelance Group according to the format adopted by CONSOB is as follows:

Amounts are shown in €/1000	Balance at 31/12/2024	Balance at 31/12/2025	Change
A Cash	33,681	48,499	14,818
B Cash equivalents	-	-	-
C Other current financial assets	34,614	21,361	(13,253)
D Cash and cash equivalents (A + B + C)	**68,294**	**69,859**	**1,565**
E Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(21,049)	(19,919)	1,130
F Current portion of current financial debt	(23,064)	(33,244)	(9,640)
G Current financial indebtedness (E + F)	**(44,653)**	**(53,163)**	**(8,510)**
H Net current financial indebtedness (G - D)	**23,641**	**16,696**	**(6,945)**
I Non-current financial debt (excluding the current portion and debt instruments)	(116,375)	(141,597)	(25,221)
J Debt instruments	-	-	-
K Non-current trade and other payables	(4,913)	(5,163)	(250)
L Non-current financial indebtedness (I + J + K)	**(121,288)**	**(146,759)**	**(25,471)**
M Total financial indebtedness (H + L)	**(97,647)**	**(130,063)**	**(32,416)**

In this regard, please note the following aspects:

- "Other current financial assets" includes financial assets (e.g. securities held for trading) that are not (i) cash, (ii) cash equivalents or (iii) derivatives used for hedging purposes;
- Financial indebtedness" includes remunerated debt (i.e. interest-bearing debt) which includes, inter alia, financial liabilities for short- and/or long-term leases, identified separately;
- "Non-current trade and other payables" may include unremunerated debt, which has a significant implicit or explicit financing component (e.g. trade payables with a maturity of more than 12 months), and any other non-interest-bearing loans.

The Group's financial indebtedness amounts to EUR 130.1 million and is aligned with the result determined according to the ESMA Guidelines.

OTHER NON-CURRENT LIABILITIES

The accounting item of EUR 1,997 thousand includes the non-current portion of deferred income in the amount of EUR 815 thousand and the liability of EUR 1,181 thousand, which includes the best estimate of the current value of the incentive plan due to the Company's Directors accrued to date.

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Payables to staff and directors	1,051	-	131	1,181
Accruals and deferrals	797	-	18	815
Other payables	11	-	(10)	1
Total	**1,858**	**-**	**139**	**1,997**

DEFERRED TAXES

The following tables show the changes in deferred tax assets and liabilities (assets are included under non-current assets of the statement of financial position) in 2025 and the nature of the temporary differences that generated them.

Tax paid in advance

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Increases	Decreases	Balance at 31/12/2025
Amortisation and depreciation	154	-	-	-	117
Goodwill	352	-	-	(37)	347
Doubtful accounts	150	155	53	(5)	357
Inventory write-down	1,526	240	54	-	1,820
Leases IFRS 16	632	-	117	-	748
Derivative contracts	127	-	-	(57)	70
Agent allowance	82	-	-	(5)	77
Employee and director benefits	467	13	13	-	493
Revaluations	245	-	-	(11)	234
Other	388	39	338	-	665
Total	**4,122**	**446**	**575**	**(215)**	**4,928**

Deferred tax assets recorded as assets under "Deferred tax assets" include the benefit of costs recovered for tax purposes on a temporary basis. The requirements for the inclusion of prepaid taxes according to IAS 12 were deemed to be met.

Deferred taxes

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Increases	Decreases	Balance at 31/12/2025
Brands	11,968	6,699	208	-	18,875
Models	1,279	-	-	(192)	1,088
Customer relations and order book	10,013	4,189	-	(1,834)	12,368
Land and buildings	290	-	-	-	290
Derivative contracts	36	-	-	(18)	18
Other	303	11	128	-	442
Total	**23,889**	**10,899**	**336**	**(2,043)**	**33,080**

As highlighted in the table, deferred taxes mainly refer to the tax effect on the part of the purchase price allocation (PPA) on the value of brands, models, customer relations and the order book, as described in Note 2. The item "Other" is mainly composed of deferred taxes on distributable profit reserves.

TRADE PAYABLES

This item amounted to EUR 58,951 thousand.
The total amount of the debts is to be paid in full within 12 months.

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Trade payables	53,611	8,064	(2,724)	58,951
Total	**53,611**	**8,064**	**(2,724)**	**58,951**

With regard to trade payables, the Group does not use any form of supply chain financing.
In addition, the ageing of trade payables is provided below in order to show the delay period, in particular for positions that are past due.

Supplier ageing		past due							total
	due	total past due	1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	more	
2024	50,843	2,768	706	761	184	122	445	552	53,611
2025	55,285	3,666	870	606	341	115	1,043	692	58,951

TAX PAYABLES

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Income tax payables	1,039	1,191	(2,077)	154
Total	**1,039**	**1,191**	**(2,077)**	**154**

This item mainly covers the IRAP regional productivity tax payable to the Italian Revenue Agency and the IRES corporate income tax payable by the Group companies that are not included within the national tax consolidation regime.

OTHER CURRENT LIABILITIES

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Other payables due to tax authorities	1,975	79	(92)	1,963
Payables to staff and social security institutions	8,633	868	42	9,543
Contract liabilities	16,557	-	(5,760)	10,797
Other payables	15,000	12,562	2,799	30,361
Total	**42,166**	**13,509**	**(3,011)**	**52,664**

Payables to staff and social security institutions refer to payables to staff for wages and accruals, annual leave and paid leave, payables to INPS (Istituto Nazionale per la Previdenza Sociale – Italian social security institute), Enasarco and other social security institutions.
Contractual liabilities arising from orders amounted to EUR 10,797 thousand.
The details of advances, net of the value of the status of the relevant contract work in progress are as follows:

Amounts are shown in €/1000	Balance at 31/12/2024	Business combinations	Change	Balance at 31/12/2025
Advances for work in progress	23,871	-	(8,587)	15,284
Contract work in progress	(7,314)	-	2,827	(4,487)
Contract liabilities	**16,557**	**-**	**(5,760)**	**10,797**

Other payables, totalling EUR 30,361 thousand, consist mainly of other advances received 279 from customers amounting to EUR 26,574 thousand (EUR 11,878 thousand at 31 December 2024), wit a significant contribution from Mollura already at the date of acquisition of control. The remaining amount of EUR 3,787 consists of accrued expenses and deferred income for EUR 1,803 thousand, VAT tax payable of EUR 1,208 thousand, payables to directors for EUR 509 thousand and other corporate bodies, and other payables and withholdings.

ANALYSIS OF THE COMPOSITION OF THE MAIN ITEMS IN THE INCOME STATEMENT

REVENUE

The following shows the composition of revenue by target area and strategic business area:

Amounts are shown in €/1000	2024	2025
Revenue Italy	82,621	79,790
Revenue EU	81,713	78,088
Revenue non-EU	160,050	162,307
Total	**324,384**	**320,185**

Amounts are shown in €/1000	2024	2025
Revenue Furniture	141,696	124,867
Revenue Lighting	32,077	34,581
Revenue Luxury Contract	91,251	76,368
Revenue Kitchen & Systems	59,360	64,090
Revenue Omnichannel go-to-market	-	20,278
Total	**324,384**	**320,185**

This item amounted to EUR 320,185 thousand. The main markets are Italy, the United States, France, Switzerland, the United Kingdom, Germany and Canada. The Group is present in over 80 countries and has over 4,000 customers.
Please refer to the analysis provided in the paragraph 'Income statement by strategic business area' in these explanatory notes, as well as to the analysis described in the Management Report for further information on the breakdown of revenue by strategic business area (SBA) and by geographical area.

OTHER INCOME

Other income amounted to EUR 5,026 thousand. This consists of expense recoveries amounting to EUR 1,847 thousand from customers (chargebacks and services) and suppliers (chargebacks for non-compliant supplies); contingencies and capital gains amounting to EUR 1,302 thousand; operating and capital grants amounting to EUR 58 thousand; insurance claims for EUR 205 thousand and other income not included in the previous items amounting to EUR 1,613 thousand.

Amounts are shown in €/1000	2024	2025
Expense recoveries	1,448	1,847
Contingencies and capital gains	508	1,302
Operating grants	116	58
Insurance claims	431	205
Other income	2,408	1,613
Total	**4,911**	**5,026**

PURCHASES OF RAW MATERIALS

The total statement item amounted to EUR 141,437 thousand and includes, in addition to direct materials for production and sales, the purchases of ancillary materials, minor equipment, gas and office supplies.

Amounts are shown in €/1000	2024	2025
Raw materials and semi-finished products	66,321	69,378
Purchase of finished products	40,876	52,619
Other	19,602	19,440
Total	**126,799**	**141,437**

STAFF COSTS

The total amount of this item was EUR 57,490 thousand and consisted of salaries and wages, social security contributions, severance payments (including the portion then paid to pension funds) and other costs.

Amounts are shown in €/1000	2024	2025
Salaries and wages	40,210	42,512
Social security contributions	10,543	11,780
Severance payments	2,099	2,271
Other	704	927
Total	**53,466**	**57,490**

Staff costs increased due to both the increase in headcount tied to the change in the scope of consolidation and to contractual increases under the national collective labour agreements applied by the individual companies.
A total of 976 employees were active in 2025. Mollura added a total of 118 positions.

	2024	2025
Executives	19	19
Managers and clerical workers	422	545
Manual workers	384	405
Other employees	8	7
Total	**833**	**976**

COSTS FOR SERVICES AND USE OF THIRD-PARTY ASSETS

The total statement item amounted to EUR 100,771 thousand and includes business costs, industrial costs, administrative and general costs and the cost of use of third-party assets for which IFRS 16 did not need to be applied.

Amounts are shown in €/1000	2024	2025
Costs for the use of third-party assets	1,165	1,218
Commercial costs	40,751	44,714
Industrial costs	35,278	34,213
Directors' remuneration	5,543	6,283
Statutory auditor and independent auditor fees	726	816
Consultancy	5,260	5,245
Insurance	1,317	1,453
Utilities	2,702	2,617
Other administrative and general costs	3,976	4,213
Total	**96,719**	**100,771**

Commercial costs mainly include commissions and royalties due to agents and designers, transport costs on sales, costs related to participation in trade fairs and various industry events, communication and marketing expenses, and costs related to travel. The change from the previous year is mainly attributable to the changes in the scope of consolidation that occurred during the financial year 2025 and to the investments made to support brand development.
It should be noted that the item 'Other administrative and general costs' also includes the costs incurred by the Parent Company for the purchase of CO2 credits, equal to EUR 12 thousand in order to offset the inventory of emissions. For further information, please refer to the Sustainability Statement regarding the greenhouse gas absorption and emission mitigation projects carried out by the Group.
For the period considered, the directors' remuneration amounted to EUR 6,283 thousand, including the estimated share for the period for the Performance Shares plan totalling EUR 227 thousand.
The details of remuneration to the auditing company are as follows:

Amounts are shown in €/1000	2024	2025
Statutory audit of parent company	199	181
Statutory audit of Group companies	261	300
Attestation services for parent company	60	65
Attestation services for Group companies	8	20
Total	**528**	**566**

OTHER OPERATING COSTS

This item, which amounted to EUR 3,277 thousand, includes certain residual costs not included in the previous items, including membership contributions, local taxes such as TARI (Tassa sui rifiuti – Tax on waste disposal and management) and advertising tax, losses on receivables, unrealised losses and contingent liabilities.

PROVISIONS AND WRITEDOWNS

This item, equal to EUR 671 thousand, mainly refers to the provision for doubtful accounts (equal to EUR 433 thousand as at 31 December 2025) in Note 9.

AMORTISATION, DEPRECIATION AND WRITEDOWNS OF FIXED ASSETS

Please refer to Notes 2, 3 and 4.

FINANCIAL INCOME AND EXPENSES

Financial income, amounting to EUR 16,042 thousand, mainly refers to the restatement of the value of Cenacchi, Gamma, Flexalighting North America and Turri put & call option agreements for a total of EUR 14,517 thousand, to interest income accrued on current accounts for a total of EUR 502 thousand and, residually, to exchange rate gains, cash discounts applied by suppliers and interest income from customers. Financial expenses of EUR 11,701 thousand consist of interest to banks (EUR 3,638 thousand), other lenders, exchange losses (EUR 1,484 thousand), imputed interest on liability for the acquisition of non-controlling interests (EUR 3,559 thousand), as well as changes in value following the payment of put & call option agreements (EUR 199 thousand).

FINANCIAL INCOME

Amounts are shown in in €/1000	2024	2025
Dividends	-	37
Financial income from banks	1,425	502
Active supplier discounts	12	14
Value adjustment income on financial liabilities	9,889	14,517
Foreign exchange profits	842	586
Other	1,589	385
Total	**13,756**	**16,042**

Financial expenses

Amounts are shown in €/1000	2024	2025
Interest on ordinary loans	4,686	3,591
Interest on subsidised loans	15	46
Value adjustment charges on financial liabilities	3,121	199
Financial charges on rents (IFRS 16)	1,594	1,738
Imputed interest on options and earn-out	5,021	3,559
Foreign exchange losses	532	1,484
Other	639	1,082
Total	**15,609**	**11,701**

TAXES

This item is made up as follows:

Amounts are shown in €/1000	2024	2025
Current taxes	9,903	3,777
Tax paid in advance	(467)	(601)
Deferred taxes	(1,778)	(1,694)
Total	**7,658**	**1,483**

For the changes in deferred tax assets and liabilities, please see the disclosures included in Note 20 for the corresponding balance sheet items and the indications given in Note 14 "Shareholders' equity".

The following table shows the reconciliation between the current tax burden and the theoretical tax burden:

I valori sono espressi in €/1000	IRES	%	IRAP	%	Other
Pre-tax income	(16,214)	-	(20,635)	-	-
Theoretical tax	(3,891)	24.0%	(805)	3.9%	-
Total taxable temporary differences	9,052	-	8,095	-	-
Total taxable permanent differences	16,292	-	49,573	-	-
Consolidated tax base	9,131	-	37,033	-	-
Actual tax	**2,191**	**-13.5 %**	**1,444**	**-7.0 %**	**-**

OTHER ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME

Other components of the statement of comprehensive income relate to changes in the cash flow hedge provision in relation to the fair value measurement of derivative instruments hedging financial risks from interest rate changes. These are interest rate swap instruments, described in the financial risks section under IFRS 7, which should be referred to for further details. Since these financial instruments have characteristics to allow for hedge accounting, changes in fair value are recognised directly under shareholders' equity, net of their tax effect.
In addition, as a result of the amendments to IAS 19, actuarial gains and losses are entered in the statement of other comprehensive income from 2013 onwards and will not be entered subsequently in the income statement.
The variations of the two components described are positive by EUR 124 thousand and EUR 313 thousand respectively, both net of the tax effect.

CASH FLOW STATEMENT

The financial flow before changes in net working capital amounts to EUR 27.8 million; the payment of taxes, interest, provisions and changes in working capital absorb EUR 12.4 million. The cash flow from operations is therefore equal to EUR 15.3 million.
The cash flow of investments, negative by EUR 49.3 million, is mainly composed of the acquisition of Mollura for EUR 40.7 million and the shareholding in Roda for EUR 8.5 million (see Notes 1 and 5), and the exercise of the put and call options and earn-outs described above for EUR 11.2 million.
Cash flow from financing activities amounted to EUR 48.8 million as a result of the loans taken out by the Group during the period (totalling €88.7 million); consequently, the change in cash and cash equivalents was a positive EUR 14.8 million in 2025.

RELATED PARTIES

Amounts are shown in €/1000	Related party of	Rental costs without the application of IFRS 16	Costs for services	Financial income and expenses
Il Castello S.p.A.	Gervasoni S.p.A.	509	-	-
Ir-Ma S.r.l.	Modar S.p.A.	451	-	-
Adriatica Arredamenti s.a.s.	Cubo Design S.r.l.	66	-	-
AGP 2 S.r.l.	Cubo Design S.r.l.	634	-	-
Giaro Componenti S.r.l.	Cubo Design S.r.l.	85	-	-
G.S.P. S.r.l.	Cubo Design S.r.l.	61	-	-
Olimpia S.r.l.	Turri S.r.l.	163	-	-
T Group S.r.l.	Turri S.r.l.	850	-	-
Directors	Dexelance Group	-	6,283	114
Total		**2,819**	**6,283**	**114**

Amounts are shown in €/1000	Related party of	Trade receivables	Financial Debts	Trade payables	Other payables
Ir-Ma S.r.l.	Modar S.p.A.	100	-	-	-
AGP 2 S.r.l.	Cubo Design S.r.l.	139	-	-	-
Giaro Componenti S.r.l.	Cubo Design S.r.l.	-	-	(276)	-
T.M.R. S.r.l.	Cubo Design S.r.l.	-	-	(128)	-
Olimpia S.r.l.	Turri S.r.l.	-	-	-	(143)
T Group S.r.l.	Turri S.r.l.	-	(3,313)	(555)	-
Amministratori	Dexelance Group	-	(1,850)	-	(1,824)
Total		**239**	**(5,163)**	**(958)**	**(1,967)**

The Group companies have lease agreements in place with related parties, for which the rent is paid in advance. This cost for the year amounted to EUR 2,819 thousand, specifically EUR 509 thousand for Il Castello S.p.A., EUR 451 thousand for Ir-Ma S.r.l., EUR 634 thousand for AGP 2 S.r.l., EUR 163 thousand for Olimpia S.r.l. and EUR 850 thousand for T Group S.r.l.
The "Directors" item includes the remuneration and the share of the Long-Term Incentive Plan and Performance Shares for the period, as well as the loans granted by the directors and minority shareholders.

COMMITMENTS AND GUARANTEES

As at 31 December 2025, commitments and guarantees not reflected in the statement of financial position are shown in the following table:

Amounts are shown in €/1000	2024	2025
Guarantees in favour of third parties	2,057	2,534
Total	**2,057**	**2,534**

Guarantees issued are mainly related to transactions of a commercial nature.
The Group pledged the units or shares of the subsidiaries to the banks that provided financing to the same subsidiaries as outlined in Note 17.
As at 31 December 2025, there were no commitments that were not stated in the financial statements.

Roda

SUBSEQUENT EVENTS

It should be noted that on 8 January 2026, the Group entered into three loan agreements with nominal amounts of EUR 9,000 thousand and EUR 1,000 thousand with BPER and EUR 5,000 thousand with Banco Desio. The former were entered into to finance capital expenditures, while the latter was intended to support operating activities.
Furthermore, given the need for a flexible capital structure consistent with the Group's medium-term growth strategy, the extraordinary general meeting of Dexelance shareholders, upon a proposal from the Board of Directors, resolved on 20 January 2026 to grant the Board the authority to increase, in separate tranches and against payment, the share capital by a maximum of EUR 50 million, including any share premiums, through the issue of ordinary shares to be offered as an option to those entitled pursuant to Article 2441(1) of the Italian Civil Code, and a further maximum of EUR 20 million, including any share premiums, to service warrants exercisable against payment over time, to be allocated free of charge alongside the shares referred to in the rights issue.
On 2 March 2026, an addendum was signed to the Put & Call Agreement entered into on 5 May 2022 with the minority shareholder of Flexalighting North America, postponing the deadlines for exercising the put & call option by three years.

Milan, 16 March 2026

On behalf of the Board of Directors
Chair and Chief Executive Officer
Andrea Sasso

Axolight

Saba

STATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

in accordance with Article 154-bis of Italian Legislative Decree No. 58/1998 of 24 February 1998 (Consolidated Finance Act), as amended

While taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998, the undersigned Andrea Sasso, as Chair and Chief Executive Officer, and Alberto Bortolin, as Chief Financial Officer and Director in charge of drawing up the financial accounts of the Dexelance Group, attest to:

- adequacy in relation to the characteristics of the undertaking; and
- effective application of the administrative and accounting procedures for drawing up the annual consolidated financial statements during the period from 1 January to 31 December 2025.

The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the consolidated financial statements as at 31 December 2025 was based on a process defined by Dexelance in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework.

It is also stated that the consolidated financial statements as at 31 December 2025:

- are drawn up in accordance with applicable international accounting standards recognised in the European Community under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the findings in the accounting books and records;
- are appropriate to provide a true and fair view of the assets, liabilities, economic and financial position of the issuer and of all undertakings included in the consolidation.

The management report shall include a reliable analysis of the development and outcome of the operation, as well as of the situation of the issuer and all undertakings included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 16 March 2026

Chair and Chief Executive Officer

Chief Financial Officer and Director in charge of drawing up the financial accounts

Gervasoni

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Dexelance S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Dexelance Group (the Group), which comprise the consolidated statement of financial position as at December 31st, 2025, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and explanatory notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31st, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Dexelance S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

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Key Audit Matter	Audit Response

Recoverability of the carrying amount of intangible assets with indefinite useful life

At December 31st, 2025 the carrying amount of goodwill is € 125.8 million and the carrying amount of trademarks with indefinite useful life is € 90.5 million. These intangible assets with an indefinite useful life were allocated to the Cash Generating Units (CGUs) coinciding with each Group company.

The processes and methods to evaluate and determine the recoverable amount of each CGUs, in terms of value in use, are based on assumptions that are in some cases complex and that, due to their nature, imply the use of judgement by Management, in particular with reference to cash flow forecasts for the period covered by the Group business plan, to normalized cash flows used to estimate terminal value and to discount and long term growth rates applied to projections of future cash flows.

The company employs an independent expert to determine the recoverable value of the CGUs.

Considering the significance of the assets with indefinite useful life, the level of judgement and complexity of the assumptions applied in estimating the recoverable amount, we determined that this area represents a key audit matter.

Financial statement disclosure on the valuation of trademarks and goodwill is provided in Note n. 2 “Intangible assets”.

Our audit procedures in response to this key audit matter included, among others:

- assessment of the process and key controls implemented by the Group in connection with the criteria and methodology of impairment test;
- assessment of the adequacy of the CGUs perimeter and the allocation of the carrying amounts of assets and liabilities to each CGU;
- test of the consistency of the assumptions on future cash flow forecasts and comparison with the data and projections of the markets;
- assessment the consistency of each CGUs future cash flow forecasts with the Group Business Plan;
- assessment of the accuracy of cash flow projections as compared to historical results;
- assessment of the long term growth rates and discount rates.

