20251007027773

Årsredovisning
Gnutti Carlo Holding Sweden AB

Org.nr 556716-2630

Räkenskapsår 2024-01-01 - 2024-12-31

Fastställelseintyg

Undertecknad styrelseledamot intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 28 2025.
Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Alvesta den 28 Maj 2025

Michele Leriti

Gnutti Carlo Holding Sweden AB
556716-2630

20250617141164

Årsredovisning

för räkenskapsåret 2024-01-01--2024-12-31

Styrelsen och verkställande direktören för Gnutti Carlo Holding Sweden AB avger härmed följande årsredovisning.

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Styrelsens säte: Alvesta
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).

Gnutti Carlo Holding Sweden AB
556716-2630

Förvaltningsberättelse

Information om verksamheten
Gnutti Carlo Holding Sweden AB äger och förvaltar aktier direkt eller indirekt i verksamheter som tillverkar motorkomponenter till fordonsindustrin.
Bolaget äger till 100% dotterföretagen Gnutti Carlo Sweden AB (org nr 556034-5190), Gnutti Carlo UK Ltd (England, org nr 3047921) samt Gnutti Carlo GmbH (Tyskland, org nr HRB 21901).

Väsentliga händelser under räkenskapsåret
Kommentarerna nedan avser den svenska delen av Gnuttikoncernen, dvs dotterbolagen till Gnutti Carlo Holding Sweden AB.
Vår snabbhet i att anpassa oss till marknades svägningar tillsammans med vårt arbete med ständiga förbättringar gjorde även 2024 till ett stabilt resultat som var väl i nivå med förväntningarna från våra ägare.
Vårt förbättringsarbete med ökad effektivitet är en av de viktigaste delarna för att behålla vår konkurenskraft och därmed vara lönsamma och ha möjliget till att ta nya affärer.
Vi bytte även VD den andra september då vår tidigare VD Fredrik Walldal ersattes av Mike Borger.

Förväntad framtida utveckling samt risker och osäkerhetsfaktorer
2025 har börjat med lite lägre volymer än vad vi har förväntat oss men vi ser volymer framöver som motsvarar vår budget.
Den allmäna kostnadsutveckling av olika insats varor har minskat och stabiliserats på höga nivåer.
Det finns dock fortsättningsvis en stor osäkerhet beroende på den geopolitiska situationen och vad det kan innebära för våra kunder.

Vi ser ännu så länge ingen effekt av kundernas satsningar på elektrifiering och de planer våra kunder har haft skjuts längre fram i tiden.
Fordonsindustrin präglas av stora svängningar i efterfrågan. Bolagets försäljning är diversifierad och fördelad över ett antal kunder, plattformar, modeller och fabriksanläggningar som vanligtvis dämpar effekterna av individuella förändringar. En markant minskad global efterfrågan kan dock ha en kraftig negativ påverkan. Orderböcker med fasta beställningar från kunder är normalt korta men de nära kundrelationerna gör att bolaget ändå har god information om kundernas långsiktiga planer.

Ägarförhållanden
Bolaget är ett dotterbolag till Gnutti Carlo S.p.A i Maclodio Italien (org nr 01272680172), ägarandel 68% samt Gnutti Carlo Ltd i London, Ontario Kanada (org nr 1635693), ägarandel 32%.

Flerårsöversikt*	**2024**	**2023**	**2022**	**2021**
Nettoomsättning (tkr)	3.262	3.000	26.683	27.466
Resultat efter finansiella poster (tkr)	149.196	-439	-1.350	-1.075
Avkastning på eget kapital (%)	19,3%	-0,1%	-0,2%	-0,1%
Balansomslutning (tkr)	866.330	823.820	818.192	898.735
Soliditet (%)	99,5%	82,8%	86,8%	82,3%
Antal anställda	1	1	1	1

Förslag till resultatdisposition (kr)
Styrelsen föreslår att till förfogande stående medel

Balanserat resultat	0
Årets resultat	220.841.472
	220.841.472

disponeras så att

till aktieägare utdelas	70.841.472
i ny räkning överföres	150.000.000
	220.841.472

Styrelsens uppfattning är att den föreslagna utdelningen ej hindrar bolaget från att fullgöra sina förpliktelser på kort och lång sikt, ej heller att fullgöra erforderliga investeringar. Den föreslagna utdelningen kan därmed försvaras med hänsyn till vad som anförs i ABL 17 Kap 3§ 2-3 st (försiktighetsregeln).

Gnutti Carlo Holding Sweden AB
556716-2630

Resultaträkning

	Not	2024-01-01- 2024-12-31	2023-01-01- 2023-12-31
Nettoomsättning		3.262	3.000
Administrationskostnader	1 - 2	-4.187	-3.104
Övriga rörelseintäkter		0	0
Övriga rörelsekostnader		0	-82
Rörelseresultat	3	**-925**	**-186**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	4	150.000	0
Övriga ränteintäkter och liknande resultatposter	5	122	56
Räntekostnader och liknande resultatposter	6	-1	-309
		150.121	**-253**
Resultat efter finansiella poster		**149.196**	**-439**
Bokslutsdispositioner	7	90.000	50.000
Resultat före skatt		**239.196**	**49.561**
Skatt på årets resultat	8	-18.355	-10.265
Årets resultat		**220.841**	**39.296**

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Balansräkning

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Andelar i koncernföretag	9-10	818.116	818.116
Andra långfristiga värdepappersinnehav	11	0	0
		818.116	**818.116**
Summa anläggningstillgångar		**818.116**	**818.116**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		47.978	0
Aktuell skattefordran		0	5.606
		47.978	**5.606**
Kassa och bank	12	236	98
Summa omsättningstillgångar		**48.214**	**5.704**
SUMMA TILLGÅNGAR		**866.330**	**823.820**

Balansräkning

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	13		
Bundet eget kapital			
Aktiekapital, 6 407 842 aktier (A-stam 4 383 480, B pref 2 024 362)		640.784	640.784
		640.784	**640.784**
Fritt eget kapital			
Balanserat resultat		0	2.014
Årets resultat		220.841	39.296
		220.841	**41.310**
Summa eget kapital		**861.625**	**682.094**
Kortfristiga skulder			
Leverantörsskulder		45	81
Skulder till koncernföretag		0	140.521
Aktuella skatteskulder		2.374	0
Övriga skulder		340	220
Upplupna kostnader och förutbetalda intäkter	14	1.946	904
		4.705	**141.726**
SUMMA EGET KAPITAL OCH SKULDER		**866.330**	**823.820**

Gnutti Carlo Holding Sweden AB
556716-2630

20250617141166

Rapport över förändringar i eget kapital

	Aktie-kapital	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2023-01-01	640.784	34.439	34.657	**709.880**
Omföring resultat föregående år	0	34.657	-34.657	**0**
Lämnad utdelning	0	-67.082	0	**-67.082**
Årets resultat	0	0	39.296	**39.296**
Utgående balans 2023-12-31	**640.784**	**2.014**	**39.296**	**682.094**
Omföring resultat föregående år	0	39.296	-39.296	**0**
Lämnad utdelning	0	-41.310	0	**-41.310**
Årets resultat	0	0	220.841	**220.841**
Utgående balans 2024-12-31	**640.784**	**0**	**220.841**	**861.625**

Tilläggsupplysningar

Redovisningsprinciper m.m.

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3):

Koncerntillhörighet
Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Gnutti Carlo S.p.A (org.nr. 01272680172) med säte i Maclodio, Italien. Detta bolag är även moderföretag för hela koncernen. Årsredovisning kan begäras från Chamber of commerce i Italien (Enterprise Register).

Koncernredovisning
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §.

Intäktsredovisning
Bolagets nettoomsättning består av utförda tjänster till dotterbolag samt vidarefakturerade kostnader för moderbolag. Intäkterna redovisas i samband med fakturering vilket görs en gång per månad och slutavräkning genomförs i slutet av året.
Ersättning i form av ränta, royalty eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet.

Redovisning av leasingavtal
Företaget som leasetagare
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Ersättning till anställda
Ersättningar till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisning sker i takt med intjänandet. Företaget har endast avgiftsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Företaget har inga övriga långfristiga ersättningar till anställda.

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Fordringar, skulder och avsättningar
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

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Skatt
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatt redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.
Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition.

Noter

Not 1 Arvode till revisorer

	2024	2023
Ernst & Young AB		
Revisionsuppdraget	50	50
Övriga tjänster	0	0
	50	**50**

Not 2 Anställda och personalkostnader

Medelantalet anställda

	2024	2023
Män	1	1
Kvinnor	0	0
	1	**1**

	2024	2023
Löner och andra ersättningar		
Styrelse och verkställande direktör	0	0
Övriga anställda	1.809	1.640
	1.809	**1.640**
Tantiem till styrelse och verkställande direktör ingår med	0	0

	2024	2023
Pensions- och övriga sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	0	0
Pensionskostnader för övriga anställda	538	492
Övriga sociala kostnader enligt lag och avtal	687	664
	1.225	**1.156**

	2024-12-31	2023-12-31
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0%	0%
Andel män i styrelsen	100%	100%
Andel kvinnor bland övriga ledande befattningshavare	0%	0%
Andel män bland övriga ledande befattningshavare	100%	100%

Not 3 Inköp och försäljning mellan koncernföretag

	2024	2023
Andel av årets totala försäljning som skett till andra företag inom koncernen	100%	100%