In performing our analysis, we engaged our experts in valuation techniques, who have independently performed calculation and sensitivity analyses of key assumptions in order to determine any changes in assumptions that could materially impact the valuation of the recoverable amount.

Lastly, we evaluated the appropriateness of the disclosures included in the explanatory notes of the consolidated financial statements with reference to goodwill and trademarks.

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Valuation of financial liabilities for options granted to minority shareholders

The consolidated Financial Statement as of December 31st, 2025 includes financial liabilities of € 29.2 million (including non-current for € 20.9 million), referring to put and call options to minority shareholders subscribed as part of the business combinations carried out by the Group.
These financial liabilities are recognized on IFRS 9 basis at each reporting date (with formulas based on economic and financial indicators to be derived from the financial statements of subsidiaries available at the date of exercise of options).

Management of the Parent Company determined this value by discounting the estimated price for the acquisition of minority interests based on the performance reflected in the approved Business Plans of the companies and the variables defined in each acquisition agreements. This methodology is characterized by a high degree of complexity and the use of estimates, which by their nature are uncertain and subjective, with reference to the following elements:

- the expected cash flows of the Business Plans, determined by taking into account general economic and industry trends, actual cash flows in the last years, and projected growth rates
- the financial parameters used for the purpose of determining the discount rate;
- other variables regulated in each acquisition agreements.

For these reasons, we considered the valuation of financial liabilities for options granted to minority shareholders, a key audit matter.

Note No. 18 "Other current and non-current financial liabilities" to the consolidated financial statements for the year ended December 31, 2025 shows how financial liabilities for options granted to minority shareholders were determined and the impact on the consolidated financial statements.

Our audit procedures in response to this key audit matter included, among others:

- analysis of the understanding of the process adopted for the purpose of estimating the value of options granted to minority shareholders;
- analysis of acquisition agreement, in which are described the mode of regulation and determination of such put and call options;
- assessment of the reasonableness of the assumptions adopted by the management in preparing the expected cash flows of the acquired businesses;
- examination of variances between expected cash flows of acquired businesses from previous years and actual results in order to understand the accuracy of the estimation process adopted;
- verification of the consistency of put and call option calculations with the definition reported in each acquisition agreements and with the variables identified within the Business Plans of individual CGUs.

Lastly, we evaluated the appropriateness of the disclosures included in the explanatory notes of the consolidated financial statements related to financial liabilities for options granted to minority shsareholders.

Purchase price allocation related to the acquisition of Mollura & C. S.p.A. During 2025 the Group acquired Mollura & C. S.p.A.. The processes and methods of accounting for acquisition transactions are based on sometimes complex assumptions that by their nature involve reliance on the judgment of the management, particularly with regard to the identification of the intangible assets acquired, the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed, and the alignment of the acquired company's accounting policies with those of the Group for inclusion in the consolidated financial statements. The acquisitions have been accounted for pursuant to IFRS 3, Business Combination, with a purchase price allocation process (hereinafter, "PPA"). Considering the significance of the transaction and the amounts involved in the PPA, the complexity of the assumptions assumed in the calculation of the fair value of the acquired assets and liabilities, and the level of judgement exercised by management, we determined this area represents a key audit matter. The note "Business Combinations" in the consolidated financial statements for the year ended December 31, 2025 provides a description of the process followed by Dexelance Group Management and the impacts on the consolidated financial statements.	Our audit procedures in response to the key audit matter included, among others: • the analysis of the agreements signed within the Mollura & C. S.p.A. acquisition and the assessment of the related accounting treatment adopted by Dexelance Group; • the identification and verification of the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition; • the assessment of the valuation reports prepared by the experts appointed by the Management who supported the Group in the calculation of the fair valuation of the assets and liabilities identified, and in the purchase price allocation process; • the assessment of the key assumptions used by management such as long-run growth rates and discount rates; • an examination of the main assumptions used by management in carrying out the above process. In performing our audit procedures, we involved EY internal valuation specialists who assisted us in reviewing the documentation prepared by the experts appointed by the Management, the methodology adopted and the assumptions. Lastly, we evaluated the appropriateness of the disclosures included in the explanatory notes of the consolidated financial statements of the Dexelance Group as of December 31st, 2025.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Company Dexelance S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Dexelance S.p.A., in the general meeting held on March 17th, 2023, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31st, 2023 to December 31st, 2031.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of EIP S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as of December 31st, 2025, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31st, 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31st, 2025 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Dexelance S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Group Dexelance as at December 31st, 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Dexelance Group as at December 31st, 2025.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

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Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Treviso, March 25th, 2026

EY S.p.A.
Signed by: Mauro Fabbro, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CERTIFICATION OF THE SUSTAINABILITY REPORT

pursuant to Article 81-ter, paragraph 1, of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned Andrea Sasso, as Chairman and CEO, and Alberto Bortolin, as the Financial Reporting Officer responsible for preparing the Dexelance Group's financial reports, certify, pursuant to art. 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998, that the sustainability reporting included in the management report has been prepared:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and Legislative Decree No. 125 of 6 September 2024;
- with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Milan, 16 March 2026

Chair and Chief Executive Officer

Chief Financial Officer and Director in charge of drawing up the financial accounts

Binova

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Independent auditor's report on the limited assurance of the Consolidated Sustainability Report in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010

(Translation from the original Italian text)

To the Shareholders of
Dexelance S.p.A.

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree n. 125 dated 6 September 2024 (hereinafter referred to as the "Decree") on the Consolidated Sustainability Report of Dexelance S.p.A. and its subsidiaries (hereinafter "Group" or "Dexelance Group") for the year ended on 31 December 2025, prepared in accordance with Article 4 of the Decree, included in the specific section of the Report on operations of Dexelance Group.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Dexelance Group's Consolidated Sustainability Report for the year ended on 31 December 2025, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also referred to as "ESRS");
- the information included in the paragraph "European Taxonomy" of Chapter "Environmental Information" of the Consolidated Sustainability Report has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter also referred to as "Taxonomy Regulation").

Elements Underlying the Conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di sostenibilità") – SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "Auditor's responsibility for the Assurance on the Consolidated Sustainability Report" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the Consolidated Sustainability Report according to Italian law.

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Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Responsibility of the Directors and Those Charged with Governance for the Consolidated Sustainability Report

The Directors are responsible for the development and implementation of procedures used to identify the information included in the Consolidated Sustainability Report in accordance with the requirements of the ESRS (hereinafter referred to as the "Relevance assessment process") and for the description of such procedures in the paragraph "Dexelance Double Materiality" of Chapter "General Information – Basis for preparation" of the Consolidated Sustainability Report.

The Directors are also responsible for the preparation of the Consolidated Sustainability Report, which contains the information identified through the Relevance assessment process, in accordance with the requirements of Article 4 of the Decree, including:

- compliance with the ESRS;
- compliance with Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "European Taxonomy" of Chapter "Environmental Information".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the Consolidated Sustainability Report in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The statutory audit committee ("collegio sindacale") is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Intrinsic Limitations in the Preparation of the Consolidated Sustainability Report

As indicated in Chapter "General Information – Basis for preparation", paragraph "Methodology note", for the purpose of reporting prospective information in accordance with the ESRS, the Directors are required to prepare such information based on assumptions, described in the Consolidated Sustainability Report, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

As indicated in the paragraph "Methodology note" of Chapter "General Information – Basis for preparation" and in the paragraph "Main calculation criteria" included in Chapter "Annex" of the Consolidated Sustainability Report, the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

Shape the future with confidence

Auditor's responsibility for the Assurance of the Consolidated Sustainability Report

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the Consolidated Sustainability Report is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the Consolidated Sustainability Report.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di Sostenibilità") – SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the Consolidated Sustainability Report and assuming full responsibility for the conclusions regarding the Consolidated Sustainability Report.

Summary of the Work Performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the Consolidated Sustainability Report were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the Consolidated Sustainability Report, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the Consolidated Sustainability Report, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the Consolidated Sustainability Report;

- identifying the information for which there is a likelihood of a significant error risk;
- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
    - for the information collected at the Group level:
        - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
        - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;
    - for the information collected at site level, we have carried out the planned procedures in the selected site for Modar S.p.A. (Barlassina plant). This site was selected based on its activities and its relevance to the metrics of the Consolidated Sustainability Report and the carried-out procedures included interviews with Group personnel and documentary evidence acquisition related to the determination of the metrics;
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the Consolidated Sustainability Report;
- cross-checking the information reported in the Consolidated Sustainability Report with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the consolidated sustainability reporting in accordance with the ESRS;
- obtaining the assurance letter.

Treviso, March 25th, 2026

EY S.p.A.

Signed by: Mauro Fabbro, Auditor

This report has been translated into the English language solely for the convenience of international readers.

FINANCIAL STATEMENTS FOR THE PERIOD AS AT 31 DECEMBER 2025

STATEMENT OF FINANCIAL POSITION

(amounts in thousands of euros)	Note	31/12/2025	31/12/2024
ASSETS			
NON-CURRENT ASSETS			
Other intangible assets	1	71	51
Right of use	2	796	722
Property, plant and equipment	3	730	757
Deferred tax assets	4	282	296
Equity investments	5	150,446	94,204
Other non-current assets	6	7	8
Non-current financial assets	7	11,718	6,582
Current assets		**37,921**	**48,715**
Trade receivables	8	471	124
Income tax credits	9	2,136	-
Other current assets	10	3,929	1,724
Other current financial assets	7	19,221	35,352
Cash and cash equivalents	11	12,164	11,516
Total assets		**201,972**	**151,335**
Shareholders' equity and liabilities		**-**	**-**
Shareholders' equity		**97,494**	**105,728**
Share capital	12	26,926	26,926
Other reserves and retained earnings, including profit (loss) for the period	12	70,567	78,801
Non-current liabilities		**65,469**	**12,950**
Post-employment benefits	13	157	119
Provisions for risks and charges	14	358	226
Long-term bank debts	15	64,327	12,050
Non-current financial debts to lessors	16	627	556
Current liabilities		**39,009**	**32,658**
Short-term bank debts	15	12,336	6,774
Other current financial liabilities	17	21,349	22,077
Current financial debts to lessors	16	193	204
Trade payables	18	550	699
Income tax payables	19	-	938
Other current liabilities	20	4,582	1,966
Total liabilities		**104,478**	**45,608**
Total shareholders' equity and liabilities		**201,972**	**151,335**

Axolight

INCOME STATEMENT

(amounts in thousands of euros)	Note	2025	2024
Revenue	21	742	681
Other income	22	24	311
Total revenue and income		**767**	**992**
Staff costs	23	(1,234)	(1,365)
Costs for services and use of third-party assets	24	(4,108)	(4,338)
Other operating costs	25	(58)	(42)
Amortisation, depreciation and writedowns of fixed assets	26	(272)	(245)
Operating profit/(loss) (EBIT)		**(4,905)**	**(4,997)**
Financial expenses	27	(15,180)	(3,549)
Financial income	28	12,587	14,284
Pre-tax profit		**(7,497)**	**5,737**
Income tax	29	1,139	1,044
Profit/(Loss) for the year		**(6,359)**	**6,782**

STATEMENT OF COMPREHENSIVE INCOME

(amounts in thousands of euros)	Note	2025	2024
Profit/(Loss) for the year		**(6,359)**	**6,782**
Other items of the statement of comprehensive income		**-**	**-**
Profit/(loss) from cash flow hedge		(15)	14
Tax effects		4	(3)
Total profit/(loss) from cash flow hedges, net of tax		**(12)**	**10**
Total comprehensive income items that will subsequently be reclassified to profit/(loss) for the year	**12**	**(12)**	**10**
Actuarial profits/(losses)		(2)	1
Tax effects		1	(0)
Total actuarial profit/(loss), net of taxes		**(2)**	**1**
Comprehensive income items that will not subsequently be reclassified to profit/(loss) for the year	**12**	**(2)**	**1**
Total comprehensive net profit/(loss) for the period		**(6,373)**	**6,793**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

amounts in thousands of euros	Share capital	Legal reserve	Share premium reserve	FTA reserve	Cash flow hedge reserve	Actuarial reserve	Employee share reserve	Treasury shares	Retained earnings	Result for the year	Shareholders' equity
Balance at 31 December 2023	**26,926**	**1,180**	**66,971**	**(92)**	**(74)**	**(11)**	**-**	**(47)**	**2,747**	**3,032**	**100,632**
Allocation of result for the year	-	247	-	-	-	-	-	-	2,786	(3,032)	-
Other income statement items	-	-	-	-	10	1	-	-	-	-	11
Share Incentive Plan	-	-	-	-	-	-	183	-	-	-	183
Purchase of treasury shares	-	-	-	-	-	-	-	(1,881)	-	-	(1,881)
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	6,782	6,782
Balance at 31 December 2024	**26,926**	**1,427**	**66,971**	**(92)**	**(64)**	**(10)**	**183**	**(1,928)**	**5,532**	**6,782**	**105,727**
Allocation of result for the year	-	339	-	-	-	-	-	-	6,443	(6,782)	**-**
Other income statement items	-	-	-	-	(12)	(2)	-	-	-	-	**(14)**
Incentive Plan	-	-	-	-	-	-	264	-	-	-	**264**
Purchase of treasury shares	-	-	-	-	-	-	-	(2,125)	-	-	**(2,125)**
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	(6,359)	**(6,359)**
Balance at 31 December 2025	**26,926**	**1,766**	**66,971**	**(92)**	**(75)**	**(12)**	**447**	**(4,053)**	**11,975**	**(6,359)**	**97,493**

CASH FLOW STATEMENT

(amounts in thousands of euros)	31/12/2025	31/12/2024
Cash flows from operating activities		
Profit/(loss) for the year	(6,359)	6,782
Income tax	1,139	1,044
Interest expense/(income)	424	83
(Dividends)	(11,492)	(12,265)
1) Profit (loss) before income taxes, interest, dividends and capital gains/losses from transfer	**(16,288)**	**(4,355)**
Severance Indemnity Provision	60	45
Provisions	358	1,447
Amortisation of fixed assets	273	244
Impairment losses	13,181	-
Value adjustments for financial assets and liabilities of financial derivatives that do not involve monetary movement	0	(0)
Other upward/(downward) adjustments for non-monetary items	264	152
2) Cash flow before changes in net working capital	**(2,152)**	**(2,468)**
Decrease/(Increase) in accounts receivable	(347)	(124)
Increase/(Decrease) in payables to suppliers	(149)	123
Other decreases/(other increases) in net working capital	111	6,689
3) Cash flow after changes in net working capital	**(2,537)**	**4,222**
Interest received/(paid)	(846)	(217)
(Income taxes paid)	(3,915)	(4,479)
Dividends collected	11,492	12,265
(Use of funds)	(232)	(51)
NET CASH FLOW GENERATED/(ABSORBED) BY OPERATING ACTIVITIES (A)	**3,963**	**11,739**
Cash flows from investment activities		
(Investments in property, plant and equipment)	(11)	(198)
Divestments of property, plant and equipment (realisable value)	-	6
(Investments in intangible assets)	(24)	(46)
(Investments of financial fixed assets)	(69,423)	(2,905)
IFRS 16	(280)	(205)
Investments of short-term financial assets	21,000	(14,000)
NET CASH FLOW ABSORBED BY INVESTMENT ACTIVITIES (B)	**(48,738)**	**(17,348)**
Cash flows from financing activities		
Third-party financing	-	-
Increase/(Decrease) in short-term bank debts	(241)	-
Disbursements of medium- to long-term loans	65,207	(5,702)
(Repayment of medium- to long-term loans)	(6,684)	14,669
Provision of intra-group loans – Change in cash pooling	(10,733)	-
Equity	-	-
Disposal/(Purchase) of treasury shares	(2,125)	(1,880)
NET CASH FLOW GENERATED/(ABSORBED) BY FINANCIAL ACTIVITIES (C)	**45,424**	**7,086**
TOTAL CASH FLOW (D=A+B+C)	**649**	**1,477**
NET CASH AT THE START OF THE FINANCIAL YEAR (E)	**11,516**	**10,039**
NET CASH AT YEAR-END (F=D+E)	**12,164**	**11,516**

Saba

Davide Groppi

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

GENERAL INFORMATION

Dexelance S.p.A. (hereinafter also "Dexelance") is headquartered in Milan and has been listed on the Italian Stock Exchange since 18 May 2023; the Dexelance share is part of the FTSE Italia Small Cap index. The Company was established on 10 March 2015 with the aim of promoting an Italian design hub in the furniture, lighting and, high-end modular kitchen and systems sectors, and since 2025, with the acquisition of Mollura & C. S.p.A. (Mohd) in the omnichannel retail sector, capable of creating the scale-related, organisational, managerial, strategic and distribution synergies required to compete internationally, in a sector where Italy enjoys a competitive advantage and possesses outstanding creative and product expertise.

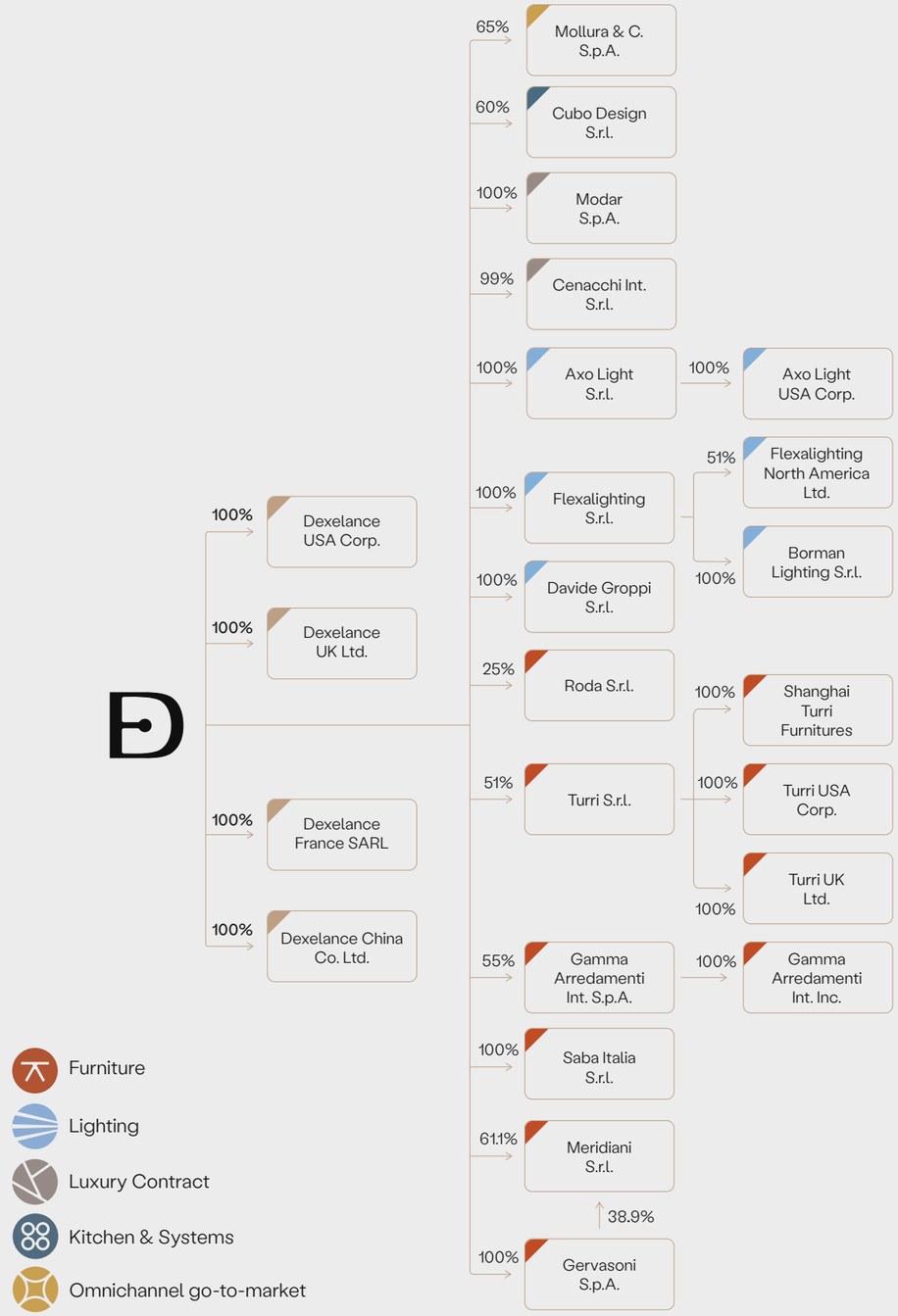
SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Please note that the scope of consolidation as at 31 December 2025 has changed since 31 December 2024 due to the following circumstances:

- on 24 June 2025, Dexelance S.p.A. signed an agreement to acquire an initial 25% stake of the share capital of Roda S.r.l., the parent company of the Roda Group, a leader in high-end outdoor furniture, a transaction that was concluded on 17 July 2025;
- on 24 September 2025, 65% of the share capital of Mollura & C. S.p.A. (Mohd) was acquired, a Made in Italy brand of excellence operating globally with an innovative omnichannel model that includes an online platform with over 12 million annual sessions and a large team of specialised designers. In partnership with over 500 top-tier brands, through showrooms, an online boutique and a dedicated design service, Mohd manages residential and contract projects worldwide.

It should also be noted that on 12 June 2025, Meridiani S.r.l. transferred all of the shares of Meridiani France SARL, representing 100% of its share capital, to the parent company Dexelance S.p.A. Following the transaction, the proposal to change the company name to Dexelance France SARL was also approved.