Not 4 Resultat från andelar i koncernföretag

	2024	2023
Utdelning från koncernföretag	150.000	0
Nedskrivningar	0	0
	150.000	**0**

Not 5 Ränteintäkter och liknande resultatposter

	2024	2023
Övriga ränteintäkter	122	56
	122	**56**

Not 6 Räntekostnader och liknande resultatposter

	2024	2023
Övriga räntekostnader	-1	-309
	-1	**-309**

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Not 7 Bokslutsdispositioner

	2024	2023
Erhållet koncernbidrag	90.000	50.000
Återföring från periodiseringsfond	0	0
	90.000	**50.000**

Not 8 Skatt på årets resultat

	2024	2023
Aktuell skatt	18.355	10.265
Justering avseende tidigare år	0	0
Summa redovisad skatt	**18.355**	**10.265**
Genomsnittlig effektiv skattesats	**7,7%**	**20,7%**
Avstämning av effektiv skattesats		
Redovisat resultat före skatt	**239.196**	**49.561**
Skatt på redovisat resultat enligt gällande skattesats (20,6 %):	49.274	10.210
Skatteeffekt av:		
Övriga ej avdragsgilla kostnader	3	66
Ej skattepliktiga intäkter	-22	-10
Justering avseende tidigare år		
Redovisad skatt	**49.255**	**10.265**
Effektiv skattesats	20,6%	20,7%

Not 9 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	884.436	884.436
Utgående ackumulerade anskaffningsvärden	**884.436**	**884.436**
Ingående nedskrivningar	-66.320	-66.320
Årets nedskrivningar	0	0
Utgående ackumulerade nedskrivningar	**-66.320**	**-66.320**
Utgående redovisat värde	**818.116**	**818.116**

Not 10 Specifikation av andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Dotterföretaget Gnutti Carlo Sweden AB	100%	100%	20.608	812.960
Dotterföretaget Gnutti Carlo UK Ltd	100%	100%	619.150	4.900
Dotterföretaget Gnutti Carlo Germany GmbH	100%	100%	0	256
				818.116

	Org.nr.	Säte	Eget kapital*	Årets resultat*
Dotterföretaget Gnutti Carlo Sweden AB	556034-5190	Alvesta	779.190	128.853
Dotterföretaget Gnutti Carlo UK Ltd	3047921	Louth	13.557	582
Dotterföretaget Gnutti Carlo Germany GmbH	HRB 21901	Koblenz	1.113	59

*Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
I Eget kapital ingår 79,4 % av obeskattade reserver
Med Årets resultat avses resultat efter finansiella poster

Not 11 Andra långfristiga värdepappersinnehav

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	907	907
Årets anskaffningar	0	0
Utgående ackumulerade anskaffningsvärden	**907**	**907**
Ingående nedskrivningar	-907	-907
Årets nedskrivningar	0	0
Utgående ackumulerade nedskrivningar	**-907**	**-907**
Utgående redovisat värde	**0**	**0**

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Not 12 Kassa och bank

	2024-12-31	2023-12-31
Kassamedel	236	98
	236	**98**

Not 13 Disposition av vinst eller förlust

Förslag till resultatdisposition	**2024-12-31**	**2023-12-31**
Styrelsen föreslår att till förfogande stående medel		
Balanserat resultat	0	2.014
Årets resultat	220.841	39.296
	220.841	**41.310**
disponeras så att		
till aktieägare utdelas	70.841	67.699
i ny räkning överföres	150.000	-26.389
	220.841	**41.310**

Not 14 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna löner	1.265	288
Upplupna semesterlöner	335	296
Upplupna sociala avgifter	166	151
Övriga upplupna kostnader	180	169
	1.946	**904**

Not 15 Ställda säkerheter

	2024-12-31	2023-12-31
Säkerheter ställda till förmån för koncernföretag		
Aktier i dotterbolag, Gnutti Carlo Sweden AB	812.960	812.960

Not 16 Eventualförpliktelser

Övriga eventualförpliktelser
Garanti till Trustee i England där man intygar att eget kapital ej ska understiga M43£

Not 17 Händelser efter balansdagen

Inga väsentliga händelser har inträffat i företaget efter balansdagen.

Alvesta 2025-05-28

Michele Lerici

Vår revisionsberättelse har lämnats 2025-05-28
Ernst & Young AB

Magnus Eriksson
Auktoriserad revisor

20250617141174

Revisionsberättelse

Till bolagsstämman i Gnutti Carlo Holding Sweden AB, org.nr 556716-2630

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Gnutti Carlo Holding Sweden AB för räkenskapsåret 2024-01-01 – 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Gnutti Carlo Holding Sweden ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Gnutti Carlo Holding Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa riskei och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehålle i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning av Gnutti Carlo Holding Sweden AB för räkenskapsåret 2024-01-01 – 2024-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamot ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Gnutti Carlo Holding Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om styrelseledamoten i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisioner av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Linköping den 28/5 2025
Ernst & Young AB

Magnus Eriksson
Auktoriserad revisor

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

To the Shareholders of
Gnutti Carlo S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Gnutti Carlo Group (the Group), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, 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.