The structure of the Dexelance Group as at 31 December 2025 is provided below:



The Dexelance Group is divided into five operating segments or strategic business areas (SBAs), as defined by management at the operational management level, and one other, residual segment (mainly attributable to the Parent Company, which acts as the holding company):

- Furniture: dedicated to the design, production (both in-house and through third-party manufacturers) and marketing of indoor and outdoor furniture products, mainly dedicated to the living area. As at the reporting date, operations are concentrated within Gervasoni S.p.A., Meridiani S.r.l., Saba Italia S.r.l., Gamma Arredamenti International S.p.A., Gamma Arredamenti International Inc., Turri S.r.l., Turri USA, Turri UK and Shanghai Turri Furniture, and the foreign sales subsidiaries Dexelance USA Corp., Dexelance UK Ltd, Dexelance France SARL and Dexelance China Co. Ltd;
- Lighting: dedicated to the design, production (both in-house and through third-party manufacturers) and marketing of high-quality designer lighting products. At the date of the financial statements, this segment consisted of Davide Groppi S.r.l., Flexalighting S.r.l., Borman Lighting S.r.l., Flexalighting North America Ltd., Axo Light S.r.l. and Axo Light USA;
- Luxury Contract: dedicated to the design and installation of bespoke and commissioned fittings for luxury brand shops and high-end hotels and homes, commissioned and in collaboration with well-known architects and designers. At the reference date of the financial statements, this SBA was concentrated and active at Cenacchi International S.r.l. and Modar S.p.A.;
- Kitchens and Systems: dedicated to the design, production and marketing of modular kitchen solutions and systems. At the reporting date, Cubo Design S.r.l. was a member;
- Omnichannel: following the completion of the acquisition of a majority stake in Mollura & C. S.p.A. (Mohd) in September 2025, which is described in greater detail in the section on business combinations, the Group's business now comprises a fifth operating segment, "Omnichannel go-to-market", dedicated to the distribution of high-end products in lighting, design, and furniture, with a unique and highly innovative omnichannel business model;
- Other: this consists of the parent company Dexelance S.p.A.

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The separate financial statements as at 31 December 2025 were drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union, as well as the measures adopted in implementation of Article 9 of Italian Legislative Decree No. 38/2005 et seq. IAS/IFRS refers to the International Financial Reporting Standards (IFRS), which represent the evolution of International Accounting Standards (IAS), as well as all interpretations to date issued by the International Financial Reporting Commission (IFRIC).
The publication of the financial statements for the year ended 31 December 2025 is authorised by a resolution of the Board of Directors on 16 March 2026; these financial statements will be submitted to the Shareholders' Meeting of Dexelance S.p.A. on 27 April 2026.

The Company's financial statements consist of:
- a separate statement of financial position for current and non-current assets and liabilities on the basis of their realisation or settlement within the normal business cycle (IAS 1, paragraph 57), generally identified within the twelve months following the end of the financial year;
- a statement of profit or loss and other comprehensive income for the period that shows costs and revenue using a classification based on the nature of those costs and revenue, which is considered to be more representative than the business line in which the Company operates;
- a cash flow statement drawn up using the indirect method;
- a statement of changes in equity for the period;
- the notes containing the information required by applicable law and international accounting standards, as set out with reference to the balance sheet formats used.

The separate financial statements are presented in thousands of euros, the functional currency used by the Company in accordance with IAS 1 (revised).
The separate financial statements are subject to statutory audit by EY S.p.A.
Please refer to the Single Management Report of the Board of Directors for further information on the company's position, performance and operating result, as a whole and in the various sectors in which it has operated (in particular with regard to costs, revenue and investments), for information on the main events of the 2025 financial year and the business outlook.
The financial statements are prepared on a historical cost basis, except for financial derivatives and potential charges that are recorded at fair value.

CURRENT/NON-CURRENT CLASSIFICATION

Assets and liabilities in the Company's financial statements are classified as current or non-current.
An asset is current when:
- it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the balance sheet date; or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

All other assets are classified as non-current.
A liability is current when:
- it is expected to be settled in the entity's normal operating cycle;
- it is due to be settled within 12 months after the balance sheet date; or
- the entity does not have an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

Any contractual terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

CASH FLOW STATEMENT

With respect to the cash flow statement, in accordance with IAS 7, the Company has opted for the following approaches:
- the standard allows the company to prepare the cash flow statement from operating activities using either the direct or indirect method. The Company has presented its cash flow statement using the indirect method;
- the company reconciled its net result for the year with its net cash flows from operating activities;
- the standard allows interest expense and interest income to be represented both as operating activities and as financing activities, as deemed relevant by the Company.

The Company decided to classify the interest received and paid as cash flow from operating activities.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE TO FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

Below is a brief description of the accounting standards, amendments and interpretations applicable for the first time to the financial statements as at 31 December 2025.
Standards, amendments and interpretations that, by their nature, cannot be adopted by the Company re excluded from the list. The changes had no impact on the Group's consolidated financial statements as at 31 December 2025.

Lack of exchangeability – Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is convertible and how it should determine the spot exchange rate where convertibility is absent. The amendments also require the disclosure of information that allows users of the financial statements to understand how a currency that is not convertible into another currency affects, or is expected to affect, the entity's profit or loss, financial position and cash flows.
The change did not have any significant impact on the Group's financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

At the reference date of this document, the relevant bodies of the European Union have not yet completed the approval process required for the adoption of the amendments and standards described below.

EVALUATION CRITERIA

Intangible assets

Intangible assets acquired separately are recognised as assets at acquisition cost including directly attributable accessory charges. Those acquired through business combinations are recognised at fair value at the date of acquisition. After initial recognition, intangible assets are recognised at cost, net of the accumulated amortisation and any accumulated impairment losses.
The useful life of intangible assets is measured as finite or indefinite. Intangible assets with a finite useful life are amortised on a line basis over their useful life and are subject to a test of their value whenever there are indicators of a possible impairment. The amortisation period and method are reviewed at least at each financial year-end. Changes in the expected useful life or in the manner in which the future economic benefits associated with the asset are realised are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.
Amortisation charges are recognised in the income statement under the cost category consistent with the function of the intangible asset. Intangible assets with an indefinite useful life are not amortised, but are tested annually for impairment, both on an individual basis and at the level of the cash-generating unit.
The assessment of indefinite useful life is reviewed annually to determine whether this classification remains appropriate; if not, the change from indefinite to finite useful life is applied prospectively.
Gains or losses arising from the disposal of an intangible asset are determined as the difference between the disposal value and the carrying amount of the asset, and are recognised in the income statement at the time of disposal.
Trademarks acquired as part of business combinations are recognised at fair value at the date of the transaction.

The Group's trademarks have been considered assets with an indefinite useful life and, therefore, are not subject to a systematic amortisation process, but rather undergo impairment testing at least annually in the manner indicated in the section "Impairment".

Other intangible assets

Intangible assets are initially measured at cost, normally determined as the price paid for their acquisition, including accessory charges and any non-recoverable taxes, net of trade discounts and allowances.
After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any impairment losses determined in accordance with IAS 36.
Intangible assets are subject to amortisation, except when they have an indefinite useful life. Amortisation is applied systematically over the useful life of the intangible asset depending on its estimated economic use. The residual value at the end of its useful life is assumed to be zero, unless there is a commitment by a third party to acquire the asset at the end of its useful life, or there is an active market in which the asset is traded.
The directors review the estimated useful life of intangible assets at the end of each financial year.
Internally generated intangible assets consisting of the development costs of new products or new production processes are recognised as assets only if all of the following conditions are met:

- the asset being developed is identifiable;
- the asset created is likely to generate future economic benefits;
- the development project is likely to be completed and the related costs can be measured reliably.

These intangible assets are amortised on a straight-line basis over their respective useful lives. Amortisation of the asset begins when the development is complete and the asset is available for use.

Property, plant and equipment

Tangible assets are recorded at purchae or production cost net of accumulated depreciation and any writedowns for impairment losses. Assets consisting of components, of significant amounts and with different useful lives, are considered separately when determining depreciation.
Depreciation is determined on a straight-line basis relative to the cost of the assets, according to their estimated useful life represented by the following rates on an annual basis:

	Depreciation rate
Furniture	15%
Office equipment and machinery	20%

Depreciation rates are reviewed on an annual basis and any changes, where necessary, are made prospectively.
The residual value and useful life of the assets are reviewed at least at each financial year-end and if, regardless of the depreciation already accounted for, an impairment loss occurs determined on the basis of the application of IAS 36, the fixed asset is correspondingly written down; if, in subsequent years, the reasons for the writedown no longer apply, its original value is reinstated, adjusted only for depreciation.
When an asset is sold or when there is no expected future economic benefit from its use, it is derecognised and any loss or gain (calculated as the difference between the disposal value and the residual book value) is recognised in the income statement in the year of such derecognition.
Maintenance and repair costs, which are not likely to increase the value and/or extend the remaining life of the assets, are expensed in the period in which they are incurred; otherwise, they are capitalised.

Rights of use for leased assets

When entering into a contract, the Group assesses whether it is, or contains, a lease; in other words, whether the contract confers the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date, net of any incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the useful life of the right-of-use asset, or to the end of the lease term, whichever is earlier, as follows:

- Plant and machinery: 3 to 15 years
- Vehicles and other equipment: 3 to 5 years
- Land and buildings: from 2 to 25 years

Lease liabilities are instead measured at the present value of the lease payments not paid at that date. Payments due include fixed payments (including in-substance fixed payments) less any lease incentives to be received, variable lease payments that depend on an index or rate, and the amounts expected to be payable under residual value guarantees. In calculating the present value of the payments due, the Group uses the incremental borrowing rate at the start date if the implicit interest rate cannot be readily determined. After the commencement date, the amount of the lease liability increases to account for interest on the lease liability and decreases to account for payments made.
Furthermore, the carrying amount of lease liabilities is restated in the event of any changes to the lease or a revision of the contractual terms and conditions resulting in changes to the payments.
In particular, it accounts for:

- a right of use: on the lease commencement date, i.e. the date on which the underlying asset is available for use. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date, net of any incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the useful life of the right-of-use asset. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the purchase option, the lessee shall depreciate the asset consisting of the right of use from the commencement date until the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment;
- a financial liability at the lease commencement date. The Group recognises lease liabilities by measuring them at the present value of lease payments not yet paid at that date. Payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be paid as a guarantee of the residual value. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that such option will be exercised by the Group, and lease termination penalty payments, if the lease term takes into account the Group's exercise of its lease termination option. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that generated the payment occurs. In calculating the present value of the payments due, the Group uses the marginal borrowing rate at the start date. After the commencement date, the amount of the lease liability increases to account for interest on the lease liability and decreases to account for payments made. In addition, the carrying amount of lease payables is restated in the event of any changes to the lease or for a revision of the contractual terms to amend payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine such payments;
- separately classifies contracts for which the unit value of the underlying assets does not exceed, indicatively, USD 5,000 when new (so-called low-value assets), such as computers, telephones, tablets, office printers and multifunctional printers. For such contracts, lease payments are recognised in the income statement on a straight-line basis over the term of the contract.

As required by the standard, the Group has adopted certain elements of professional judgement and the use of assumptions and estimates in relation to contractual terms (lease term) and to the definition of the marginal financing rate. The main elements are summarised below:

- renewal clauses, extension options and early termination clauses of contracts are taken into account in determining the duration of the contract when their exercise is deemed reasonably certain, i.e. when the Group has the right to exercise them without the need to obtain the counterparty's consent;
- marginal borrowing rate (incremental borrowing rate): the Group has decided to use the marginal borrowing rate as the discount rate to discount lease payments. This rate is either the implicit interest rate of the contract, if easily determinable, or, alternatively, the Group's average marginal borrowing rate;
- the asset consisting of the right of use for leased assets, in accordance with IFRS 16, is measured t cost including the present value of future payments discounted at the marginal borrowing rate as defined above, the initial direct costs incurred by the lessee, the lease payments paid in advance and the estimated costs for dismantling, removal and restoration. The value of the asset is systematically depreciated.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the purchase option, the lessee shall depreciate the asset consisting of the right of use from the commencement date until the end of the useful life of the underlying asset.

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Impairment

At each balance sheet date, the Group reviews the carrying amount of its property, plant and equipment and intangible assets to determine whether there are any indications that these assets are impaired. If such indications exist, the recoverable amount of these assets is estimated in order to determine the amount of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Intangible assets with an indefinite useful life, including goodwill and trademarks, undergo tests annually to determine whether there is any indication of impairment.
The recoverable amount is the higher of fair value, less selling costs, and value in use. In determining the value in use, estimated future cash flows are discounted to their present value using an after-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.
If the recoverable amount of an asset (or the assets of a cash-generating unit) is estimated to be lower than its carrying amount, the latter is reduced to the lower recoverable amount.
An impairment loss is recognised in the income statement in the same period in which it is identified.
When an impairment loss no longer exists, the carrying amount of the asset (or the assets of a cash-generating unit), with the exception of goodwill, is increased to the new value resulting from an estimate of its recoverable amount, but not beyond the net carrying amount that the asset would have had if the impairment loss had not been recognised. The reversal of the impairment loss is recorded in the income statement.

Equity investments in subsidiaries and associate companies

Subsidiaries are those undertakings over which the Company has the power, directly or indirectly, to determine its financial and operational policies in order to obtain the related benefits.
Control is generally assumed to exist when more than half of the voting rights are held, directly or indirectly, and can be exercised in ordinary shareholders' meetings, including potential voting rights that can currently be exercised or converted at the reporting date.
Associate companies are those undertakings over which the Company has significant influence in determining their strategic choices, i.e., the power to participate in, but not control, the financial and management policies of the investee. Significant influence is assumed when Dexelance holds, directly or indirectly, between 20% and 50% of the voting rights exercisable at the ordinary shareholders' meeting, including potential voting rights that can currently be exercised or converted at the reporting date.
Equity investments in subsidiaries and associate companies are valued at the acquisition cost, including the costs incurred in acquiring the investment, which may be reduced if there are impairment losses.
If any impairment loss exceeds the carrying amount of the shareholding, the value of the shareholding is written down and the portion of share of further losses is recognised as a liability provision in the event that the Company is liable for them. The cost is reinstated in subsequent years if the reasons for the writedowns no longer apply.

Financial instruments

The financial instruments held by the Company are included in the following financial statement items:

- Equity investments: recorded at historical cost, which may be reduced in the event of impairment losses;
- Non-current financial assets: includes non-current loans and financing;
- Other current financial assets: includes receivables from financing activities, current securities and other current financial assets (including the positive fair value of financial derivatives);
- Cash and short-term deposits: includes bank deposits;
- Bank loans: refers to financial payables, other financial liabilities and the negative fair value of financial derivatives.

Non-current financial assets, other than equity investments, as well as current financial assets and liabilities, are accounted for in accordance with IFRS 9.
In particular, all financial assets within the scope of IFRS 9 are initially recognised in the financial statements at their fair value and shall subsequently be recognised at their amortised cost or fair value based on the Company's business model for financial assets and the characteristics of the contractual financial flows of the financial asset.

Specifically:
- financial assets held as part of a business model, which are held for the purpose of raising contractual cash flows, and which have cash flows consisting solely of principal payments and interest on the amount of principal to be returned, are subsequently valued at amortised cost;
- financial assets held as part of a business model, the objective of which is achieved both by collecting contractual cash flows and by selling them, and which have cash flows consisting solely of payments of principal and interest on the amount of principal to be repaid, are subsequently measured at their fair value through other comprehensive income (FVTOCI);
- all other financial assets and investments in equity instruments are subsequently measured at fair value, with changes recognised under profit or loss for the year (FVTPL).

Fair value is the price that would be received for the sale of an asset, or paid for the transfer of a liability, in an regular transaction between market operators at the valuation date. The fair value of an asset or liability is measured using the assumptions that market operators would use when pricing the asset or liability, assuming that market operators are acting to best satisfy their own economic interest.
Financial assets valued at the Company's amortised cost include loans and receivables, which include both trade and other receivables. At the reporting date and in the comparative period presented, the Company had no financial assets measured at fair value with changes recognised in other comprehensive income or in profit or loss for the period.

Notwithstanding the above, the Company may make the following irrevocable appointment upon initial recognition of a financial asset:
- the Company may make an irrevocable choice to present subsequent changes in the fair value of an investment in equity instruments that is neither held for trading, nor a contingent consideration recognised by a purchaser in a business combination transaction recognised in other comprehensive income;
- the Company may irrevocably designate an investment in debt instruments that meets the amortised cost or FVTOCI criteria, as measured at fair value, with recognised changes in profit or loss (FVTPL) if this removes or significantly reduces an accounting asymmetry.

During the 2024 financial year, the Company did not designate any debt instruments that meet the amortised cost or FVTOCI criteria, as measured at fair value through profit or loss for the period.
When financial assets do not have a fixed maturity, they are valued at acquisition cost.
Loans with a maturity of more than one year, which are non-interest bearing or accrue interest below the market rate, shall be discounted using market rates.
Regular assessments shall be carried out to ascertain whether there is objective evidence that a financial asset or group of assets may have been impaired. If there is objective evidence, the impairment loss is recognised as an expense in the income statement for the period.
Trade and financial receivables are initially recorded in the financial statements at their current value and are subsequently shown net of the provision for doubtful accounts required to adjust them in accordance with the impairment logic introduced by IFRS 9 (the expected losses model).
Allocations for the provision for doubtful accounts shall be accounted for in the income statement.
All financial liabilities are initially recognised at fair value, to which – in the case of mortgages, loans and debts – the transaction costs directly attributable to them are added. With the exception of financial derivatives, financial liabilities are subsequently exposed to amortised cost using the effective interest method.

Financial derivatives

Derivatives finalised by the Company are intended to address exposure to interest rate risk on some outstanding loans.
All financial derivatives are measured at fair value, as required by IFRS 9. In line with IFRS 9, financial derivatives may be accounted for in the manner established for hedge accounting only when, at the start of the hedging, there is formal appointment and documentation of the hedging relationship and the hedging is effective based on the assessment of the "economic relationship" between the hedged item and the hedging item.
When financial instruments qualify for hedge accounting, the following accounting treatments apply:

- Fair value hedge: if a financial derivative is designated as a hedge of the exposure to changes in fair value of a recognised asset or liability on the financial statements attributable to a particular risk that could impact the income statement, the gain or loss arising from subsequent fair value measurements of the hedging instrument is recognised in the income statement. The gain or loss on the hedged item, attributable to the hedged risk, changes the carrying amount of this hedged item and is recognised in the income statement.
- Cash flow hedge: if a financial derivative is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability on the financial statements, or a highly probable forecast transaction that could affect profit or loss, the effective portion of the gains or losses on the financial derivative is recognised in shareholders' equity. The accumulated gain or loss is derecognised from shareholders' equity and recorded on the income statement in the same period in which the related economic effect of the hedged transaction is recognised.

If hedge accounting cannot be applied, gains or losses arising from the fair value measurement of the financial derivative are immediately recognised on the income statement.
If a hedging instrument or hedging relationship is terminated, but the hedged transaction has not yet been carried out, the cumulative gains and losses, which up to that point have been recognised in shareholders' equity, are recognised in the income statement when the related transaction is carried out. If the hedged transaction is no longer considered probable, unrealised gains or losses suspended in shareholders' equity are recognised in the income statement.
The Company has established derivative contracts to hedge the variability of future cash flows of financial liabilities. In particular, the fair value of interest rate swaps used to hedge rate risk represents the amount that the Group estimates it will have to pay or cash in so as to close the contract at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty. The fair value of interest rate swaps is determined with reference to the market value for similar instruments.
Financial assets and liabilities measured at fair value, and derivative contracts in particular, are classified into the three hierarchical levels described below, based on the relevance of the information (input) used in determining the fair value. In particular:

- Level 1: financial assets and liabilities whose fair value is determined on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: financial assets and liabilities whose fair value is determined on the basis of inputs other than quoted prices referred to in Level 1, but which are directly or indirectly observable (such as, mainly: market exchange rates at the reference date, expected rate differentials between the currencies concerned and volatility of the reference markets, interest rates);
- Level 3: financial assets and liabilities whose fair value is determined on the basis of inputs that are not based on observable market data.

Put and call agreements on minority interests

Put and call agreements are financial instruments that comply with the provisions of IFRS 9. The fair value of financial instruments that are traded on an active market is determined, at each reporting date, with reference to the market or operator quotes (offer price for long-term positions and bid price for short-term positions), without any deduction for transaction costs. For financial instruments not traded on an active market, the fair value is determined using a valuation technique.
This technique may include: (i) the use of recent transactions under market conditions; (ii) reference to the current fair value of another instrument that is substantially similar; and (iii) a discounted cash flow analysis or other valuation models.
The earn-out is normally agreed by the special purpose vehicle used for the acquisition and therefore the related accounting treatment does not affect the carrying amount of the investment held by Dexelance.

Cash and cash equivalents

Cash and cash equivalents include cash, bank accounts and deposits repayable on demand and other short-term, highly liquid financial investments that are readily convertible to cash and are subject to an insignificant risk of change in value. Therefore, a financial investment is usually classified as a cash equivalent when it has a short maturity of three months or less from the date of immediate availability.

Net liabilities for defined benefits for employees

Severance payments are defined as a defined benefit obligation. The relative cost is determined using the projected unit credit method, making actuarial assessments at the end of each financial year and charging them to the income statement. The liability reflected in the financial statements represents the present value of the obligation that will be recognised at the end of the employment relationship.
The determination of the liability recognised in the financial statements in accordance with the aforementioned accounting standard involves making estimates based on statistical assumptions about the occurrence of future events, including subjective ones (mortality rate, staff turnover, discounting interest rates, wage growth etc.): in this process, the Directors use independent actuaries.
Payments for defined contribution plans are charged to the income statement in the period in which they are due.
Following the changes to severance payments introduced by Italian Law No. 296 of 27 December 2006, the accounting provided for in IAS 19 for defined benefit obligations remained applicable only to the liability relating to severance payments accrued up to 31 December 2006, since the amounts accrued from 1 January 2007 are paid to a separate entity (Supplementary Pension Fund or INPS Funds) for companies

with more than 50 employees. Consequently, the severance payments accrued after 31 December 2006 for these companies is a contribution benefit plan (defined contribution plan) and is accounted for as an expense in the vesting period. In fact, since the severance payment is entirely paid into social security funds, the Group companies to which this law is applicable no longer have any obligations to provide employees, in the event their employment is terminated, with the severance payments accrued after the amendment came into force.