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 the Group 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.

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, 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 Parent Company Gnutti carlo 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.

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Capitale Sociale Euro 2.975.000 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
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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 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.

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Report on compliance with other legal and regulatory requirements

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

The Directors of Gnutti Carlo S.p.A. are responsible for the preparation of the Report on Operations of Gnutti Carlo Group as at December 31, 2024, including its consistency with the related consolidated financial statements and its 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, with the consolidated financial statements;
- express an opinion on the compliance of the Report on Operations with the applicable laws and regulations;
- issue a statement on any material misstatements in the Report on Operations.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of Gnutti Carlo Group as at December 31, 2024.

Furthermore, in our opinion, the Report on Operations complies 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.

Brescia, April 11, 2025

EY S.p.A.
Signed by: Marco Malaguti, Auditor

This report has been translated into the English language solely for the convenience of international readers.

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Reg. Imp. 01272680172

Rea 254912

GNUTTI

GNUTTI CARLO S.P.A.

Registered office in VIA ARTIGIANI 2 -25030 MACLODIO (BS) Share capital Euro 7,280,000.00 i.v.

Management report as of 12/31/2024

Dear Shareholders,

to accompany the separate and consolidated financial statements, relating to the period ended December 31, 2024, we provide this report which contains information on the operations, relating to year 2024, of Gnutti Carlo S.p.A. and the Gnutti Carlo Group as a whole, with the aim of rendering a faithful, balanced and exhaustive information picture relating to the situation of the companies included in the consolidation, the performance and result of operations, as well as the activities carried out during the year; information is also provided on the main risks to which the Company and the Group are exposed.

FY2024 was a year marked by major international political instabilities, which had a major impact economically, both in terms of price changes, resource availability, but most importantly, in the sector in which the group operates, demand instability.
European policy of transition to the electric engine and has strongly and negatively impacted the volumes of the automotive sector, influencing, as will be more fully explained later in this report, also the Group's economic trends and consequently its strategies on the financial year. As highlighted in the following parts this report, the economic and political scenario continues to be affected by the international crisis generated by the Russia-Ukraine conflict, which began on February 24, 2022, as well as the conflict in the Gaza Strip, which began on October 7, 2023, with impacts on both transportation management and volume and order stability.

In February 2024, the parent company Gnutti Carlo S.p.A. concluded the *refinancing* process of the existing syndicated loan, which had been initiated in 2023, with the entry of new banks and the redefinition of duration, amortization schedule, economic conditions, *covenants* and guarantees. This process involved the complete repayment of the existing loan and the drawdown of the new loan following the *signing of* the new contract.
In December 2024 the parent company Gnutti Carlo S.p.A. also obtained a loan of 25 million euros from BNL falling within the parameters of "Future Guarantee" operations guaranteed by SACE for 70%. The transaction, which is described in more detail within the notes to the financial statements, was carried out with the aim of strengthening the cooperative relationship with the lending institution and falls within the permitted operations of the new syndicated loan. From an organizational perspective, the Group has implemented two major simplification operations:

1) in May 2024, the two companies Gnutti Carlo Canada Ltd and Ljunghall Canada Ltd merged by incorporation (Gnutti Carlo Canada incorporated Ljunghall Canada). In order to technically proceed with the merger, Gnutti Carlo S.p.A. had to acquire the shareholding in Ljunghall Canada from Ljunghall Group AB at a value identified by appraisal. The merger took effect on June 1, 2024.
2) In May 2024, TCG Unitech GmbH merged by incorporation with its wholly owned subsidiary TCG Systemtechnick GmbH effective June 1, 2024.

Both operations were carried out with aim of reducing fixed operating costs and simplifying existing structures in Canada and Austria.

The fiscal year 2024 ends with consolidated sales of 791 million euros (down from 2023: 867 million euros). The decrease, amounting to about 8 percent, is mostly attributable to volume trends in the passenger cars segment, which in Europe was strongly influenced by policies related to the introduction of electric cars, in remaining part related to the physiological decline in the truck & off road segment. In particular, it should be noted that volume reductions in the passenger cars segment impacted to a greater extent the plants in Austria and Czech Republic, while those in the truck segment impacted more Italy, the United States and Canada. The Group therefore had to implement restructuring and efficiency measures in addition to those already in place (particularly at the Austrian plant) in order to ensure that margins were maintained. Thanks to these actions, and to the continuation of negotiation activities with major customers on the subject of inflation recovery, the Group's marginality notes an improvement over the previous year's value (in 2023 EBITDA was 83 million euros- 9.63% of sales- while in 2024 it stood at 84 million euros or 10.58% of sales).

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Please refer to the remainder of this report for a more in-depth analysis results and *performance* indicators.

Following is a reclassified schedule of the consolidated income statement compared with the previous year:

(figures in thousands)	2024	%	2023	%
Revenues from contracts with customers	**791.335**	**100,00%**	**861.261**	**100,00%**
Material	370.536	**46,82%**	377.201	**43,80%**
External processing	19.744	**2,50%**	21.894	**2,54%**
Production auxiliary material	55.469	**7,01%**	88.173	**10,24%**
Direct production costs	**445.749**	**56,33%**	**487.268**	**56,58%**
Staff	167.028		178.992	
Maintenance	11.877		14.614	
Operating leases	1.238		1.839	
Utilities	28.053		34.243	
Other transformation costs	**208.196**	**26,31%**	**229.688**	**26,67%**
Gross Margin	**137.390**	**17,36%**	**144.305**	**16,76%**
Distribution costs	6.524		10.053	
G&A	47.146		51.271	
EBITDA	**83.720**	**10,58%**	**82.981**	**9,63%**

The Gnutti Group essentially develops its production in two business lines into which its 14 production facilities located in 8 states and on 3 Continents converge:

- **Powetrain Division**: mainly dedicated to the manufacture of engine components (rocker arm assemblies) for the "heavy duty" market;
- **Die Casting Division** (which includes subgroup companies- Ljunghall and TCG Unitech GmbH): aluminum die cast components for the "heavy duty" and "passanger car" markets.

During 2024, activities to foster greater integration of the companies that are part of the Die Casting division continued. Increasingly, the management of business and technology development activities are pooling the significant knowledge of the two *teams* and ensuring maximum service and support for customers.

In 2019, the document that collects the Group's strategic guidelines had been revised with the subsequent introduction of the concept of Enterprise Risk Management (ERM). The guidelines were then refocused on the themes Risks and Opportunities. During 2021, Gnutti Carlo S.p.A. successfully concluded the project to adopt an Organization and Management Model pursuant to Legislative Decree No. 231 of June 8, 2001, which was approved by the Board of Directors of Gnutti Carlo S.p.A. in January 2021. Through the adoption of this Organization and Management Model, it was intended to promote and reinforce the existing control systems, introducing new safeguards in the conclusion of *business* affairs and activities. To this end, a Supervisory Board was concurrently appointed for the purpose of supervising the effectiveness and compliance with the said Model. In compliance with the provisions of Article 6, paragraph 1, letter b) of Legislative Decree 231/2001, the Company has identified its Supervisory Board as a body with multi-subjective composition. Finally, the Company, with a view to continuously updating and adjusting its *corporate governance* system to the *best practices* in the field (among others, the Confindustria Guidelines), During the second half of 2023, it launched a project aimed at updating and adjusting its Model following, among other things, regulatory, jurisprudential and organizational changes; a project that then continued during 2024 and will end with the drafting of a revised Organizational Model. Over the past few years, the focus on ESG (Environmental, Social and Governance) issues has also been further increased, so much so that the Group has already started a project from 2022 to prepare a Social Report for measuring, communicating and assuming responsibility (*accountability*) to both internal and external *stakeholders* in relation to the organization's *performance* against the goal of sustainable development, which from 2026 will be an integral part of the consolidated financial statements. In this , strong is the push in the industry toward responsible business behavior, a theme in any case that has guided the Group since its creation. The push toward the reduction of greenhouse gas (GHG) emissions will see the Company and the Group at the , in particular, in terms of the path taken toward reducing the "carbon footprint." Please refer to the Company's website (www.gnutticarlo.com) for a view of the prepared document.

Macroeconomic Scenario

Global economic growth

The global economy grew at around 3 percent during 2024, in line IMF forecasts, but with large differences between regions:

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- US: The economy showed good resilience, with growth around 2 percent, supported by private consumption and a robust labor market. However, the high cost of money has weighed on investment.
- Eurozone: the old continent's economy was characterized by weak growth (~1%), with Germany struggling due to the industrial crisis and weak global demand. France and Italy showed better resilience, but without significant momentum.
- China: Growth around 4.5-5%, lower than previous years, due to the real estate crisis and declining consumer confidence. However, the government has introduced stimulus to support the economy.
- India: Among the economies with the strongest growth (~6%), driven by domestic demand and foreign investment.
- Latin America and emerging markets: Variable performance, with Brazil and Mexico struggling due to tight monetary policy, while some Asian countries benefited from Chinese growth.