Provisions for risks and charges

Provisions for risks and charges are made when the Company has a present obligation (legal or constructive) as a result of a past event, where an outflow of resources to meet the obligation is probable and a reliable estimate can be made of the amount of the obligation.
When the Company considers that a provision for risks and charges must be partly or fully reimbursed or indemnified (e.g. in the case of risks covered by insurance policies), the indemnity is recognised separately as an asset and, only if reimbursement is virtually certain, the cost of the provision, if any, is recognised in the income statement net of any reimbursement.
Allocations to these provisions require the use of estimates, based on historical experience in similar cases and objective facts known at the date the financial statements are prepared. With regard to contingent liabilities for outstanding litigations, the estimation of which involves complex evaluations, including those of a legal nature, and which are subject to a different degree of uncertainty in consideration of the facts involved in the litigation, the applicable legislation and jurisdiction, and other issues, the estimate is made on the basis of the knowledge of the objective facts at the date the financial statements are prepared, also taking into account the considerations expressed by the Group's legal advisors.
For contracts where the unavoidable costs associated with the fulfilment of the obligation are greater than the economic benefits expected to be obtained from them, the current contractual obligation is recognised and measured as an allocation to a provision.

Financial liabilities - Financing

Financial liabilities include mortgages, bank loans and overdrafts and financial derivatives.
All financial liabilities are measured at amortised cost, except for financial derivatives that are measured at fair value as described in the previous paragraph. As a result, if the interest rate of the transaction is not significantly different from the market rate, the liability is initially recognised at a value equal to the nominal value, net of all transaction costs and all premiums, discounts and allowances directly arising from the transaction that generated the liability. These transaction costs, such as incidental expenses for obtaining financing, any fees and any difference between the initial value and the nominal value at maturity are allocated over the term of the liability using the effective interest method. When, on the other hand, it appears that the interest rate of the transaction that can be deduced from the contractual terms is significantly different from the market rate, the liability is initially recorded at a value equal to the present value of future cash flows, determined by applying the market rate, and taking into account any transaction costs.
Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included in financial expenses in the income statement.
The value of liabilities is subsequently reduced by the amounts paid, both principal and interest.
Loans are classified as current liabilities if their maturity is less than 12 months after the reporting date and at the time when the Company has no unconditional right to defer their payment for at least 12 months.
Loans are derecognised in the financial statements when extinguished or when all risks and charges relating to them have been transferred to third parties.

Trade payables

These liabilities are initially recognised at the fair value of the consideration payable. Subsequently, the payables are measured using the amortised cost method determined using the effective interest method.

Treasury shares

Repurchased treasury shares are recognised at cost and deducted from shareholders' equity.
The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the purchase value and the consideration, in case of reissue, is recognised in the share premium reserve.

Long Term Incentive Plan

In order to align the interests of the Management with those of shareholders, the Company has established a medium- and long-term incentive plan linking remuneration to results.
To this end, on 9 May 2023, the Board of Directors approved – subject to the start of trading of the Company's shares on the regulated market of Borsa Italiana – an incentive plan addressed to the Company's Chief Executive Officer and Managing Director. The value and recognition of this incentive plan is linked to the increase in value of the Company's share price, recorded for a period of at least 30 consecutive days on the trading market compared to the IPO price, during the first three years of office and/or during the second three years of office in the case of renewal of office and failure to meet the objectives during the first three years of office. This is calculated and paid in cash by the Company during the month, following a positive verification by the Board of Directors that the long-term incentive has accrued.
The plan provides for the recognition of EUR 5,250 thousand in the case of an increase in value of the share equal to or greater than 30% and up to 49%; and the recognition of an additional amount of EUR 3,500 thousand in the case of an increase in value of the share equal to or greater than 50% (for a total amount of EUR 8,750 thousand).

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This incentive plan falls within the scope of IAS 19. The liability is remeasured at each period-end or when the event requiring payment occurs. Its effects are recorded in the income statement under costs for services, showing among interest payable the financial component related to the cost of discounting, in addition to the related anticipated taxation.
In determining the amount to be allocated for the incentive plan approved by the Board of Directors, the Group used an independent expert who determined the fair value of the instrument, which was consequently accounted for in accordance with IAS 19. At the valuation date, the quantification was based on certain technical bases that were identified by the appraisal expert in agreement with Management.
The methodology adopted to estimate fair value follows the risk neutral approach typically used in the valuation of these instruments. For the determination of the fair value, market data taken at the valuation date from the 'Eikon Refinitiv' platform were used. The definition of the value of the LTI Premium was measured using a stochastic simulation with the Monte Carlo Method, which, on the basis of appropriate assumptions, allowed for the definition of a substantial number of alternative scenarios over the time period considered. Specifically, in each scenario, the projection of the share price is made from the initial value, according to a geometric Brownian motion. Subsequently, for each scenario simulated by feeding the valuation model, the Appreciation of the Share and consequently the relative LTI Premium was estimated; each estimated value was then discounted using the risk free rates of the EUR Interest Rate Swap curve (equal to 2.207%) determining the overall fair value of the LTI Premium at the valuation date as the average of the discounted payoffs of all scenarios.

Share-based payments

Some of the Group's employees (including executives) receive part of their remuneration in the form of share-based payments; thus employees provide services in exchange for shares.
The cost of equity-settled transactions is determined by the fair value at the date the assignment is made using an appropriate valuation method. This cost, together with the corresponding increase in equity, is recognised under personnel costs over the period in which the conditions relating to the achievement of objectives and/or service performance are met. The cumulative costs recognised in respect of such transactions at the end of each financial year up to the maturity date are commensurate with the maturity period and the best estimate of the number of equity instruments that will actually vest.
The cost or income in the statement of profit/(loss) for the year represents the change in cumulative cost recognised at the beginning and end of the year.
Service or performance conditions are not taken into account when determining the fair value of the plan at the grant date. However, the probability that these conditions will be met is taken into account when defining the best estimate of the number of capital instruments that will mature. Market conditions are reflected in the fair value at the allocation date. Any other plan-related condition that does not involve a service obligation is not considered a vesting condition. Non-vesting conditions are reflected in the fair value in the plan and result in the immediate recognition of the cost of the plan, unless there are also service or performance conditions.
No cost is recognised for rights that do not mature because the performance conditions are not met.
When rights include a market condition or a non-vesting condition, they are treated as if they had vested regardless of whether the market conditions or other non-vesting conditions to which they are subject are fulfilled or not, it being understood that all other performance conditions must be fulfilled.
If the terms of the plan are changed, the minimum cost to be recognised is the fair value at the grant date in the absence of the change, assuming the original terms of the plan are satisfied. In addition, a cost is recognised for any change that increases the total fair value of the payment plan, or which is otherwise favourable to employees; this cost is measured in reference to the date of the change. When a plan is derecognised by the entity or the counterparty, any remaining element of the plan's fair value is expensed immediately in the income statement.

Earnings per share

Earnings per share are calculated by dividing the profit attributable to holders of ordinary equity instruments of the parent entity by the weighted average number of ordinary shares outstanding during the year.
Diluted earnings per share is calculated by dividing the profit attributable to holders of ordinary equity instruments (adjusted for interests in convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that could be issued upon conversion into ordinary shares of all dilutive potential ordinary shares.

Recognition of revenue and income in the income statement

The item "Revenue" includes the consideration for sales of goods to customers and for the provision of services.
Revenue represent the consideration generated in return for the transfer of the promised goods and/or services to the customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when it fulfils its obligation under the contract, i.e. when it transfers control of the goods or services to the customer.
Based on the five-step model introduced by IFRS 15, the Group recognises revenue when the following criteria are met:

1. the parties have approved the contract (in writing, verbally or in accordance with other customary business practices) and have committed to fulfil their respective obligations; there is therefore an agreement between the parties that creates rights and obligations that are enforceable regardless of the form in which the agreement is manifested;
2. the rights of each party with respect to the goods or services to be transferred are identified;
3. the terms of payment for the goods or services to be transferred are identified;
4. the contract has commercial substance; and
5. it is likely that the Group will receive the consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer.

If the consideration promised in the contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for the transfer of the goods to the customer.
Revenue from contracts with customers are recognised on the basis of the transfer of control of the goods and/or services to the customer over time. If the transfer of control takes place as the asset is constructed or the services are rendered, revenue is recognised "over time", i.e. as the activities progress gradually; if, on the other hand, control is not transferred as the asset is constructed or the services are rendered, revenue is recognised "at a point in time", i.e. at the time of the final delivery of the asset or the completion of the services. In order to assess the progress of "over time" orders, the Company has chosen the criterion of the percentage of progress measured using the cost-to-cost method. When it is likely that the total costs of the order over its life will exceed the total revenue of the order over its life, the potential loss is recognised immediately in the income statement.
Capital and operating grants are recognised when there is reasonable certainty that they will be received and the conditions attached to them are met. In the case of capital grants, their nominal value is suspended under liabilities and credited to the income statement in proportion to the useful life of the assets to which they relate.
Operating grants are recognised on a systematic basis over the periods in which the entity recognises as expenses the related costs that the grants are intended to offset.

Costs and expenses

Costs are recognised in the income statement when they relate to goods and services sold or consumed during the period, or by systematic allocation, or when their future usefulness cannot be identified.

Dividends, financial income and expenses

Dividends distributed constitute a change in shareholders' equity in the period in which they are approved by the Shareholders' Meeting.
Dividends received are recognised when the Group's right to receive payment arises.
Financial income and expenses are recognised on an accrual basis.

Income tax

Taxes for the period represent the sum of current and deferred taxes.
Current taxes Current tax assets and liabilities for the financial year are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax legislation used to calculate the amount are those in force, or substantially in force, at the reporting date in the countries where the Group operates and generates its taxable income. Taxable income differs from the result reported in the income statement because it excludes positive and negative items that will be taxable or deductible in other years and also excludes items that will never be taxable or deductible. The liability for current taxes is calculated according to the tax rules in force at the reporting date.
Current taxes regarding items recognised directly in equity are also recognised in equity and not in the income statement. Management periodically reviews the position taken in the tax return where tax regulations are subject to interpretation and allocated provisions, where appropriate.
Deferred taxes Deferred taxes are calculated by applying the liability method to the temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised in respect of all deductible temporary differences, tax credits and unused tax losses carried forward, to the extent likely that sufficient future taxable income will be available to allow the utilisation of the deductible temporary differences, and of the tax credits and losses carried forward. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer likely that there will be sufficient taxable income to allow for all or part of the recovery of these receivables.
Deferred tax assets and liabilities are measure based on the tax rate expected to be in force when the asset is realised or the liability is extinguished. Deferred taxes are recognised directly in the income statement, except for those related to items recognised directly in shareholders' equity, in which case the related deferred taxes are also recognised in shareholders' equity.
As a consolidating company, Dexelance S.p.A. has exercised the option for the national tax consolidation scheme governed by Article 117 et seq. of Italian Presidential Decree 917/1986 ("TUIR"), which allows corporate income tax to be determined on a taxable base corresponding to the algebraic sum of the positive and negative taxable amounts of the individual companies involved. The consolidation agreement was entered into on 4 October 2018 with the subsidiaries Gervasoni, Meridiani and Cenacchi International; as of 2020, Davide Groppi, Saba Italia and Modar have also taken part; Flexalighting joined as of 2021, Gamma Arredamenti International as of 2023, and Cubo Design and Turri as of 2024 and Axo Light as of 2025.

Discretionary measurements and significant accounting estimates

The preparation of financial statements and the related notes in accordance with IFRS requires Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date.

The estimates and assumptions used are based on experience and other factors considered relevant. The results obtained afterwards may therefore differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes to them are reflected in the income statement in the period in which the estimate revision occurs, if the revision affects only that period, or in subsequent periods if the revision affects both current and future periods.
The main assumptions of the Directors used in the process of applying the accounting standards with regard to the future and which could result in significant adjustments to the value of assets and liabilities during the period after the reporting period are described with reference to the individual measurement criteria. The Company has based its estimates and assumptions on parameters available at the time the financial statements were prepared. However, current circumstances and assumptions about future events may change due to changes in the market or events beyond control. Any such changes are reflected in the assumptions when they occur.
The main estimates made concern:

- the recoverability of the value of non-current intangible assets;
- the estimates related to the medium- to long-term incentive plan that links remuneration to results (The "Long-Term Incentive Plan") and the Performance Shares Plan;
- financial payables to lessors and the relevant recording of the related rights of use.

DISCRETIONARY MEASUREMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements and the related notes in accordance with IFRS requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. The results that will be reported year-on-year may differ from the initial estimates.
The Company has used estimates for valuation of the assets subject to the impairment test, for provisions allocated to stock option plans, depreciation, employee benefits, deferred taxes, and generally to other provisions and funds. Estimates and assumptions are reviewed periodically and the effects of any changes to them are reflected in the income statement in the period in which the estimate revision occurs, if the revision affects only that period, or in subsequent periods if the revision affects both current and future periods.

STRATEGIC BUSINESS AREA INFORMATION

Paragraph 4 of IFRS 8 provides that when the Company's consolidated financial statements and separate financial statements are published at the same time, strategic business area information should only be presented in respect of consolidated financial statements. Consequently, no such disclosures are made in these financial statements.

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ANALYSIS OF THE COMPOSITION OF THE MAIN ITEMS IN THE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

OTHER INTANGIBLE ASSETS

The following table provides analytical information on the composition of the item under consideration and movements in intangible assets in respect of purchases, divestments/ disposals, depreciation during the period, any write-downs or revaluations made and any effects resulting from the extraordinary operations on 31 December 2024 and 31 December 2025.

Intangible assets	**31/12/2024**	**31/12/2025**
Initial gross value	12	59
Initial depreciation fund	(4)	(8)
Initial net value	**9**	**51**
Transactions during the period:		
Acquisitions	46	24
Depreciation for the period	(4)	(4)
Total transactions during the period	**42**	**20**
Final gross value	59	83
Final depreciation fund	(8)	(12)
Final net value	**51**	**71**

As can be seen from the table above, intangible assets are composed solely of the brands owned by the Company.
The costs that have increased the historical cost relate solely to the expenses incurred by the Company during the financial year for the legal protection of the new Dexelance trademark, which, it should be noted, was approved by the Parent Company's Extraordinary General Meeting of Shareholders on 22 April 2024.

RIGHT OF USE

The balance sheet values of rights-of-use assets and their movements during the reporting periods are provided below

Right of use	**31/12/2024**	**31/12/2025**
Initial gross value	930	1,325
Initial depreciation fund	(395)	(603)
Initial net value	**535**	**722**
Transactions during the period:		
Acquisitions	394	364
Divestments	-	(224)
Depreciation for the period	(207)	(229)
Divestment fund disposals	-	163
Total transactions during the period	**187**	**74**
Final gross value	1,325	1,465
Final depreciation fund	(603)	(669)
Final net value	**722**	**796**

The right of use registered as at 31 December 2025 primarily relates to the lease contract for the registered office of Dexelance, located at Corso Venezia 29 20121 Milan, entered into in 2020, for a net residual amount of EUR 444 thousand.
The transactions for the period shown in the table above regard company cars allocated to employees and directors of the companies.
It should be noted that the leasing, rental and hire contracts currently in place do not provide for variable payments which are not linked to significant indexes or rates. At the reference date, there are no contracts with guarantees for the redemption of the residual value or undertakings in relation to contracts that have yet to commence.
No sale or leaseback transactions were carried out during the financial year.

The amounts recorded in the income statement for the two periods are as follows:

	31/12/2024	**31/12/2025**
Depreciation on assets for rights of use	207	229
Interest expense for leases	22	36
Rental costs – short-term leasing	33	33
Total costs recorded in the income statement	**262**	**298**

The total cash flow for the payment of the company's capital leasing shares was EUR 298 thousand for 2025 and EUR 204 thousand for 2024; in particular, EUR 229 thousand regards depreciation for rights of use, subject to IFRS16, whilst EUR 33 thousand regards depreciation for low value and short-term leases, for which the above principle does not apply.

PROPERTY, PLANT AND EQUIPMENT

The following table provides analytical information on the composition of the item under consideration and movements in tangible assets in respect of purchases, divestments/disposals, depreciation during the period, any write-downs or revaluations made and any effects resulting from extraordinary operations.

Property, plant and equipment	Other tangible fixed assets	Improvements to third-party assets	Total
Initial gross value	571	105	677
Initial depreciation fund	(54)	(25)	(79)
Initial net value 01/01/2024	**518**	**80**	**598**
Transactions during the period:			
Acquisitions	174	25	199
Other changes	(6)	-	(6)
Depreciation for the period	(24)	(10)	(34)
Total transactions during the period	**144**	**15**	**159**
Final gross value	739	130	870
Final depreciation fund	(78)	(35)	(112)
Final net value 31/12/2024	**662**	**95**	**757**

Property, plant and equipment	Other tangible fixed assets	Improvements to third-party assets	Total
Initial gross value	739	130	870
Initial depreciation fund	(78)	(35)	(113)
Initial net value 01/01/2025	**661**	**95**	**757**
Transactions during the period:			
Acquisitions	11	-	11
Business combinations	-	-	-
Depreciation for the period	(27)	(11)	(38)
Total transactions during the period	**(16)**	**(11)**	**(27)**
Final gross value	750	130	881
Final depreciation fund	(105)	(46)	(151)
Final net value 31/12/2025	**645**	**84**	**730**

Other tangible fixed assets include furniture, office equipment and certain works of art (which are not subject to depreciation) acquired over the years. No significant changes were reported during the 2025 financial year.

DEFERRED TAX ASSETS

The composition of the deferred tax assets as at 31 December 2025 is as follows:

Deferred tax assets	31/12/2024 Amount of temporary differences	31/12/2024 Tax effects	31/12/2025 Amount of temporary differences	31/12/2025 Tax effects	Change
Employee and director bonuses	384	92	25	6	(86)
Performance shares	183	44	447	107	63
Financial derivatives	84	20	99	24	4
Long-Term Incentive Plan	580	139	92	145	6
Total deferred tax assets	**1,231**	**295**	**663**	**282**	**(14)**

EQUITY INVESTMENTS

Acquisitions completed by Dexelance usually take place through a process involving the establishment of a special purpose vehicle to acquire the target company and the subsequent reverse merger of the special purpose vehicle into the target company. The most recent transactions (and, in particular, the acquisition of Mollura & C. S.p.A.) were instead carried out through a direct acquisition of the target company.
The acquisition price usually involves the recognition of an earn-out, payable by the company resulting from the merger between the special purpose vehicle and the target company, within a relatively short time frame and at a price with predefined parameters. In fact, he earn-out is directly linked to the performance of the target company, usually EBITDA and net financial position as contractually defined between the parties. These parameters may differ in the final figures compared with the estimates in the target company's business plan.
Acquisitions are very rarely 100%, but in some cases involve the initial acquisition of the majority stake and a put-and-call mechanism (put in favour of the seller and call in favour of the buyer) for the acquisition of the subsequent minority stake. The value of the minority stake was also subject to a contractual definition that links its value to actual company performance compared with the estimates in the business plan, using calculation parameters that are still contractually predefined between the parties (usually EBITDA and net financial position). These minority stakes are recorded in the separate financial statements when the acquisition of the relevant stake is completed, at which point the financial obligation of the Company actually arises. An estimate of the commitments arising from the put & call options entered into is presented in the following paragraph: "commitments, guarantees and contingent liabilities not shown in the statement of financial position".

It should be noted that, during the 2025 financial year, an agreement was signed with the minority shareholders of Cubo Design S.r.l., under which the Company relinquished 40% of the shares in that company. For more information, please refer to the explanatory notes to the financial statements.

The following table shows the movements taking place in the financial years 2024 and 2025 for the item "Equity investments in subsidiaries and associated companies".

	Subsidiaries	Associated companies	Total
Value as at 01/01/2024	**91,647**	**-**	**91,647**
Investments	3,981	-	3,981
Revaluations/(write-downs)	(1,424)	-	(1,424)
Value as at 31/12/2024	**94,204**	**-**	**94,204**
Investments	54,454	8,655	63,109
Capital grants	6,314	-	6,314
Revaluations/(write-downs)	(12,955)	-	(12,955)
Reclassification/Other	(226)	-	(226)
Value as at 31/12/2025	**141,791**	**8,655**	**150,446**

In particular, the equity interests affected by these transactions during the period can be summarised as follows:

Description	31/12/2024	Acquisitions	Exercise of put and call options	Capital increases	Write-downs	Other	31/12/2025
Gervasoni	11,513	-	-	-	-	-	11,513
Davide Groppi	14,671	-	-	-	-	-	14,671
Meridiani	3,300	-	-	-	-	-	3,300
Cenacchi International	23,888	-	-	-	-	-	23,888
Axo Light	3,522	-	-	-	(2,135)	-	1,387
Dexelance UK	173	-	-	-	(173)	-	-
Saba Italia	3,300	-	-	-	-	-	3,300
Modar	6,064	-	-	-	-	-	6,064
Dexelance China	-	-	-	1,851	(1,087)	(226)	539
Dexelance USA	1,923	-	-	1,658	(1,368)	-	2,213
Gamma Arredamenti Int.	4,745	-	-	-	-	-	4,745
Cubo Design	13,867	-	-	-	-	-	13,867
Flexalighting	1,305	-	9,653	-	-	11	10,969
Turri	5,933	-	-	2,805	(8,080)	-	658
Mollura	-	44,283	-	-	-	395	44,677
Dexelance	-	110	-	-	(112)	2	-
Total subsidiaries	**94,204**	**44,393**	**9,653**	**6,314**	**(12,955)**	**182**	**141,791**
Roda	-	4,500	-	4,000	-	155	8,655
Total associated companies	**-**	**4,500**	**-**	**4,000**	**-**	**155**	**8,655**
Total	**94,204**	**48,893**	**9,653**	**10,314**	**(12,955)**	**337**	**150,446**

The increases for the financial year resulting from new acquisitions by the Group refer to:
- the acquisition of 100% of the shares in Dexelance France SARL (formerly Meridiani France SARL) for EUR 112 thousand, following the transfer of all shares from Meridiani S.r.l.;
- the acquisition of 65% of the share capital of Mollura & C. S.p.A., which took place on 24 September 2025, for EUR 44,677 thousand, financed through bank borrowing. The agreement provides for the mutual acquisition and disposal of the remaining shareholding, to be exercised within 90 working days of the approval of the Company's financial statements as at 31 December 2029. No earn-outs have been provided for the minority shareholders;
- the acquisition of a 25% stake in Roda S.r.l. for EUR 8,655 thousand, which took place on 17 July 2025, following the signing of the investment agreement entered into with the Company in June 2025. This acquisition was financed through bank borrowing of approximately EUR 6 million, with the remainder funded from the company's own resources. Please note that EUR 4.5 million were earmarked for the purchase of shares held by the Shareholders and EUR 4 million were used to subscribe a dedicated capital increase. The agreement provides for reciprocal purchase and sale options, the exercise of which will enable the Group to acquire a 60% stake in the company during the 2028 financial year.

The increases for the financial year relating to the exercise of put and call options relate to the purchase of the remaining shares in Flexalighting S.r.l. (49% of the share capital) for EUR 9,664 thousand and the consequent acquisition of 100% of the shares.

In addition to the capital increase carried out for the acquisition of Roda S.r.l. described above, capital contributions (totalling EUR 6,314 thousand) were made during the financial year to the subsidiaries Dexelance China Co. Ltd., Dexelance USA Corp. and Turri S.r.l., with the aim of supporting their operations in the face of significant non-recurring costs incurred by these companies.
The write-downs for the 2025 financial year, which resulted in a reduction in the value of equity investments totalling EUR 12,955 thousand, concern the equity investments held in Dexelance China Co. Ltd. (for EUR 1,087 thousand), Dexelance UK Ltd. (EUR 173 thousand), Dexelance USA Corp. (EUR 1,368 thousand), Turri S.r.l. (EUR 8,080 thousand), Axo Light S.r.l. (€2,135 thousand) and Dexelance France SARL (€112 thousand). Finally, it is worth noting the reduction in the stake held in Dexelance China Co. Ltd. for €226 thousand due to the reclassification of the provision for investment risks set aside in previous financial years, as the impairment provision was deemed sufficient following the increase in the value of the investment resulting from share capital increases. The provision for risks has therefore been written off.

Meridiani

Information on equity investments in subsidiaries

The following statement sets out the information for each subsidiary at the end of the reporting period.

Equity investments	Registered office	% Stake held	Share capital	Profit (loss) in EUR	Shareholders' equity in EUR	Relevant equity stake	Balance sheet value	Difference between relevant equity stake and the balance sheet value
Gervasoni S.p.A.	Pavia di Udine (Udine)	100%	1,000	2,177	18,662	18,662	11,513	7,149
Meridiani S.r.l.	Misinto (Monza and Brianza)	61%	120	(987)	7,575	4,628	3,300	1,328
Cenacchi Int. S.r.l.	Ozzano dell'Emilia (Bologna)	99%	10	3,404	19,663	19,466	23,888	(4,422)
Davide Groppi S.r.l.	Piacenza	100%	20	1,084	9,219	9,219	14,671	(5,452)
Saba Italia S.r.l.	S. Martino di Lupari (Padua)	100%	50	(64)	6,603	6,603	3,300	3,303
Modar S.p.A.	Barlassina (Monza and Brianza)	100%	500	(3,635)	5,450	5,450	6,064	(614)
Flexalighting S.r.l.	Pontassieve (Florence)	100%	10	1,212	6,660	6,660	10,969	(4,309)
Cubo Design S.r.l.	Notaresco (Teramo)	60%	84	778	24,123	14,474	13,867	606
Gamma Arred. Int. S.p.A.	Forlì (Forlì-Cesena)	55%	2,000	(894)	7,318	4,025	4,745	(720)
Axo Light S.r.l.	Scorzè (Venice)	100%	119	(496)	194	194	1,387	(1,193)
Turri S.r.l.	Carugo (Como)	51%	1,000	(12,292)	4,093	2,087	658	1,429
Mollura & C. S.p.A.	Messina	65%	65	2,222	24,918	16,197	44,677	(28,481)
Dexelance France SARL	Parigi (France)	100%	100	(283)	(75)	(75)	-	(75)
Dexelance China Co. Ltd.	China	100%	27,516 CNY	(1,098)	539	539	539	-
Dexelance UK Ltd.	Great Britain	100%	780 GBP	(438)	(265)	(265)	-	(265)
Dexelance USA Corp.	USA	100%	10 USD	(1,148)	2,213	2,213	2,213	-
Total subsidiaries							**141,791**	
Roda S.r.l.	Gavirate (Varese)	25%	3,400	(950)	9,687	2,422	8,655	(6,233)
Total associated companies			-	-	-	-	**8,655**	-
Equity interests in subsidiaries			-	-	-	-	**150,446**	-

The data of the subsidiaries (profit and loss and shareholders' equity) refer to the financial statements drawn up on the basis of national accounting standards as at 31 December 2025, prepared by the respective administrative bodies.
The Company performs test annually on 31 December and when circumstances indicate that a recoverable amount may be impaired.
Please note that, during the preparation of the financial statements for the year ended 31 December 2025, appropriate impairment tests were carried out on the recoverable amount of intangible assets with an indefinite useful life, thereby determining the value in use of the investment using the discounted cash flow method, or DCF.
The Company's Directors reviewed the impairment tests for the following specific Cash Generating Units (CGUs)[25]: (i) Gervasoni, (ii) Meridiani, (iii) Cenacchi International, (iv) Davide Groppi, (v) Saba Italia, (vi) Modar, (vii) Flexalighting, (viii) Gamma Arredamenti International, (ix) Cubo Design, (x) Axo Light, (xi) Turri () and, finally, of Dexelance S.p.A. itself, taking into account the capital invested in the subsidiaries and the results of this latter Company, in its role of strategic management, coordination and control of the Group.

The business plan used for the impairment test, from which the discounted cash flows were derived, was approved by the Board of Directors on 16 March 2026. The documents underlying the impairment test include the consolidated statement of financial position as at 31 December 2025 and the economic and financial plan for the period 2026–2028, from which the explicit cash flows subject to discounting were produced.
The business plan and its strategy review have been prepared by management and

1. their assumptions are consistent with actual past performance and Group performance in relation to historical trends in the relevant market;
2. the objectives of the plan are aligned with current developments.

The estimate of the recoverable amount of the asset group under analysis was conducted in accordance with the notion of value in use. The value in use of an asset group is the present value of the future cash flows, both incoming and outgoing, that are expected to result from the continued use of the asset group.
This is discounted at an appropriate discount rate that reflects current market estimates of the time value of money and the risks specific to the asset group in question.
To estimate the value in use, the Board of Directors used the explicit cash flows of the 2026-2028 economic and financial plans. It also considered an indefinite time horizon for the estimate of the terminal value of the individual CGU.
The method applied to estimate the value in use of assets is the discounted cash flow (DCF) method, which estimates the value of invested capital (enterprise value) as the present value of its future operating cash flows, discounted at a rate equal to the weighted average cost of capital (WACC).
The assumptions used for each CGU are described below, and the methods do not deviate from those used when preparing the annual financial statements as at 31 December 2024. In any case, these reflect the different results provided for in the new plan approved by the parent company's Board of Directors, as well as the update of variables used to determine the WACC and growth rate (g).
Supported in this regard also by a special appraisal issued by an independent third-party expert, the Board of Directors identified losses of value regarding the net invested capital of the Group's individual CGUs and the carrying amount of the relevant individual equity investments. As at 31 December 2025, as a result of the individual economic and financial performances deemed unsatisfactory, also due to extraordinary and reasonably non-repeatable operating circumstances occurring in 2025, as well as the updated economic and financial projections by the Company's management, a partial impairment loss was recognised on the shareholding held in Axo Light S.r.l. (EUR 2,135 thousand) and for Turri S.r.l. (for EUR 8,080 thousand).
For further details on the impairment tests conducted as at 31 December 2025 and their results, please refer to the detailed discussion in the notes to the consolidated financial statements.

[25] The cash generating unit (CGU) identified for the purposes of brand recoverability and goodwill corresponds to the company acquired (and its subsidiaries) as a whole.

Furthermore, as mentioned above, investments in foreign commercial subsidiaries were written down by a total of EUR 2,740 thousand, and a provision of EUR 340 thousand was also allocated for risks relating to the commercial entity Dexelance UK Co. Ltd. (EUR 265 thousand) and Dexelance France SARL (EUR 75 thousand).

The table below shows the changes in the carrying amount of the investments held in subsidiaries and associates as at 31 December 2024 and 31 December 2025.

Company	Historical cost as at 31 December 2024	Provision for 31/12/2024 devaluation	Carrying value as at 31/12/2024	Increases in 2025	Write-downs in 2025	Historical cost as at 31/12/2025	Provision for 31/12/2025 devaluation	Carrying value as at 31/12/2025
Gervasoni S.p.A.	11,513	-	11,513	-	-	11,513	-	11,513
Meridiani S.r.l.	3,300	-	3,300	-	-	3,300	-	3,300
Cenacchi Int. S.r.l.	23,888	-	23,888	-	-	23,888	-	23,888
Davide Groppi S.r.l.	14,671	-	14,671	-	-	14,671	-	14,671
Saba Italia S.r.l.	3,300	-	3,300	-	-	3,300	-	3,300
Modar S.p.A.	6,064	-	6,064	-	-	6,064	-	6,064
Flexalighting S.r.l.	1,305	-	1,305	9,664	-	10,969	-	10,969
Gamma Arred. Int. S.p.A.	4,745	-	4,745	-	-	4,745	-	4,745
Cubo Design S.r.l.	13,867	-	13,867	-	-	13,867	-	13,867
Axo Light S.r.l.	3,522	-	3,522	-	(2,135)	3,522	(2,135)	1,387
Turri S.r.l.	5,933	-	5,933	2,805	(8,080)	8,738	(8,080)	658
Mollura & C. S.p.A.	-	-	-	44,677	-	44,677	-	44,677
Dexelance UK Ltd.	800	(627)	173	-	(173)	173	(800)	-
Dexelance USA Corp.	3,055	(1,132)	1,923	1,658	(1,368)	3,581	(2,500)	2,213
Dexelance China Co. Ltd.	1,650	(1,650)	-	1,851	(1,313)	1,851	(3,188)	539
Dexelance France SARL	-	-	-	112	(112)	112	(112)	-
Total subsidiaries	**97,613**	**(3,409)**	**94,204**	**60,768**	**(13,181)**	**154,972**	**(16,815)**	**141,791**
Roda S.r.l.	-	-	-	8,655	-	8,655	-	8,655
Total associated companies	**-**	**-**	**-**	**8,655**	**-**	**8,655**	**-**	**8,655**
Total	**97,613**	**(3,409)**	**94,204**	**69,423**	**(13,181)**	**163,627**	**(16,815)**	**150,446**

OTHER NON-CURRENT ASSETS

Other non-current assets outstanding as at 31 December 2025 relate to security deposits amounting to €7 thousand.

OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

Financial Assets	current	non-current	31/12/2025
Financial receivables from subsidiaries	2,760	11,718	14,478
Receivables from subsidiaries for cash pooling	3,461	-	3,461
Other financial assets	13,000	-	13,000
Total financial assets	**19,221**	**11,718**	**30,939**

The financial assets from subsidiaries for total EUR 14,478 thousand as at 31 December 2025 regard:

- the interest-bearing loan granted to the subsidiary Turri S.r.l. for EUR 6,123 thousand, of which EUR 2,636 thousand was current and EUR 3,487 thousand is non-current. The loan entered into in 2023, with an outstanding balance of EUR 2.6 million, matures in 2026; the loan entered into in 2024, with an outstanding balance of EUR 3.4 million, matures in 2030;
- the interest-bearing loan granted to the subsidiary Gamma Arredamenti International S.p.A., amounting to EUR 2,231 thousand (entirely non-current, maturing in 2029);
- the interest-bearing loan granted to Cubo Design S.r.l. for EUR 6,124 thousand, of which EUR 124 thousand was current and EUR 6,000 thousand is non-current, maturing in 2030.

The following table shows the transactions recorded during 2025:

Financial receivables from subsidiaries	31/12/2024	Loans taken out	Repayments / Payments	Other changes	31/12/2025
Financial receivables from subsidiaries	7,934	6,000	-	(544)	14,478
Total financial receivables from subsidiaries	**7,934**	**6,000**	**-**	**(544)**	**14,478**

The contracts for the loans granted to Turri S.r.l. and Gamma Arredamenti International S.p.A. were entered into during 2023 and 2024.
The entries listed above instead relate entirely to the nominal value of the loan granted to Cubo Design S.r.l., the contract for which was signed in March 2025, with the aim of reducing debt through third-party funding. Please note that the other changes result from the application of the amortised cost measurement method to these items.
The following shows the breakdown of the receivables within one year, five years and beyond:

	31/12/2024	within 1 year	from 1 to 5 years	beyond 5 years
Financial receivables from subsidiaries	7,934	1,352	6,582	-
Total financial receivables from subsidiaries	**7,934**	**1,352**	**6,582**	**-**

	31/12/2024	within 1 year	from 1 to 5 years	beyond 5 years
Financial receivables from subsidiaries	14,478	2,760	11,718	-
Total financial receivables from subsidiaries	**14,478**	**2,760**	**11,718**	**-**

Receivables from subsidiaries arising from cash pooling regard existing arrangements with subsidiaries covered by the centralised treasury management agreement (pooling), as detailed below in the section 'Information on related party transactions'.
The other current financial assets amount to EUR 13,000 thousand and regard time deposits that the Company has subscribed to during the year, in order to temporarily invest surplus liquidity. Please note that deposits have a duration of 1 to 3 months and can be closed early, with minimum notice, but with a penalty on the returns granted to the company.

TRADE RECEIVABLES

This item entirely regards invoices issued to subsidiaries, totalling EUR 471 thousand. This amount is attributable to the recharging of costs amounting to EUR 233 thousand (of which EUR 130 thousand regards service contracts and EUR 103 thousand, sustainability costs) and the payment of directors' remuneration, amounting to EUR 238 thousand.

INCOME TAX CREDITS

As at 31 December 2025, the Group had net receivables of EUR 2,136 thousand; please note that the Company has opted to participate in the national tax consolidation scheme as the consolidating entity.
As at 31 December 2024, the Group instead had a total debt of EUR 938 thousand.

OTHER CURRENT ASSETS

Other current assets are detailed as follows:

Other current assets	31/12/2024	31/12/2025	Change
Advances to suppliers for services	2	23	22
Loans to subsidiaries	682	2,461	1,779
Prepaid expenses	161	476	315
VAT receivables	879	969	90
Advances to subsidiaries	-	-	-
Total other current assets	**1,724**	**3,929**	**2,205**

Receivables from subsidiaries totalling EUR 2,461 thousand refer exclusively to the tax consolidation relationships in place with the subsidiaries, details of which are referred to in the section on relationships with related parties.
Prepaid expenses instead amounted to EUR 476 thousand as at 31 December 2025 (compared with EUR 161 thousand as at 31 December 2024); the difference recorded during the year, totalling EUR 315 thousand, is mainly due to insurance policies contracted by the Company during the financial year (amounting to EUR 215 thousand), primarily relating to the Warranty & Indemnity (W&I) policy used in the acquisition of Mohd, and to the purchase and retirement of carbon credits for a total amount of EUR 157 thousand, relating to the Group's greenhouse gas (GHG) emission mitigation projects, totalling 90,000 tonnes of CO2 equivalent (CO2eq).

CASH AND CASH EQUIVALENTS

Cash balances as at 31 December 2025 total EUR 12,164 thousand and refer to the balance of bank accounts held at various credit institutions.

SHAREHOLDERS' EQUITY

Shareholders' equity is detailed in the following table:

Shareholders' equity	31/12/2024	31/12/2025	Change
Share capital	26,926	26,926	-
Legal reserve	1,427	1,766	339
Share premium reserve	66,971	66,971	-
Retained earnings	5,532	11,975	6,443
Expected cash flow hedge provision	(64)	(75)	(11)
Actuarial reserve	(10)	(12)	(2)
IFRS first application reserve	(92)	(92)	0
Reserve for treasury shares in portfolios	(1,928)	(4,053)	(2,125)
Employee share reserve	183	447	264
Result for the year	6,782	(6,359)	(13,141)
Total shareholders' equity	**105,727**	**97,494**	**(8,233)**

Please see the statement of changes in shareholders' equity for a description of the change in shareholders' equity at 31 December 2025.
The share capital is fully paid up and subscribed at EUR 26,926 thousand as at 31 December 2025, divided into 26,926,298 ordinary shares with no par value.
As can be seen from the table above, the changes in reserves during the year mainly refer to:

- the cash flow hedge reserve as of 31 December 2024 amounting to EUR 75 thousand for the fair value adjustment of derivatives payable for a total of EUR 99 thousand, including the related tax effect of EUR 4 thousand;
- the actuarial reserve in the amount of minus EUR 12 thousand, following the actuarial analysis performed by a third-party, independent expert;
- the recognition of a reserve for treasury shares in the portfolio in the amount of EUR 4,053 thousand; Please note that, as at 18 December 2023, the programme to increase the portfolio of treasury shares of the parent company Italian Dexelance S.p.A. became operative in order to (i) equip the Company with a portfolio of treasury shares to be used to service transactions consistent with the Group's strategic development lines in view, or within the scope, of agreements with strategic partners, including, but not limited to, transactions involving sales and/or exchanges, swaps, contributions, assignments or other acts that involve other extraordinary finance transactions (ii) use treasury shares for transactions to support market liquidity, so as to facilitate trading in the securities themselves at times of low market liquidity and to encourage regular trading, in accordance with the provisions of the law on market abuse and accepted market practices. The aforementioned share buy-back programme was resolved by the Shareholders' Meeting of 17 November 2023. On 16 April 2025, the Shareholders' Meeting resolved a new share buyback programme which, in addition to the above objectives, also provided for the allocation of treasury shares to the implementation of incentive plans based on Company shares for directors and employees in key function roles within the Company.

Please refer to the specific section on this matter included below for more detailed information on the share incentive plan. Please note that in the year 2025, 512,471 treasury shares, equal to 1.903% of the share capital, were purchased for a total amount of EUR 4,053 thousand;

- the recognition of a reserve for shares granted to directors and certain employees of the Company in the amount of EUR 447 thousand. Lastly, please note that on 16 April 2025, the Shareholders' Meeting resolved a new share buyback programme that provides for the allocation of treasury shares to the implementation of incentive plans based on Company shares for directors and employees in key roles within the Company as identified in the Performance Shares Plan, in accordance with IFRS 2.

Availability and use of shareholders' equity

Reserves of shareholders' equity may be used for different transactions depending on their constraints and nature. The concept of distributability of the reserve may differ from that of availability. Availability concerns the possibility of using the reserve (e.g. for free increases in capital); distributability concerns the possibility of paying shareholders (e.g. in the form of a dividend) sums which can be drawn in whole or in part from the relevant reserve. Therefore, availability and distributability may or may not coexist. The following table shows the possibility of utilisation and distributability for each item in the net equity:

Shareholders' equity	Amount	Possibilities of use	Available quota	Summary of previous years' utilisations
Share capital	26,926	-	-	
Legal reserve	1,766	B	-	
Share premium reserve	66,971	A, B	-	
Retained earnings	11,975	A, B, C	66,971	
Expected cash flow hedge provision	(75)	-	5,616	
Actuarial reserve	(12)	-	(75)	
IFRS first application reserve	(92)	-	(12)	
Reserve for treasury shares in portfolios	(4,053)	-	(92)	
Employee share reserve	447	-	(4,053)	
Result for the year	(6,359)	-	447	
Shareholders' equity	**97,494**	**-**	**-**	
Total reserves	**-**	**-**	**68,802**	
Non-distributable quota	**-**	**-**	**63,185**	
Distributable quota remaining	**-**	**-**	**5,616**	

Key:

A: Capital increase
B: Hedging losses
C: Distribution to shareholders
D: Other statutory constraints
E: Other

The following are the gains and losses less their tax effect included in other items of the statement of comprehensive income:

	Other items of the 2024 statement of comprehensive income	Other items of the 2025 statement of comprehensive income
Total profit/(loss) from cash flow hedge	14	(15)
Tax effects	(3)	4
Total profit/(loss) from cash flow hedges, net of tax	**10**	**(12)**
Total actuarial profits/(losses)	1	(2)
Tax effects	-	1
Total actuarial profit/(loss), net of taxes	**6,739**	**(6,372)**

Other components of the statement of comprehensive income relate to changes in the cash flow hedge provision in relation to the fair value measurement of derivative instruments hedging financial risks from interest rate changes. These are interest rate swap instruments, described in the financial risks section under IFRS 7, which should be referred to for further details. Since these financial instruments have characteristics to allow for hedge accounting, changes in fair value are recognised directly under shareholders' equity, net of their tax effect.
In addition, as a result of the amendments to IAS 19, actuarial gains and losses are entered in the statement of comprehensive income and will not be subsequently imputed to the income statement.

POST-EMPLOYMENT BENEFITS

The item refers to employees' severance payments (TFR), and in the financial year showed the following movements in the financial year 2025:

Post-employment benefits	Post-employment benefits 31/12/2024	Post-employment benefits 31/12/2025
Initial fund	130	119
Accrual period	45	60
Interest	(3)	(1)
Actuarial (gains)/losses	(1)	(13)
Paid	(51)	(7)
Final provision	**119**	**157**

The actuarial valuation of severance pay is performed according to the "accrued benefit" method using the projected unit credit (PUC) criterion, as set out in paragraphs 67–69 of IAS 19. The actuarial reference model for the assessment of severance pay is based on a number of assumptions, both demographic and economic. For some of the assumptions used, reference best practices were taken into account where possible.
The technical and economic bases used in the two periods.

Assumptions	31/12/2024	31/12/2025
Annual discount rate	3.38%	3.96%
Annual inflation rate	2.00%	2.00%
Annual rate of severance pay increase	3.00%	3.00%
Annual rate of salary increase	1.00%	1.00%

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges	31/12/2024	31/12/2025	Change
Provisions for subsidiary holding risks	226	340	114
Litigation risk provision	-	18	18
Total provisions for risks and charges	**226**	**358**	**132**

This item comprises the allocations made to provisions for risks relating to:

- the equity interests held in the subsidiaries Dexelance UK Ltd. and Dexelance France SARL, for the portion exceeding the value of the investment itself, in order to align the carrying value of the investments with the shareholders' equity of the investee companies.
- a dispute that arose during the 2025 financial year concerning the Company's appeal against the Social Security Agency (INPS) regarding contributions paid to an employee in previous years.