Inflation and Monetary Policies

After the 2022-23 peak, inflation fell, but central banks kept rates high for most of the year:

- US (Federal Reserve): Rates firm between 5.25-5.50 percent for most of 2024, with first cuts only at year-end.
- Eurozone (ECB): High rates (~4%) for most of 2024, with signs of easing only in the second half of the year.
- China: More expansionary monetary policy, with rate cuts to stimulate growth.

Energy and Gas Prices

The energy market has been volatile, with prices down from 2022 peaks but still above pre-crisis levels.

- Oil: Brent has fluctuated between $75-90 per barrel, with temporary rises due geopolitical tensions in the Middle East.

- Natural gas:
    - Europe: The price of gas (Dutch TTF) has stabilized between €25-40/MWh, thanks to full storage and reduced demand.
    - US: Natural gas (Henry Hub) has remained relatively low ($2-3/MMBtu) due to strong shale gas production.
    - Asia: Growing demand, especially from China, which has increased LNG imports.

Industrial Production

In North America, the Manufacturing Sector has been struggling for much of year, with the ISM Manufacturing PMI near 50 points (neutral zone between growth and contraction).

Industrial production in Europe was marked by signs of crisis, especially in Germany, hit by falling global demand and high energy costs. The European manufacturing PMI remained below 50 points, signaling contraction.

Regarding Asia: in China there has been weak growth in industrial production (~4-5%), held back by the real estate sector; in contrast, in India, foreign investment has fostered strong manufacturing expansion.

Geopolitical Tensions and Risks

The world geopolitical scenario was mainly characterized by the following events:

- Conflict in Ukraine: the prolonged conflict, which began in 2022, has continued to weigh on European energy supplies and global trade.
- Reigniting Middle East tensions in the Arab-Israeli conflict has increased uncertainty in oil markets, causing temporary price rises.
- U.S. Election: November presidential election increased volatility in financial markets.

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Group activities and target market

The Gnutti Carlo Group has, for years now, strengthened its diversification within its target markets, both in terms of application and geography. The Group serves the *truck, agricoltural and automotive* markets with 14 plants spread over three continents and with more than

3,000 employees worldwide. In addition to Italy, production takes place in Sweden, Austria, the Czech Republic, the United States, Canada, India and China. Currently, the group's sales are divided into the light vehicle (passenger car) and commercial vehicle (light duty, heavy duty and industrial) sectors, with the latter dominating. A strong push for diversification in the NEV (New Energy Vehicles) sector, has led the Group to a significant presence also in the field of so-called "e-mobility" declined in the various categories of hybrid or purely electric cars, while that in the heavy commercial vehicle sector remains limited. With reference to the current geopolitical scenario, which sees the conflict between Russia and Ukraine still ongoing and a new conflict between Israel and Hamas that began in October 2023, with consequent impacts on economic transactions to the countries involved and on trade routes that cross the relevant territories and the Red Sea, it should be noted that the Group does not have commercial relations with counterparts located in the regions of Russia and Belarus and that to date the impact on commercial transactions has not been slowed down caused by these conflicts.

The impact of customs policies, on the other hand, will have to be assessed during 2025; please refer to the section on foreseeable developments in this regard.

Data and information on the performance of individual applications and their markets are provided below.

Cars

Car production at the European level registers in 2024 an average decline between 5 and 10% for all Brands, with some exceptions, positive for BMW aligned to 2023 and particularly negative for Stellantis -20%. In any case, Europe achieves a particularly negative figure when compared with about -2% in NA and +3% in China.

It should be noted that our target market for Passenger Cars is largely represented by European manufacturers; therefore, our sales decline of about 10% from 2023 is in line with the market trend.

The particularly negative trend in EU production has been driven by uncertainty over the transition to BEV and the growth of imports of cars from China, which are more competitive in terms of technology offerings and price.

The market share of electric cars in EU is confirmed to be around 15%, thus slowing down the growth trend, which is much lower than expected. On this market segment, Gnutti is present with components destined for the BMW, Mercedes and VW brands.

Group activities and target market

Gnutti Group's total 2024 sales in passenger cars accounted for 36% of total sales.

Commercial and industrial vehicles

In 2024, the >6 tons commercial vehicle market in Europe (EU+EFTA), records a decrease in production of about 15 percent compared to 2023, the first year of volume decline after growth in 2022 and 2023.

Even on the North American continent there is major production decline of about 8 percent compared to 2023.

In both *regions*, *the trend* has been one of gradual decline during the course of 2024, with severe suffering in Q3 and Q4. Demand is expected to recover only in the second half of 2025 due to *prebuy* effect, i.e., peak orders before the implementation of the new NA emission regulations.

From the sales of applications for this segment, during 2024 the Group achieved a 5% decrease in Europe and 6% decrease in NA, thus performing better than the market. good result is due to the increase in market share due to the *ramp up* of the newly acquired businesses for the Traton Group (Scania) and Volvo Truck.