BANK DEBTS

The entry is composed as follows:

Bank loans	31/12/2024	31/12/2025	Change
Bank debts short-term	6,760	12,203	5,443
Bank debts M/L term	11,966	64,228	52,262
Other financial debts	14	132	118
Financial derivatives	84	99	15
Bank debts	**18,824**	**76,663**	**57,839**

Bank borrowings regard the loans outstanding with the credit institutions, which amounted to EUR 76,432 thousand as at 31 December 2025. It should be noted that new loan agreements were entered into during the 2025 financial year, including loans granted by BPER and BPM, and a syndicated loan with Unicredit and Cassa Depositi e Prestiti.
The following information is provided regarding the loans in question, including the nominal amount disbursed, the date of disbursement and maturity, changes during the year, and the breakdown between amounts due within and after the financial year.

Grantor	Nominal value	Date granted	Expiry date	Outstanding debt as at 31/12/2024	Outstanding debt as at 31/12/2025	of which within 12 months	of which over 12 months
Unicredit	3,600	13/06/2019	30/06/2025	747	-	-	-
Unicredit	12,000	30/01/2023	31/12/2026	8,043	4,008	4,008	-
Cassa Depositi e Prestiti	10,800	03/11/2023	28/09/2029	9,936	7,950	1,987	5,963
BPER	12,707	17/07/2025	31/12/2030	-	12,561	1,363	11,198
Unicredit - Cassa Depositi e Prestiti	46,000	24/09/2025	19/09/2030	-	45,602	4,845	40,757
BPM	6,500	18/12/2025	30/06/2032	-	6,310	-	6,310
Total	**91,607**			**18,726**	**76,432**	**12,203**	**64,228**

	Balance at 31/12/2024	Loans taken out	Amortised cost measurement method	Capital repayments /Interest payments	Interest payable accrued	Balance at 31/12/2025
Bank loans	18,726	65,207	(1,295)	(7,732)	1,526	76,432
Total	**18,726**	**65,207**	**(1,295)**	**(7,732)**	**1,526**	**76,432**

In the final quarter of 2025, the Company had become concerned about its ability to meet the covenants attached to its existing loans. In November 2025, the Company therefore entered into discussions with its lenders with a view to obtaining waivers on the financial covenants. In particular, a potential risk of non-compliance with the contractually stipulated leverage ratio (NFP to EBITDA ratio) had been identified.
In December, by 31 December 2025, in accordance with the provisions of IAS 1 (revised), the Company obtained specific amendment agreements and waivers from its lending banks.
In particular, the Company has obtained specific amendment agreements to the four loan agreements entered into by Dexelance S.p.A. with Unicredit, Cassa Depositi e Prestiti, BPER and the Unicredit/Cassa Depositi e Prestiti syndicate solely for the 2025 financial year only (and, therefore, also as at the calculation date of 31 December 2025).

FINANCIAL PAYABLES TO LESSORS

This item covers financial liabilities to lessors as a result of applying IFRS 16. It totals EUR 820 thousand and is composed as follows:

Financial payables to lessors	31/12/2024	31/12/2025	Change
Non-current financial debts to lessors	556	627	71
Current financial debts to lessors	204	193	(11)
Total financial debts to lessors	**760**	**820**	**60**

The change during the financial year is shown below and is attributable to new contracts entered into by the Company and to repayments made during 2025.

Financial payables to lessors	31/12/2024	31/12/2025	of which within 1 year	from 1 to 2 years	beyond 2 years
Financial debts to lessors	760	820	193	207	460
Total	**760**	**820**	**193**	**207**	**460**

The additions made during the financial year 2025 refer to new leasing contracts for company vehicles for some of the Company's employees.
It should be noted that there are no financial debts to lessors over 5 years; the existing leasing contracts do not have maturities beyond the 2030 financial year.

Debts to lessors	Balance at 31/12/2024	Loans taken out	Repayments/ Payments	Other changes	Balance at 31/12/2025
Financial debts to lessors	760	364	(234)	(70)	820
Total	**760**	**364**	**(234)**	**(70)**	**820**

OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities relate entirely to the Company's positions with its subsidiaries under the centralised treasury management agreement; specifically, this item amounted to EUR 21,349 thousand as at 31 December 2025 (EUR 22,077 thousand as at 31 December 2024).

In the context of financial strategies common to the Company and its subsidiaries, in view of the generation by some companies of liquidity that exceeds their actual short- to medium-term needs, and the need for others to have access to such surplus and available liquidity in the short- to medium-term under more favourable terms and conditions than the alternative of bank or third-party borrowing, it was considered appropriate to activate a centralised treasury system with the Company through group cash pooling, in accordance with practices that are now widespread at the level of corporate groups.

The instrument adopted has the following general characteristics:

- on a daily basis, the available liquidity assets balances in the current accounts of the companies participating in the cash pooling are transferred to a centralised current account, but each company retains the availability and usability of the centralised liquidity;
- in agreement with UniCredit S.p.A., which has made itself available as a back-up bank for the cash pooling system, the corporate scope of the group concerned by cash pooling has been defined with regard to the companies in the Dexelance Group. In fact, during 2020, the Company activated cash pooling as pool leader, identifying the Unicredit current account held by Dexelance as a pool account. At the reporting date of 31 December 2025, all subsidiaries are participating in the centralised treasury management system. Mohd joined the Group's treasury pool December 2025.

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Net financial position

The financial position of the Company is as follows:

	Balance at 31/12/2024	Balance at 31/12/2025
A Cash	11,516	12,164
B Cash equivalents	-	-
C Other current financial assets	35,352	19,221
D Cash and cash equivalents (A + B + C)	**46,868**	**31,385**
E Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(22,281)	(21,542)
F Current portion of current financial debt	(6,774)	(12,336)
G Current financial indebtedness (E + F)	**(29,055)**	**(33,877)**
H Net current financial indebtedness (G - D)	**17,813**	**(2,492)**
I Non-current financial debt (excluding the current portion and debt instruments)	(12,605)	(64,954)
J Debt instruments	-	-
K Non-current trade and other payables	-	-
L Non-current financial indebtedness (I + J + K)	**(12,605)**	**(64,954)**
M Total financial indebtedness (H + L)	**5,208**	**(67,446)**

In this regard, please note the following aspects:

- “Other current financial assets” includes financial assets (e.g. securities held for trading) that are not (i) cash, (ii) cash equivalents or (iii) derivatives used for hedging purposes.
- "Financial indebtedness" includes remunerated debt (i.e. interest-bearing debt) which includes, inter alia, financial liabilities for short- and/or long-term leases, identified separately.
- “Non-current trade and other payables” may include unremunerated debt, which has a significant implicit or explicit financing component (e.g. trade payables with a maturity of more than 12 months), and any other non-interest-bearing loans.

It should be noted that the total net financial position consists of:

- indebtedness to banks in the amount of EUR 76,664 thousand;
- total cash and cash equivalents in the amount of EUR 31,385 thousand, of which EUR 12,164 thousand regard cash on hand, EUR 13,000 thousand regard the short-term investment of excess liquidity (time deposits), EUR 2,760 thousand regard the short-term portion of loans granted to subsidiaries, and EUR 3,461 thousand regard positions with several pooling companies;
- other current financial liabilities in the amount of EUR 21,349 related to positions with pooling companies.
- indebtedness to lessors for a total of EUR 820 thousand;

TRADE PAYABLES

Trade payables amounted to EUR 550 thousand as at 31 December 2025 and are broken down as follows:

Trade payables	31/12/2025	31/12/2024	Change
Payables to domestic suppliers	301	241	60
Payables to foreign suppliers	3	-	3
Invoices to be received	120	221	(101)
Invoices to be received on an intercompany basis	126	237	(110)
Total trade payables	**550**	**699**	**(149)**

These are payables due within the next 12 months.

INCOME TAX PAYABLES

As at 31 December 2025, there were no outstanding income tax liabilities, as the Group has a tax credit, as described above. As at 31 December 2024, this item instead amounted to EUR 938 thousand.

OTHER CURRENT LIABILITIES

The item concerned is composed as follows:

Other current liabilities	Balance at 31/12/2025	Balance at 31/12/2024	Change
Payables for indirect taxes, withholdings, and social security institutions	285	260	25
Payables to directors and statutory auditors	388	527	(139)
Payables to personnel	325	571	(247)
Payables to subsidiaries for tax consolidation	3,584	608	2,977
Total	**4,582**	**1,966**	**2,616**

As shown in the table above, other current liabilities mainly refer to:

- Amounts owed to subsidiaries and regarding the positions of subsidiaries included in the tax consolidation scheme.
- Payables to staff totalling EUR 325 thousand, comprising payables relating to the Long-Term Incentive Plan (LTIP) for employees (EUR 235 thousand) and payables for salaries due as at 31 December 2025 (for EUR 92 thousand).
- Payables to directors totalling EUR 388 thousand, comprising year-end bonuses and remuneration not yet paid as at the reporting date amounting to EUR 18 thousand, and payables to directors regarding the Long-Term Incentive Plan (LTIP) amounting to EUR 369 thousand.

COMPOSITION OF THE MAIN ITEMS IN THE INCOME STATEMENT

REVENUE

Revenue recognised in the financial statements as at 31 December 2025 refers entirely to services rendered to all subsidiaries and amount to EUR 742 thousand. The increase compared with the previous financial year is mainly attributable to the portion of costs incurred by Dexelance and recharged in relation to sustainability activities carried out on behalf of Group companies. In particular, the amounts refer to costs for the purchase of carbon credits and the recharges of costs incurred for the purpose of the GHG inventory in the amount of EUR 161 thousand.
Please note that the revenue recognised in the financial statements as at 31 December 2025 was generated entirely in Italy.

OTHER INCOME

Other income as at 31 December 2025 amounted to EUR 24 thousand and relates primarily to capital gains arising from the sale of company cars belonging to the Company's directors.

STAFF COSTS

The breakdown of the Company's staff costs as at 31 December 2025 and 31 December 2024 is set out below:

Staff costs	2024	2025
Salaries and wages	837	782
Social expenses	229	285
Severance payments	49	61
Other personnel costs	251	107
Total staff costs	**1,365**	**1,234**

In particular, the item "Other staff costs", amounting to EUR 107 thousand regards mainly the provision of corporate welfare benefits for employees (EUR 42 thousand) and the accounting treatment arising from the adoption of the Performance Share Plan for EUR37 thousand, as described above.
The average number of employees per category in the two financial years under consideration is set out in the following table:

	2024	2025
Executives	4	4
Managers	3	3
Clerical workers	4	5
Total	**11**	**12**

COSTS FOR SERVICES AND USE OF THIRD-PARTY ASSETS

The breakdown of costs for services and the use of third-party assets as at 31 December 2024 and 31 December 2025 is set out below.

Costs for services and use of third-party assets	2024	2025
Other consultancy	1,298	1,175
Other service charges	821	720
Insurance	83	95
Fuels and lubricants	30	32
Auditor fees	199	227
Administrative and tax consultancy	52	50
Rentals	147	151
Charge back costs from subsidiaries	179	64
Travel and transfers	97	108
Director and auditor emoluments	1,368	1,310
Bank charges	63	177
Total costs for services and use of third-party assets	**4,338**	**4,108**

Costs for services and use of third-party assets mainly consists of:

- the amount of Directors' emoluments, equal to EUR 1,310 thousand as at 31 December 2025, which is shown net of chargebacks of the Directors' compensation to subsidiaries for EUR 592 thousand. The amount also includes remuneration paid to directors in connection with the Performance Share Plan (for EUR 227 thousand) and the LTIP Plan (for EUR 141 thousand);
- other consultancy fees of EUR 1,175 thousand (EUR 1,298 thousand as at 31 December 2024), mainly regarding: commercial and marketing consultancy fees of EUR 243 thousand; advertising and promotional expenses of EUR 177 thousand; professional consultancy fees of EUR 227 thousand, mainly regarding services provided by layout designers and translators; and EUR 112 thousand for additional consultancy services regarding the use of data rooms and support in the use of management systems;
- other costs for services equal to EUR 720 thousand, mainly regarding costs for services linked to the Company's operations (EUR 351 thousand) and expenses incurred.
- bank charges of EUR 177 thousand, regarding ordinary operations and costs incurred in obtaining waivers on contractual covenants as at 31 December 2025.

Please note that the costs recognised in the income statement, amounting to EUR 151and regarding rental and lease agreements, are exempt from the provisions of IFRS 16, as these are short-term leases (with a term of 12 months or less) and of a modest value (annual cost of USD 5,000).

The following are the fees payable to directors and members of the Company's Board of Statutory Auditors:

	2024	2025
Directors	1,296	1,238
Statutory Auditors	71	72
Total	**1,367**	**1,238**

The following table summarises the fees payable to the Independent Auditors and its network entities with regard to the Company.

	2024	2025
Independent audit of the 2025 annual and half-yearly financial statements	200	181
Sustainability statement certification services	60	65
Other services provided by the auditing company	-	-
Total	**260**	**246**

OTHER OPERATING COSTS

Other operating costs amounted to EUR 58 thousand as at 31 December 2025 (EUR 42 thousand as at 31 December 2024) and primarily regard operating expenses of EUR 13 thousand, contingent liabilities and write-offs of EUR 14 thousand, and a capital loss of EUR 24 thousand arising from the disposal of a company car belonging to a director.

AMORTISATION, DEPRECIATION AND WRITEDOWNS OF FIXED ASSETS

This item amounted to EUR 272 thousand as at 31 December 2025, against EUR 245 thousand as at 31 December 2024, and is detailed below:

Amortisation, depreciation and writedowns of fixed assets	2024	2025
Depreciation on intangible assets	4	5
Depreciation on property, plant and equipment	34	37
Depreciation on assets for rights of use	207	229
Amortisation, depreciation and writedowns of fixed assets	**245**	**272**

FINANCIAL EXPENSES

The item concerned is detailed as follows:

Financial expenses	2024	2025
Capital losses on the sale of shareholdings	-	-
Other interest payable	-	-
Interest payable on stock options	-	-
Interest payable on financing	1,497	1,526
Exchange rate loss and derivative differentials	6	61
Writedown of shareholdings	1,447	13,295
Interest payable IFRS 16	22	36
Interest payable TFR	3	4
Interest payable on cash pooling and time deposits	573	258
Total financial expenses	**3,549**	**15,180**

The item as at 31 December 2025 consisted mainly of:

- EUR 13,295 thousand related to the write-down of the shareholding in the subsidiaries Dexelance USA Corp. (EUR 1,367 thousand), Dexelance China Co. Ltd. (EUR 1,087 thousand), Dexelance UK Ltd. (€439 thousand), Dexelance France SARL (€187 thousand), Axo Light S.r.l. (EUR 2,135 thousand) and Turri S.r.l. (EUR 8,080 thousand).
- EUR 1,526 thousand relating to interest expense on loans granted by financial institutions, as described above;
- EUR 258 thousand in interest paid to the companies in respect of their positions within the Group's cash pooling scheme.

FINANCIAL INCOME

The item in question consists of:

Financial income	2024	2025
Interest income on bank deposits	188	160
Interest income for time deposits	1,006	275
Interest income on subsidiary financing	818	660
Dividends from shareholdings	12,266	11,492
Exchange rate gains and derivative differentials	7	-
Financial income	**14,284**	**12,587**

The item as at 31 December 2025 consists mainly of the value:

- of dividends received from the subsidiaries of Gervasoni S.p.A. (EUR 3,000 thousand), Cenacchi International Italia S.r.l. (EUR 4,455 thousand), Davide Groppi S.r.l. (EUR 1,000 thousand), Modar S. p.A. (EUR 1,500 thousand) Flexalighting S.r.l. (€1,500 thousand) and the associate Roda S.r.l. (EUR 37 thousand);
- interest accrued on loans granted to subsidiaries, amounting to EUR 660 thousand;
- interest income of EUR 160 thousand, accrued as interest on current accounts as at 31 December 2025;
- interest income of EUR 275 thousand, accrued as remuneration on time deposits entered into and maturing on 31 December 2025.

INCOME TAX

The following is the composition of income taxes as at 31 December 2025 and 31 December 2024:

Income tax	2024	2025
Taxes from previous financial years	12	6
(Charges) and Income from tax consolidation	1,000	1,150
Deferred tax assets	33	(17)
Total income tax	**1,044**	**1,139**

Please note that the amount regarding income from tax consolidation, equal to EUR 1,150 thousand as at 31 December 2025, relates to the valuation of the tax loss, used in the context of the tax consolidation scheme in place with the subsidiaries. As at 31 December 2024, this amount to a revenue of EUR 1,000 thousand.

The following table shows the reconciliation between the current tax burden and the theoretical tax burden:

	IRES	%	IRAP	%
Pre-tax income	(7,497)	-	(3,681)	-
Theoretical tax	1,799	24%	-	3.9%
Total taxable temporary differences	430	-	-	-
Total tax base for reversal of temporary differences	(118)	-	-	-
Total taxable permanent differences	2,900	-	2,044	-
Tax base	(4)	-	(1,637)	-
Income/(charge) from tax consolidation	**1,150**	**-**	**-**	**-**

CASH FLOW STATEMENT

The cash generation from operations, equal to EUR 4.0 million, derives mainly from the dividends paid by the subsidiaries for EUR 11.5 million.
Cash flow from investments, which amounted to a negative EUR 48.7 million, consists mainly of cash outflows for investments made during the year in subsidiaries and associates, totalling EUR 69.4 million, as described in more detail in the section entitled “Investments” in this document.
Cash flow from financings, which amounted to a positive EUR 45.4 million, consists mainly of new loans granted by financial institutions, totalling EUR 65.2 million, and repayments made during the financial year in accordance with the respective contractually agreed repayment schedules, totalling EUR 6.7 million.
The total cash flow was positive, amounting to EUR 648 thousand in 2025.

COMMITMENTS AND RISKS

Financial risks

The Company is exposed to the following financial risks related to normal operations:

- liquidity risk, with particular reference to the availability of financial resources and access to credit markets and financial instruments in general;
- interest rate risk, relating to the cost of the debt to the financial system;
- remeasurement risk of financial liabilities for long-term incentives.

The Company constantly monitors the risks to which it is exposed, in order to assess in advance the potential negative effects and take appropriate action to mitigate them.
The following section provides qualitative and quantitative reference information on the impact of these risks

Liquidity risk

Liquidity risk may arise when it is not possible to obtain, under favourable economic conditions, the financial resources necessary for the operation of the Company. Liquidity risk relates to the cash flows generated and absorbed by day-to-day operations and the resulting need to access financing to support the expansion of characteristic activities. Liquidity risk is also linked to the existence of contractual obligations to comply with certain financial ratios ("covenants") to be calculated on the consolidated financial statements.
The evolution of cash flows and the use of credit facilities are closely monitored by the Company’s Finance Department in order to ensure that financial resources are used efficiently and effectively, including in terms of expenses and interest.
Specifically, as at 31 December 2025, the Company had cash and cash equivalents in the amount of EUR 25,164 thousand, of which EUR 12,164 thousand in cash and other current financial assets in the amount of EUR 13,000 thousand. Please note that the current financial assets described above should be supplemented by financial receivables from subsidiaries outstanding as at 31 December 2025, amounting to EUR 2,760 thousand, and receivables from companies belonging to the Group’s pooling scheme, amounting to EUR 3,461 thousand, thus bringing the total to EUR 31,385 thousand.
On this same date, third-party financial debt totalled EUR 98,831 thousand, of which EUR 76,663 thousand was to banks and EUR 21,349 thousand to subsidiaries for cash pooling and EUR 820 thousand for payables to lessors (IFRS 16). Aside from the debts from the cash pooling, the share of the liabilities with a maturity of less than 12 months is EUR 12,529 thousand, of which EUR 12,336 thousand to banks and EUR 193 thousand for payables to lessors (IFRS 16).
Furthermore, given the need for a flexible capital structure consistent with the Group’s medium-term growth strategy, the Extraordinary General Meeting of Dexelance shareholders, upon a proposal from the Board of Directors, resolved on 20 January 2026 to grant the Board the authority to increase, in separate tranches and against payment, the share capital by a maximum of EUR 50 million, including any share premiums, through the issue of ordinary shares to be offered to those entitled pursuant to Article 2441, paragraph 1, of the Italian Civil Code, and a further maximum of EUR 20 million, including any share premiums, to service warrants exercisable for consideration over time, to be allocated free of charge alongside the shares referred to in the rights issue.

Interest rate risk

Interest rate risk can be defined as the risk that changes in market interest rates will result in a decrease in business profitability. The Company makes use of external financial resources in the form of debt. Changes in market interest rates influence the cost and return of various forms of financing by affecting financial expenses. Interest rate risk is managed through the use of derivative financial instruments in the form of interest rate swaps.
As at 31 December 2025, the Company had a financial exposure to banks for financings for a total amount of EUR 76,549 thousand, on which variable interest rates accrued ranging from 3.56% to 4.88% over the course of 2025, and cash and cash equivalents totalling EUR 25,164 thousand (of which EUR 13,000 thousand were temporarily invested in a short-term time deposit).
To hedge this exposure, Interest Rate Swap contracts are in place for a total remaining notional amount of EUR 35,954 thousand. Please note that during the year, the Company entered into derivative contracts with Unicredit and BPER in connection with the two loans granted by those institutions.

The contracts have a notion to scale on the basis of the amortisation plan of the underlying loans, as shown below:

Notional	Maturity date	Amount	Type of contract	Mark to market (assets)	Mark to market (liabilities)
Unicredit amortising line	31/12/2026	2,000	IR Swap	-	(27)
Unicredit amortising line	19/09/2030	27,600	IR Swap	-	(69)
BPER amortising line	31/12/2030	6,354	IR Swap	-	(3)
Total		**35,954**		**-**	**(99)**

The following table shows the sensitivity to a possible change in interest rates on that portion of variable-rate debt and loans, after hedge accounting effects. With all other variables held constant, and therefore based on the value of the financial debt to banks at the end of the period and the repayment flows expected in the respective amortisation schedules, this positive or negative change in interest rates would result in higher or lower financial income and expenses before the tax effect as shown below.

	-500 BP	-250 BP	+250 BP	+500 BP
(Lower) / Higher financial income	(5)	(3)	3	5
Lower / (Higher) financial expenses	1,162	886	(1,585)	(3,170)
Total	**1,157**	**883**	**(1,583)**	**(3,165)**

Long-Term Incentive Plan re-measurement risk

To determine the amount to be set aside for the incentive plan resolved by the Board of Directors, the Group used certain assumptions and estimates in accordance with IAS 19, providing for certain possible time scenarios and also weighing the probabilities that they will occur. In doing so, the Group has used the information provided by the analyst reports available at the date of this annual financial report.
As required by IAS 19, the probability that the event reported will occur affects the measurement of the obligation, but does not determine its existence.

Non-financial risks

Developments in the global economy, the environment of political, economic and financial instability and the volatility of financial markets could influence the performance of the Group, with possible adverse effects on its economic, capital and financial position.

Risks related to the global geopolitical situation

The Group is exposed to the risks associated with the current and future global, European and Italian economic and political situation, which is also aggravated by recent political and military tensions in the Middle East and the Russia-Ukraine war, the development and political and economic impact of which remain uncertain and hard to assess. Therefore, it cannot be excluded that the occurrence and/or continuation of an economic recession and/or political instability and any future negative impacts, even significant ones, on the global, European and/or national economy may lead to a weakening of demand for the Group's products, with potential adverse effects on the Group's business and prospects, as well as on its economic, capital and financial position.
The global geopolitical situation is undergoing extremely tense and complex period due to military conflicts in an already critical situation caused by the pandemic, which has further stimulated inflationary phenomena and speculative dynamics. The Group has very limited involvement in the areas affected by the Russian-Ukrainian conflict and the Israeli-Palestinian conflict, and its business model is not particularly exposed to inflationary commodity phenomena or higher energy costs; however, it cannot be excluded that the continuation of this situation may lead to margin pressures or impacts on the propensity to consume durable goods.
Looking ahead, there are unknowns related to the effects of the fiscal and trade policy that the US administration will decide to implement. Specifically, the introduction of duties and tariffs on numerous countries and geographical areas to make imports less advantageous and competitive compared to domestic products or services could undermine international trade in goods and services. In this context, despite the risks associated with the drift towards protectionism in the United States, the Group does not foresee any particular risks or concerns to date, especially in view of the high-end market to which its products are aimed, which are not very sensitive to price changes. However, it cannot be ruled out that fiscal policy may have an impact on the propensity to consume and, therefore, the Group pays continuous attention to developments in the external environment.

Risks related to climate change

In preparing the annual consolidated financial statements, taking into account the priorities expressed by ESMA and in light of the findings of The Global Risks Report 2024 authored by the World Economic Forum, Dexelance's management has assessed the effect of climate risks on the Group on the basis of the historical probability of the occurrence of climate events.
Specifically, by defining the potential impacts of physical risks and transition risks (relating to technological innovations, regulatory changes, and changing market expectations), the management was able to obtain a sufficiently complete picture of the situation at the Group level. The Group considers climate-related issues in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for the Group from both physical and transitional risks. Although the Group believes that its business model and products will still be attractive as a result of the transition to a low-emissions economy, climate-related issues increase the uncertainty of estimates and assumptions concerning numerous elements or items in the financial statements. Although climate-related risks may not have a significant impact on measurement at present, the Group is closely monitoring developments and changes, such as new climate-related regulations and standards. The elements that are most directly impacted by climate-related issues are:

- The useful life of property, plant and equipment. When recalculating the estimated residual value and useful life of an asset, the Group considers climate-related issues, such as climate-related regulations that may limit the use of assets or require significant capital expenditures.
- Determination of the recoverable amount of non-financial assets. The estimated value in use could be impacted in different ways by transition risk, in particular, climate-related regulations or a change in demand for the Group's products. This notwithstanding, the Group concluded that there were no significant climate-related assumptions.

In the light of these considerations, no significant influence was found in the estimates and assessments of the plans.
Fully aware of the strategic importance of responsible and sustainable operations, the Group decided some time ago to take a proactive stance on sustainability, including by voluntarily communicating information to its stakeholders on environmental, social and governance factors. The Group recognises the fundamental role played by strong and long-lasting cooperation with all stakeholders and its commitment to an increasingly sustainable business.
In 2025, Dexelance strengthened its commitment to sustainability by further rolling out initiatives to comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD).
In line with the requirements of the new regulations, Dexelance defined and formalised its own Sustainability Strategic Guidelines, aligning future actions with the European Sustainability Reporting Standards (ESRS) and consolidating a responsible and ESG-conscious management approach. The analysis of climate risks is an integral part of the Group's sustainability strategy, which is divided into three macro-impact areas: environment, people and governance.
Specifically in the environmental sphere, Dexelance has implemented actions aimed at reducing climate-changing emissions, adopting more sustainable operating practices and promoting eco-design and circularity throughout the product life cycle.
With the aim of monitoring and consequently reducing its carbon footprint, Dexelance has completed its greenhouse gas inventory for 2025, verified by an accredited third party in accordance with ISO 14064-3, confirming its commitment to offsetting emissions through the purchase of carbon credits and thus ensuring carbon neutrality.
In addition, the Group further strengthened its risk management approach by adopting a corporate Enterprise Risk Management (ERM), which integrates the sustainability risk assessment into the Risk Register. Dual materiality analysis was a key element in this process, harmonising ESG risks with financial risks and ensuring continuous monitoring through the involvement of the Sustainability Team, the CFO, the CEO, the Audit and Risk, Related Party Transactions and Sustainability Committee, and the Board of Directors.
The analysis revealed several risk factors related to climate change, including physical climate risks and dependence on key raw materials. These, along with other identified ESG risks, are addressed through structured mitigation strategies, including formal policies, control procedures, periodic audits and a robust governance based on a clear separation of duties (SOD).
Through targeted energy efficiency strategies, the Group intends to mitigate its own environmental impact by promoting the responsible use of resources. In particular, Dexelance has included further capital expenditure (CapEx) in its current business plan for the installation of on-site energy generation facilities to increase its internal capacity to generate energy from renewable sources. The Group also plans to implement efficiency measures for its energy requirements, such as investments for the replacement of production machinery, the replacement of lighting systems at production sites not equipped with LEDs, and the promotion of more sustainable company mobility measures. The goal is to construct a sustainability path that combines growth with environmental protection in line with stakeholder expectations and the global challenges tied to climate. These initiatives will accompany the reduction in consumption and, consequently, in GHG emissions to mitigate the Group's environmental impact.
The adoption of ERM and the strengthening of the climate risk analysis, also considered within the company's strategy, testify Dexelance's commitment to building a resilient business model, capable of facing future challenges and ensuring long-term sustainable growth.
Further details on Dexelance's sustainability and risk management strategy can be found in the section "Management Report, Consolidated and Annual Financial Statements as at 31 December 2025– Consolidated Sustainability Statement" of this document.

FURTHER INFORMATION

DISCLOSURE PURSUANT TO ART. 2497 BIS OF THE CIVIL CODE

Pursuant to Art. 2497-bis, par. 4 of the Italian Civil Code states that the Company is not subject to the management and coordination of any other entity.

INFORMATION PURSUANT TO ART. 1, PARAGRAPH 125, OF LAW NO. 124 OF 4 AUGUST 2017

Article 1, paragraphs 125–129 of Law 124/2017 requires companies to include in the notes to the financial statements information on grants, contributions, paid assignments and any other economic benefits received from: "government administrations, and from the entities referred to in Article 2-bis of Legislative Decree no. 33 of 14 March 2013; companies controlled, in law or in fact, directly or indirectly by government administrations, including those issuing shares listed on regulated markets and companies owned by them; publicly owned companies, including those issuing shares listed on regulated markets and companies owned by them".
We note that our Company received contributions totalling approximately EUR 15,000 in 2025.

RELATED PARTY TRANSACTION INFORMATION

The amounts in the income statement and statement of financial position regarding transactions with related parties as at 31 December 2024 and 31 December 2025 are shown below.

31/12/2024					
Subsidiary	**Revenue**	**Costs**	**Financial Income**	**Financial Expenses**	**Net revenue from tax consolidation**
Gervasoni S.p.A.	(99)	35	(3,000)	62	(1,350)
Meridiani S.r.l.	(74)	-	(306)	18	(286)
Davide Groppi S.r.l.	(58)	12	(1,500)	55	(422)
Saba Italia S.r.l.	(63)	10	(500)	30	(192)
Cenacchi Int. S.r.l.	(55)	-	(3,960)	147	(2,729)
Flexalighting S.r.l.	(29)	-	-	14	(680)
Modar S.p.A.	(69)	-	(3,000)	171	(1,679)
Axo Light S.r.l.	(20)	9	-	-	-
Gamma Arr. Int. S.p.A.	(65)	-	(69)	51	(143)
Cubo Design S.r.l.	(142)	-	-	11	(333)
Turri S.r.l.	(8)	-	(749)	14	(861)
Dexelance UK Ltd.	-	138	-	-	-
Total	**(681)**	**204**	**(13,084)**	**573**	**(8,677)**

31/12/2025					
Subsidiary	**Revenue**	**Costs**	**Financial Income**	**Financial Expenses**	**Net Revenue from tax consolidation**
Gervasoni S.p.A.	(99)	43	(3,000)	41	(1,122)
Meridiani S.r.l.	(70)	8	-	1	67
Davide Groppi S.r.l.	(57)	12	(1,000)	20	(631)
Saba Italia S.r.l.	(62)	18	-	20	(144)
Cenacchi Int. S.r.l.	(46)	-	(4,455)	77	(2,134)
Flexalighting S.r.l.	(24)	-	(1,500)	17	(598)
Modar S.p.A.	(70)	-	(1,500)	30	636
Axo Light S.r.l.	(9)	-	-	4	75
Gamma Arr. Int. S.p.A.	(61)	-	(138)	10	(51)
Cubo Design S.r.l.	(147)	-	(210)	37	(1,093)
Turri S.r.l.	(100)	16	(312)	0	1,915
Roda S.r.l.	-	-	(37)	-	-
Total	**(742)**	**97**	**(12,152)**	**258**	**(3,080)**

As at 31 December 2025, the above amounts refer to:

- revenue of EUR 742 thousand mainly related to consultancy services provided to subsidiaries;
- costs equal to EUR 97 thousand, mainly regarding chargebacks to the subsidiaries;
- financial revenue of EUR 12,152 thousand, of which EUR 11,492 thousand regards dividends collected from subsidiaries and EUR 660 thousand regards interest income on loans disbursed to the aforementioned companies;
- financial expenses of EUR 258 thousand, regarding charges recognised by subsidiaries in respect of debt positions incurred under the Group's cash pooling arrangement;
- income from tax consolidation, net of expenses, amounting to EUR 3,080 thousand.

31/12/2024					
Subsidiary	**Trade Receivables**	**Financial Receivables**	**Receivable/ (payable) from tax consolidation**	**Debts**	**Receivables/ (payables) from cash pooling**
Gervasoni S.p.A.	10	-	(357)	(41)	(1,212)
Meridiani S.r.l.	5	-	12	(8)	(518)
Davide Groppi S.r.l.	9	-	56	(28)	(1,334)
Saba Italia S.r.l.	7	-	56	(18)	(1,472)
Cenacchi Int. S.r.l.	5	-	(75)	(48)	(8,022)
Flexalighting S.r.l.	2	-	159	(14)	(1,502)
Modar S.p.A.	13	-	252	(23)	(5,306)
Axo Light S.r.l.	1	-	-	-	(308)
Gamma Arr. Int. S.p.A.	14	2,123	146	(33)	(1,112)
Cubo Design S.r.l.	51	-	(131)	(10)	(948)
Turri S.r.l.	8	5,811	(44)	(14)	(343)
Total	**124**	**7,934**	**75**	**(237)**	**(22,077)**

31/12/2025					
Subsidiary	**Trade receivables**	**Financial receivables**	**Receivables/ (payables) from tax consolidation**	**Debts**	**Receivables/(payables) from cash pooling**
Gervasoni S.p.A.	-	-	373	(46)	(5,665)
Meridiani S.r.l.	-	-	(183)	(1)	(261)
Davide Groppi S.r.l.	-	-	349	(10)	(2,346)
Saba Italia S.r.l.	-	-	46	(11)	(1,859)
Cenacchi Int. S.r.l.	-	-	706	(24)	(4,249)
Flexalighting S.r.l.	-	-	220	(7)	(800)
Modar S.p.A.	113	-	(1,295)	(13)	(1,725)
Axo Light S.r.l.	1	-	(75)	(1)	(210)
Gamma Arr. Int. S.p.A.	-	2,231	(70)	(3)	19
Cubo Design S.r.l.	161	6,124	767	(23)	(4,145)
Turri S.r.l.	196	6,123	(1,961)	-	3,442
Mollura & C. S.p.A.	-	-	-	-	(88)
Total	**471**	**14,478**	**(1,123)**	**(139)**	**(17,887)**

The amounts in the statement of financial position as at 31 December 2025 regarding related parties refer to:

- receivables amounting to EUR 471 thousand for the payment of directors' remuneration (EUR 237 thousand), expenses incurred for sustainability activities (EUR 104 thousand) and consultancy services provided to Group companies (EUR 130 thousand);
- financial receivables amounting to EUR 14,478 regarding loans granted to certain Group companies, as described above;
- tax consolidation receivables/payables, the net amount of which at the reporting date is EUR 1,123 thousand. Please note that the above amounts are classified in the financial statements under current assets and liabilities according to the type of balance with the individual subsidiaries;
- payables of EUR 139 thousand mainly regarding invoices to be received from subsidiaries for interest accrued on cash pooling balances as at 31 December 2025;
- payables for EUR 17,887 thousand regarding the Parent Company's debt positions with respect to subsidiaries participating in the pooling.

In addition to existing relationships with Group companies, the financial statements as at 31 December 2024 and 31 December 2025 include costs and payables to directors, as shown below:

	31/12/2024	
	Costs	**Debts**
Directors	1,223	(527)
Total	**1,223**	**(527)**

	31/12/2025	
	Costs	**Debts**
Directors	1,238	(400)
Total	**1,238**	**(400)**

As at 31 December 2025, the amounts refer to:

- EUR 1,238 thousand for directors' fees, expressed net of payments made by the same to subsidiary companies for EUR 592 thousand, and costs associated with the Performance Share Plan for directors for EUR 141 thousand and with the LTI Plan for directors for EUR 227 thousand;
- EUR 400 thousand for payables to directors associated with the LTIP plan (EUR 369 thousand) and debts for year-end bonuses (EUR 31 thousand) that were not disbursed during the year.

EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

Please note that, in January 2026, the Company entered into a loan from Banco Desio for an amount of EUR5 million, with the aim of raising liquidity.
Please also note that in January 2026, the Extraordinary General Meeting, in approving a proposal from the Board of Directors, resolved to grant the Board of Directors the authority to increase, against payment and in separate tranches, the share capital of Dexelance S.p.A. through the issue of ordinary shares with no stated par value, to be carried out, in all likelihood, by June 2026. This will enable the Group to have a flexible capital structure that is consistent with its growth strategy, in a sector that is increasingly focused on consolidation.

PROPOSED PROFIT EARMARKING OR LOSS COVERAGE

In light of the information provided, we invite you to approve the financial statements for the year ended 31 December 2025 and to carry forward the loss for the year of EUR 6,358,546.77.

Binova

STATEMENT OF THE FINANCIAL STATEMENTS

in accordance with Article 154-bis of Italian Legislative Decree No. 58/1998 of 24 February 1998 (Consolidated Finance Act), as amended

I, the undersigned, Andrea Sasso, as Chair and Chief Executive Officer, and Alberto Bortolin, as Director in charge of drawing up the financial accounts of Dexelance S.p.A., attest, also in light of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998:

- adequacy in relation to the characteristics of the undertaking; and
- effective application of the administrative and accounting procedures for drawing up the financial statements during the period from 1 January to 31 December 2025.

The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the separate financial statements as at 31 December 2025 was based on a process defined by Dexelance S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework.

It is also stated that the financial statements as at 31 December 2025:

- are drawn up in accordance with applicable international accounting standards recognised in the European Community under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the findings in the accounting books and records;
- are appropriate to provide a true and fair view of the assets, liabilities, economic and financial position of the issuer.

Milan, 16 March 2026

Chair and Chief Executive Officer

Chief Financial Officer and Director in charge of drawing up the financial accounts

Gervasoni

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Shape the future with confidence

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Dexelance S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dexelance S.p.A. (the Company), which comprise the statement of financial position as at December 31st, 2025, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31st, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

EY S.p.A.
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Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 3.000.000 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003

Key Audit Matter	Audit Response
Valuation of recoverability on carrying amount of investments The balance of investments at December 31st, 2025 amounted to € 150.4 million. Under the relevant standards, these assets are valued at cost, less any impairment losses, which, if any, are recognized in the income statement. Management assesses the existence of impairment indicators on investments at least annually, in line with its strategy in managing each separate entity within the group and, if present, such investments are subject to an impairment test. The processes and methodologies to evaluate and determine the recoverable amount of investments are based on complex assumptions that, due to their nature, imply the use of judgement by management, in particular with reference to the assumptions underlying future cash flow forecasts in the period covered by the business plan, the estimate of the terminal value and the calculation of the long-term growth and discount rates applied to the future cash flow forecasts. The company employs an independent expert to determine the recoverable value of the investments. Considering the level of judgement and complexity of the assumptions applied in estimating the recoverable amount of goodwill we determined that this area represents a key audit matter. The financial disclosures related to the valuation of investments are included in paragraph "Equity investments in subsidiaries and associate companies" and in note "5 Equity Investments".	Our audit procedures in response to this key audit matter included, among others: • assessment of the process and key controls implemented by the Company in connection with the valuation of investments; • test of the consistency of the assumptions future cash flow forecasts and the comparison with the data and projections of the relevant markets; • assessment of the accuracy of cash flow projections as compared to historical results; • assessment of the long-term growth rates and discount rates. In performing our analysis, we engaged our experts in valuation techniques, who have independently performed calculation and sensitivity analyses of key assumptions in order to determine any changes in assumptions that could materially impact the valuation of the recoverable amount. Lastly, we evaluated the appropriateness of the disclosures included in the explanatory notes of the financial statements with the relevant standards and the information and data obtained in the course of carrying out the audit work.

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Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going

concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Dexelance S.p.A., in the general meeting held on March 17th, 2023, engaged us to perform the audits of the financial statements for each of the years ending December 31st, 2023 to December 31st, 2031.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Dexelance S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the financial statements as of December 31st, 2025, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at December 31st, 2025 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31st, 2025 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Dexelance S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Dexelance S.p.A. as at December 31st, 2025, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the financial statements of Dexelance S.p.A. as at December 31st, 2025.

Furthermore, in our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Treviso, March 25th, 2026

EY S.p.A.
Signed by: Mauro Fabbro, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

REPORT OF THE BOARD OF STATUTORY AUDITORS

Dear Shareholders,

This Report, prepared pursuant to Article 153 of Legislative Decree no. 58/1998 (the "*TUF*"), reports on the activities carried out by the Board of Statutory Auditors (the "*Board*") of Dexelance S.p.A. (hereinafter "Dexelance" or "the Company") in the financial year ended 31 December 2025, in accordance with the provisions of Article 149 of the TUF and Article 2403 of the Italian Civil Code, taking into account the "Rules of Conduct of the Board of Statutory Auditors" recommended by the National Council of Accountants and Auditors, Consob provisions on the "*Board of* Statutory Auditors" and the indications contained in the Corporate Governance Code promoted by Borsa Italiana.

The Board of Statutory Auditors is identified with the '*Internal Control and Audit Committee*', which is entrusted with further specific control and monitoring functions in the field of financial reporting and auditing, provided for by Article 19 of Legislative Decree No. 39 of 27 January 2010.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 9 May 2023, effective as of 18 May 2023, the date of commencement of trading, in accordance with the applicable legal and regulatory provisions, for three consecutive financial years.

The members of the Board of Statutory Auditors complied with the limit on the accumulation of offices provided for in Article *144-terdecies* of the Regulation on Issuers.

The legal audit assignment, pursuant to the TUF and Legislative Decree No. 39/2010, is carried out by EY S.p.A. (hereinafter 'EY' or the 'Audit Firm'), as resolved by the Shareholders' Meeting of 17 March 2023 for the duration of nine financial years (2023-2031).

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It should be noted that, pursuant to Article 149 of the TUF, the Board of Statutory Auditors supervises:

- on compliance with the law and the statute;
- on compliance with the principles of good administration;

- on the adequacy of the Company's organisational structure for the aspects within its competence, the internal control system and the administrative-accounting system as well as on the reliability of the latter in correctly representing management events;
- on how to concretely implement the corporate governance rules laid down in codes of conduct drawn up by companies managing regulated markets or by trade associations, which the Company, by means of public disclosures, declares that it complies with;
- on the adequacy of the instructions issued by the Company to its subsidiaries pursuant to Article 114(2) of the TUF.

▪ *Supervision of compliance with the law and the articles of association*

The Board of Statutory Auditors acquired the information instrumental to the performance of the supervisory duties assigned to it through participation in the meetings of the Board of Directors and intra-Board committees, hearings of the directors of the Company and the Group, exchanges of information with the Auditing Firm, and through the additional control activities performed.

In particular, the Board of Statutory Auditors, with reference to its activities during the financial year ended 31 December 2025, declares that it has:

- held eight (8) meetings in order to acquire information instrumental to the performance of its supervisory tasks;
- attended all the nine meetings of the Board of Directors, obtaining from the directors, on more than a quarterly basis, adequate information on the general performance of operations and its foreseeable evolution, as well as on the most significant operations, in terms of size and characteristics, carried out by the Company and its subsidiaries;
- attended the Ordinary Shareholders' Meeting on 21 January and on 16 April 2025;
- acquired the elements of knowledge necessary to carry out the activity of verifying compliance with the law, the articles of association, the principles of proper administration and the adequacy and functioning of the Company's organisational structure, through the acquisition of documents and information from the heads of the functions concerned and through periodic exchanges of information with the Auditing Firm;
- attended, at least through its Chairman or another member, all the five meetings of the Control and Risk, Related Party Transactions and Sustainability Committee and met, for the purpose of mutual exchange of information, with the Supervisory Board;
- monitored the functioning and effectiveness of the internal control system and the adequacy of the administrative and accounting system, in particular with regard to the reliability of the latter to represent management events, meeting periodically with the Head of *Internal Audit*;
- promptly exchanged with the heads of the Independent Auditors data and information relevant to the performance of their respective duties pursuant to Article 150, paragraph 3 of the TUF, including through the examination of the results of the work performed and the receipt of the reports provided for by Article 14 of Legislative Decree No. 39/2010 and Article 11 of EU Regulation. 2014/537
- monitored the functionality of the control system of the Group companies and the adequacy of the provisions issued to them, also pursuant to Article 114(2) of the TUF;
- ascertained the conformity of the statutory provisions with the legal and regulatory provisions;
- monitored the concrete implementation of the corporate governance rules adopted by the Company in compliance with the principles and recommendations of the Corporate Governance Code (as set forth in the Corporate Governance Report) promoted by the Corporate Governance Committee of Borsa Italiana S.p.A;
- supervised the conformity of the internal procedure concerning Related Party Transactions with the principles indicated in the Regulation approved by Consob with resolution no. 17221 of 12 March 2010 and subsequent amendments, as well as its compliance, pursuant to Article 4, paragraph 6 of the same Regulation;
- Acquired information, through the exchange of information with the bodies in charge, on the fulfilment of obligations related to the regulations on Market Abuse (Regulation (EU) No 596/2014 - "*MAR*" and subsequent additions), on corporate reporting and *Internal Dealing*, with particular reference to the handling of inside information and the procedures adopted in this regard by the Company;
- met with representatives of the supervisory bodies (board of auditors/single auditor) of the subsidiaries, in order to discuss issues of common importance;
- acknowledged the contents of the Consolidated Half-Year Report, without it being

necessary to make any comments, and ascertained that the said Report had been made public in the manner prescribed by law;

- took note of the contents of the Quarterly Reports, without the need to comment.

In the course of the supervisory activity carried out by the Board of Statutory Auditors in the manner described above, no facts emerged from which to infer non-compliance with the provisions of the law and the articles of association or such as to justify reporting to the Supervisory Authorities or mention in this Report.

- *Supervisory activities on compliance with the principles of sound administration*

Considering the indications provided by CONSOB with Communication DEM/1025564 of 6 April 2001, amended and supplemented with Communication DEM/3021582 of 4 April 2003 and with Communication DEM/6031329 of 7 April 2006, the Board of Statutory Auditors monitored compliance with the principles of proper administration, ensuring that the transactions resolved and implemented by the directors were in compliance with the aforementioned rules and principles, as well as inspired by principles of economic rationality and not manifestly imprudent or risky, in conflict of interest with the Company, in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets.

In this regard, the Board of Statutory Auditors acquired information from the heads of the competent corporate functions in charge, and met with the CEO several times during the year, including at meetings of the Board of Directors and intra-board committees, in order to obtain information on management performance and the internal control system.

During these meetings, the Board noted a regular flow of information from the operational structures and the constant updating by the Board of Directors on the activities carried out by the Company.

The Board considers that the *governance* tools and institutions adopted by the Company represent a valid safeguard for compliance with the principles of proper administration.

I. The most important economic, financial and asset transactions carried out by the Company have been analytically detailed in the Dexelance Group Management Report for the financial year 2025.

Based on the information provided by the Company and the data acquired in connection with the aforementioned transactions, the Board of Statutory Auditors deems it appropriate to point out the following:

- on 24 June 2025, Dexelance S.p.A. signed an agreement to acquire an initial 25% stake of the share capital of Roda S.r.l., the parent company of the Roda Group, a leader in high-end outdoor furniture. The transaction was completed on 17 July 2025;
- on 24 September 2025, 65% of the share capital of Mollura & C. S.p.A. (Mohd) was acquired, a Made in Italy brand of excellence operating globally with an innovative omnichannel model that includes an online platform with over 12 million annual sessions and a large team of specialized designers. In partnership with over 500 top brands, through showrooms, an online boutique, and a dedicated design service, Mohd manages residential and contract projects worldwide;
- on 11 December 2025, the option agreement between Dexelance and 7 Holding S.r.l. for the purchase of the remaining 40% of Cubo Design S.r.l. was terminated.

II. In the course of its audits during the financial year ended 31 December 2025, the Board of Statutory Auditors did not detect any atypical and/or unusual transactions with third parties, Group companies and related parties, as defined by Consob Communication DEM/6064293 of 28 July 2006. The Board of Statutory Auditors acknowledges that the information provided in the Report on Operations and in the explanatory notes to the separate and consolidated financial statements concerning significant events and transactions that do not recur frequently and intra-group transactions and transactions with related parties is adequate.

III. It should be noted that the Company regularly engages in commercial and financial transactions with its subsidiaries, represented by Group companies, which consist of transactions falling within the scope of ordinary activities, concluded at market terms and conditions. These operations are included is the notes to the separated and consolidated financial statements, to which reference is made.

On the whole, the Board of Statutory Auditors assesses the information provided in the ways indicated regarding the aforesaid transactions to be adequate and, on the basis of the data acquired, to appear congruous and in keeping with the company's interest.

- *Supervision of the adequacy of the company's organisational structure, internal control system*

Supervision of the adequacy of the organisational structure of the Company and the Group was carried out through knowledge of the Company's administrative structure and the exchange of data and information with the heads of the various corporate functions, the heads of *Internal Audit*, the Supervisory Board and the Independent Auditors

In the light of the checks carried out, in the absence of any critical issues detected, the organisational structure of the Company appears adequate in view of its purpose, characteristics and size.

With reference to supervising the adequacy and efficiency of the internal control system, also pursuant to Article 19 of Legislative Decree No. 39/2010, the Board met with the *Internal Audit* Function, entrusted to a specialist external firm. The Board reviewed the Annual Report and the periodic reports on the internal control and risk management system, regarding the progress of the audit plan and the results of the overall activities carried out during the financial year, including of the basis of the findings of the Risk Assessment, without identifying any critical issues.

The Board also held additional meetings with the other corporate functions, also through the participation of at least one of its members in the relevant meetings with the Control and Risk, Related Party Transactions and Sustainability Committee and with the Supervisory Board.

The Board of Statutory Auditors noted that the Company's internal control system is based on a structured and organic set of rules, procedures and organisational structures aimed at preventing or limiting the consequences of unexpected results and at enabling the achievement of strategic and operational objectives (i.e. consistency of activities with objectives, effectiveness and efficiency of activities and safeguarding of corporate assets), compliance with applicable laws and regulations (*compliance*) and correct and transparent internal and market information (*reporting*).

The guidelines of this system are defined by the Board of Directors, with the assistance of the Control and Risk, Related Party Transactions and Sustainability Committee.

The Board of Statutory Auditors, to the extent of its competence, ensured the timely activation of the internal control systems, also in the subsidiaries, where this was necessary or even only appropriate in relation to the circumstances of the case.

Dexelance is equipped with the organisational model provided for by Legislative Decree 231/2001 ("*Model 231*"), of which the Code of Ethics is an integral part, aimed at preventing the occurrence of criminal offences relevant to the decree and, consequently, the extension of administrative liability to the Company.

The Company's Supervisory Board reported to the Board of Auditors on the activities carried out during the financial year 2025, including the process of updating the Organisational Model, without reporting any critical profiles.

The latest update of Model 231 was approved at the Board of Directors' meeting held on 11 March 2024.

On the basis of the information and evidence gathered, also with the support of the preliminary activity of the Control and Risk, Related Party Transactions and Sustainability Committee, the Board of Directors carried out an overall assessment of the adequacy of the internal control and risk management system for the 2025 financial year, deeming it to be overall suitable to allow, with reasonable certainty, an adequate management of the main risks identified

In the opinion of the Board of Statutory Auditors, in light of the information acquired, the Company's internal control and risk management system appears to be adequate, effective and effectively operational.

- *Supervisory activities concerning the adequacy of the administrative and accounting system and the statutory audit activities*

The Board of Auditors monitored the adequacy and reliability of the administrative-accounting system with respect to the correct representation of management events, obtaining information from the heads of the respective functions, examining company documents and analysing the results of the work carried out by the Independent Auditors.

The Manager in charge of preparing the company's accounting documents was assigned the

functions established by law and provided with adequate powers and means to perform the related tasks.

The Board of Statutory Auditors acknowledged the certifications issued by the Chief Executive Officer and the Manager responsible for preparing the company's financial reports, pursuant to Article 154-bis of the TUF, in accordance with Article 81-ter of Consob Regulation no. 11971 of 14 May 1999, on the adequacy of the administrative and accounting system in relation to the characteristics of the company and the effective application of the administrative and accounting procedures for the preparation of the separate financial statements of Dexelance S.p.A. and the consolidated financial statements of the Dexelance Group.

The Board of Statutory Auditors assessed the company's administrative-accounting system as adequate overall and reliable in correctly representing management events.

The Board of Statutory Auditors notes that on 25 March 2026 the Independent Auditors issued their report pursuant to Article 14 of Legislative Decree No. 39/2010 and Article 10 of EU Reg. No. 2014/537 in which they certified that:

- the Company's separate financial statements and the Group's consolidated financial statements as at 31 December 2025 give a true and fair view of the financial position and financial position, results of operations and cash flows for the year then ended in accordance with IFRS as adopted by the European Union;
- the Report on Operations and the information pursuant to Article 123-bis of the TUF contained in the Report on Corporate Governance and Ownership Structures are consistent with the Company's annual financial statements and the Group's consolidated financial statements and have been prepared in accordance with the law;
- the opinion on the separate and consolidated financial statements expressed in the aforementioned Reports is in line with that indicated in the Supplementary Report prepared pursuant to Article 11 of Regulation (EU) No 2014/537.

The aforesaid Reports of the Independent Auditors do not contain any remarks or statements issued pursuant to Article 14, paragraph 2, letters d) and f) of Legislative Decree No. 39/2010.

The Auditing Firm also verified that the directors prepared the second sections of the Report on Remuneration Policy and Remuneration Paid as required by Article 123-ter, paragraph 8-bis of the TUF.

During the periodic meetings held by the Board of Statutory Auditors with the Independent Auditors, pursuant to Article 150, paragraph 3 of the TUF, no issues emerged that need to be highlighted in this Report.

Furthermore, the Board of Auditors did not receive any information from the Auditing Firm on material facts deemed reprehensible in the performance of the statutory audit of the separate and consolidated financial statements.

The separate financial statements as at 31 December 2025 have been prepared in XHTML format in accordance with the provisions of the European Commission's Delegated Regulation (EU) 2019/815 on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF)

The consolidated financial statements as at 31 December 2025 have been prepared in XHTML format and have been marked in accordance with the provisions of Delegated Regulation (EU) 2019/815.

Certain information contained in the notes to the consolidated financial statements when extracted from the XHTML format in an XBRL instance, due to certain technical limitations, may not be reproduced identically to the corresponding information displayed in the consolidated financial statements in XHTML format.

During the 2025 financial year, the Board has verified the nature and scope of all engagements received by the Audit Firm from Dexelance and/or its subsidiaries for services other than statutory audit, as reported by the Audit Firm itself.

The Board of Statutory Auditors confirms that, with regard to the above-mentioned engagements, no engagements have been awarded to EY or entities within its network that are not permitted under the applicable regulations.

The Board of Statutory Auditors considers that the non-audit services provided, which do not fall within the scope of those prohibited pursuant to Article 5 of Regulation (EU) No 537/2014, are compatible with the statutory audit engagement and that the fees charged are appropriate; consequently, there are no critical issues that affect the audit firm’s independence criteria.

Furthermore, the Board has:

a) verified and monitored the independence of the Independent Auditors, pursuant to Articles 10, *10-bis*, *10-ter*, *10-quater* and 17 of Legislative Decree No. 39/2010 and Article

6 of Regulation (EU) No 537/2014, ascertaining compliance with the relevant regulatory provisions

b) examined the Transparency Report and the Additional Report prepared by the Independent Auditors in compliance with Regulation (EU) No 537/2014, noting that, on the basis of the information acquired, no critical aspects emerged in relation to the independence of the Independent Auditors;

c) received confirmation in writing that the Audit Firm, up to time of issuing the declaration of independence, has not encountered any situations that could compromise its independence from Dexelance S.p.A. pursuant to the combined provisions of Art. 6, para. 2, letter A) of Regulation (EU) No 537/2014, 10 and 17 of Legislative Decree 39/2010 as well as Articles 4 and 5 of Regulation (EU) No 537/2014.

Finally, the Board of Statutory Auditors exchanged information with the supervisory bodies of the subsidiaries pursuant to Article 151 of the TUF, without any relevant aspects or ascertained circumstances being brought to its attention to be reported in this report.

- *Supervisory activities on the sustainability statement*

Pursuant to Legislative Decree No. 125/2024, the Board of Statutory Auditors monitored the adequacy of the procedures and structure governing the production of the consolidated sustainability report and compliance with the requirements of the law, within the scope of its remit. To this end, the Board of Statutory Auditors has liaised with the Company departments responsible for overseeing ESG issues and with the Control Risk, Related Party Transactions and Sustainability Committee.

The engagement for the audit of sustainability reporting, pursuant to Legislative Decree 39/2010, was assigned for the years 2024-2026 to the auditing firm EY S.p.A. (hereinafter 'EY' or the 'Auditing Firm'), as resolved by the Ordinary Shareholders' Meeting of 21 January 2025.

The Board of Statutory Auditors notes that on 25 March 2026 the Independent Auditors issued their Report pursuant to Article 14-bis of Legislative Decree no. 39/2010 for the limited assurance engagement of the consolidated sustainability reporting, in which it certified that, on the basis of the information obtained, the consolidated sustainability reporting of the Dexelance Group for the financial year ending 31 December 2025 has been prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (European Sustainability Reporting Standards) and that the information included in the section “European Taxonomy” has been drawn up in accordance with Article 8 of EU Regulation No 2020/852.

- *Supervisory activities on how corporate governance rules are implemented in practice*

In relation to the provisions of Article 149, paragraph 1, letter c-bis, of the TUF concerning the supervision by the Board of Statutory Auditors '*on the procedures for the concrete implementation of the corporate governance rules laid down in codes of conduct drawn up by management companies of regulated markets or by trade associations, which the company, by means of public disclosures, declares that it complies with*', the Board of Statutory Auditors confirms the following

- the Company has adhered to and applies the Corporate Governance Code;
- Pursuant to the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, the Board of Statutory Auditors, as the Internal Control and Audit Committee, obtains annual confirmation of its independence from the Auditing Firm (Standard Q.5.3) and monitors the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of certain of its members (Standard Q.3.7). In the latter regard, the Board of Statutory Auditors verified the existence of the independence requirements for the non-executive directors qualified as independent;

The Company's Board of Directors currently consists of eleven directors, three of whom are independent, plus an Honorary Chairman, and was elected by the Shareholders' Meeting on 9 May 2023 with effect subject to the start of trading, which subsequently occurred on 18 May 2023. Its composition complies with the regulations on gender balance.

The independent director, lawyer Lea Lidia Lavitola, acts as Lead Independent Director.

The Board of Directors has carried out a self-assessment of the size, composition and functioning of the Board itself and its committees; the results of this assessment were presented at the Board meeting on 16 March 2026 and are referred to in the Report on Corporate Governance and Ownership Structure.

The role of executive directors is set out in the Corporate Governance Report in the paragraph 4.6, also in accordance with Recommendation 4 of the Corporate Governance Committee.

Regarding to the procedure followed by the Board of Directors for the purpose of verifying the independence of its directors, the Board of Statutory Auditors carried out the assessments falling within its remit, noting the correct application of the criteria and procedures for ascertaining the independence requirements set out in the law and the Corporate Governance Code, and compliance with the requirements regarding the composition of the administrative body as a whole.

Detailed information on the Company's corporate governance system is contained in the Report on Corporate Governance and Ownership Structure for the financial year 2025, in accordance with article 123-bis of the TUF and in accordance with the template provided by Borda Italiana in December 2024.

- *Supervision of relations with subsidiaries.*

Pursuant to Article 114(2) of the TUR: (i) listed issuers shall issue the necessary instructions to ensure that subsidiaries provide all the information required to fulfil the disclosure obligations laid down by law and by Regulation (EU) No 596/2014; (ii) subsidiaries shall promptly transmit the requested information.

The Board of Statutory Auditors has monitored the adequacy of the instructions issued to subsidiaries, having ascertained that the Company is able to fulfil the disclosure obligations laid down by law in a timely and regular manner; this is also achieved through the collection of information from the heads of organisational functions, for the purposes of the mutual exchange of relevant data and information. In this regard, there are no particular observations to report.

- *Supervision of related party transactions*

Pursuant to Article *2391-bis* of the Civil Code and Consob Resolution No. 17221 of 12 March 2010, as amended, containing the Regulation of Related Party Transactions (hereinafter also referred to as the 'Regulation'), Dexelance has adopted Procedures for Related Party Transactions (the 'Procedures').

During the financial year 2025, based on the information received, there were a number of transactions with related parties, which, to the best of our knowledge, were carried out:

- were carried out in substantial compliance with the Procedures and the Rules;
- are carried out in the interest of the Company, of an ordinary nature and concluded at conditions equivalent to market or *standard* conditions;
- do not include atypical or unusual transactions.

Transactions with related parties are adequately described in the financial statements; in particular, information on transactions with related parties is presented in the specific disclosures in the consolidated and separate financial statements ("Analysis of the Composition of the Main Items in the Statement of Financial Position as at 31 December 2025"), in which the amounts, types and counterparties are reported.

- *Self-assessment*

In accordance with the provisions of Standard Q.1.7. “Self-assessment of the Board of Statutory Auditors” of the Rules of Conduct for the Board of Statutory Auditors of listed companies, Recommendation No. 9 of the Corporate Governance Code and current legislation, the Board of Statutory Auditors has assessed the suitability of its members and the appropriate composition of the body, with reference to the requirements of professionalism, competence, integrity, independence and diversity required by law. The Board acknowledged that each Standing Member had provided the information necessary to carry out the self-assessment of the Board of Statutory Auditors and that, based on the declarations made and the analysis carried out by the Board, none of them fell under any of the grounds for ineligibility or forfeiture of office provided for by current legislation and the Articles of Association.

The Board also verified that the members of the Board of Statutory Auditors themselves continue to meet the same independence requirements as directors.

The Board of Directors was informed of the Board of Statutory Auditors’ self-assessment at its meeting on 16 March 2026, and reported this in the Report on Corporate Governance and Ownership Structure for the 2025 financial year.

- *Supervision of the financial reporting process, proposals regarding the annual financial statements and their approval, and matters within the competence of the Board of Auditors*

The Board of Statutory Auditors has verified the existence of rules and procedures underlying

the process of preparing and disclosing financial information, and in this regard, the Report on Corporate Governance and Ownership Structure sets out the reference guidelines for the establishment and management of the financial reporting process.

The Board of Statutory Auditors further declares that it has taken note of the preparation of the Remuneration Report in accordance with Article 84-quarter of the Issuers' Regulations, without raising any objections.

Finally, the Board of Statutory Auditors carried out its own checks on compliance with the provisions of law pertaining to the preparation of the draft separate financial statements and consolidated financial statements of the Group as at 31 December 2025, the respective explanatory notes and the Report on Operations, also making use of the information shared by the department heads and through the information obtained from the Independent Auditors. In particular, the Board of Statutory Auditors, on the basis of the controls carried out and the information provided by the Company, within the limits of its competence pursuant to Article 149 of the TUF, acknowledges that the separate financial statements and the consolidated financial statements of Dexelance S.p.A. as at 31 December 2025 have been prepared in accordance with the legal provisions governing their preparation and layout and the valuation criteria established by the International Financial Reporting Standards and the International Accounting Standards issued by the *International Accounting Standards* Board (IASB) and the related interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and adopted by the Commission of the European Community with Regulation No. 1725/2003 and subsequent amendments, in accordance with Regulation No. 1606/2002 of the European Parliament.

The separate and consolidated financial statements are accompanied by the prescribed declarations of conformity signed by the Chief Executive Officer and the Manager Responsible for Financial Reporting.

The Board of Directors conducted specific procedures to check (*impairment test*) the recoverable value of the non-current assets shown in the balance sheet items.

If the recoverable amount, defined as the higher of an asset's *fair* value and value in use, is estimated to be less than its carrying amount, the latter is reduced to the lower recoverable amount.

The *business plan* used for the purpose of the impairment test was approved by the Board of Directors on 16 March 2026.

Impairment tests were carried out on the carrying amounts of fixed assets in consolidated financial statements as at 31 December 2025 and on the carrying amounts of equity investments recognized in the Parent Company's separate financial statements at the same date.

In light of impairment test, the Board of Directors has written down the value of certain assets due to permanent impairment, as disclosed in the notes to the consolidated financial statements and the separate financial statements.

On the basis of the foregoing, in summary of the supervisory activity performed during the year, the Board of Statutory Auditors did not find any specific critical issues, omissions, reprehensible facts or irregularities and has no observations or proposals to make to the Shareholders' Meeting pursuant to Article 153 of the Consolidated Law on Finance, insofar as it is within its competence, not finding any reasons to prevent the approval of the resolution proposals formulated by the Board of Directors to the Shareholders' Meeting.

The Board of Statutory Auditors, therefore, in light of the considerations made and for the aspects within its competence, does not find any reasons to oppose the approval of the Financial Statements as at 31 December 2025 and the proposal for the allocation of the loss for the year formulated by the Board of Directors.

Milan, 25 March 2026

The Board of Auditors

Filippo Annunziata
President

Marzia Nicelli
Statutory Auditor

Fabio Buttignon
Statutory Auditor

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