Gnutti Group's total 2024 sales in *Heavy Vehicles+ Off Road* was 64% of total sales.

Group Structure

As of December 31, 2024, the structure of the Gnutti Carlo Group has changed as follows since last year:

- In May 2024, Gnutti Carlo S.p.A. acquired from subsidiary Ljunghall Group Ab the stake in Ljunghall Cadana Ltd. Following the acquisition, Ljunghall Canada was merged by incorporation into Gnutti Carlo Canada;
- In May 2024, the company TCG Systemtechnik GmbH, wholly owned by the

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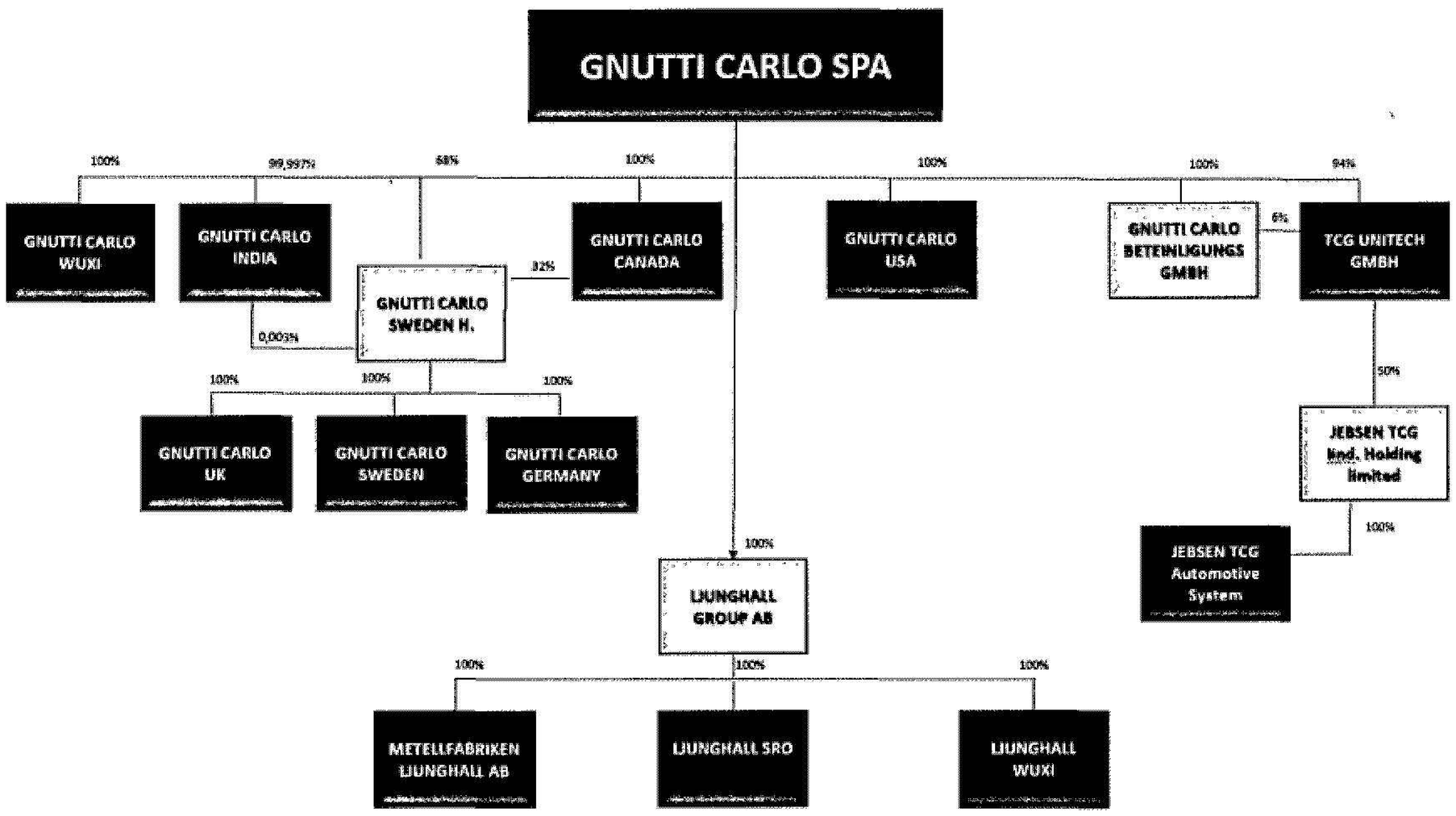
company TCG Unitech GmbH, was merged by incorporation into latter. As a result of these extraordinary transactions, the new group structure is as follows:



Human resources and organization

The following table shows the average number of employees employed by Group companies in FY2024 and FY2023:

	Gnutti s.p.A.		Gnutti Canada		Gnutti S wedon		Gnutti india		Gnutti USA		Gnutti Wuxi		TCG Unitech		Ljung hall		Gnutti Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Employees and managers	85	84	35	43	46	40	65	54	39	43	34	24	267	263	230	277	801	828
Workers	195	204	228	125	216	204	300	205	126	125	41	55	623	746	694	779	2.423	2.443
Total	280	288	263	168	262	244	365	259	165	168	75	79	890	1.009	924	1.056	3.224	3.271

FY2024, the dissemination of *lean* techniques within the Group (Lean Journey) was continued in order to optimize the level of profitability of various industrial plants. The dissemination of 5S, Value Stream Mapping (VSM), Quality at the source (Q@TS) techniques continued, extending activities to all Group plants*Minifactories* are now an established reality in all plants of the Powertrain Division, and implementation has also been completed in the Sodra Vi plant of the Light Metal Division and TCG Unitech.

Activities related to the application of enabling technologies in Industry 4.0 continued in FY2024, and from FY2024 also related to the application technology 5.0. The areas of intervention have been clearly defined:

- Digitization of the factory organization;
- Digital maintenance support (preventive/predictive);
- Digital quality support (artificial intelligence);
- *smart product*;
- Strengthening *business intelligence* (BI) on different application areas.

During the fiscal year, efforts were made to disseminate the training necessary to keep the knowledge level of our employees aligned with the dynamics of the Group and the market and to be able to take advantage of the technological opportunities offered by the world of Industry 4.0. The training activities conveyed through the Gnutti Carlo Academy also continued thanks to use of distance learning made possible by the introduction of *e-learning software* now already active in all Group entities.

During FY2024, the push for *business intelligence* (BI) projects continued, with a view to simplifying and unifying their structure as best as possible with the ultimate goal of creating a set of reports divided over the 3 classic sections of management control and financial analysis:

- Sales Area
- Production Area
- Finance Area

This project aims to support *management* in reviewing and analyzing historical data and approving strategic *budget* choices.

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Management performance

Key economic data

The Group ended the year with a consolidated net profit of €2.4 million (2023: loss of €10.6 million). As mentioned earlier, the result for the year is the result, from an operational point of view, of opposing effects such as, the reduction in sales volumes, which was more than offset by the efficiency actions put in place already at the end of 2023 on some plants, as well as the recognition by some customers of price increases. In addition to this there is evidence of a lower weight of extraordinary charges compared to the previous year. Negatively affecting the result for year are net financial expenses of approximately 21 million euros (financial expenses 2023: 20 million euros), while the effect of realized currency transactions generates a positive effect of 0.5 million euros.

Also positively affecting the net result for year was the equity method valuation of the value of the investee Jebsen TCG in the amount of 0.7 million euros, albeit with a lower impact than the share of its result for the year following distribution of reserves resulting in a slight decrease in its value recorded in the financial statements. On the other hand, the impairment analysis carried out on the value of the equity investment generated a negative economic impact of approximately 0.8 million euros as will be highlighted in the dedicated section of the intergative note.

In general, the section of the Group that caters to the *passenger cars* market generated negative net results, while the section that operates in the industrial vehicles market, although suffering from a decline in volumes, achieved positive net results. The investee TCG Unitech (Die Casting Division and), as indicated above, was severely impacted by the reduction in volumes in the passenger cars segment (-8%) partially offset by actions on labor costs and other operational actions aimed at reducing the breakeven point. The other companies belonging to the Die Casting division were less affected by the drop in volumes because they were more focused on the truck segment rather than the passenger cars segment, generating an operating result impacted by the reduction in volumes but partially offset by an improvement in efficiency. In particular, it should be noted that Ljunghall s.r.o. (based in Caslav in the Czech Republic), managed to maintain an operating result in line with the previous year despite the significant drop in volumes (-16%). Ljunghall Canada, which in FY2024 is showing the first signs of acquiring margins at the end of the *start-up* phase but is suffering, in conjunction with Gnutti Carlo USA, from the non-linear volume trend from its customer

principal. In contrast, Metallfabriken Ljunghall AB (headquartered in Sodra_Vi in Sweden) maintained a trend of operating income that was percentagewise in line with that of the previous fiscal year. In contrast, Ljunghall Wuxi (headquartered in Wuxi in the People's Republic of China) contributed a negative trend in the fiscal year, when compared to what was recorded in 2023. As mentioned earlier, almost all the plants operating more in the heavy truck sector maintained a good level of profitability. In particular, the Canadian, Chinese, and Swedish plants , ended FY2024 with operating profitability in line with that of FY2023, while the Indian plant shows an improving operating profit.

Financial charges

Financial expenses negatively impact a slightly higher amount than in 2023 despite the decrease in net borrowing. This is more due to the rise in the cost of money that impacted the part of the financial debt not covered by IRS contracts, as well as, for the covered part of the new pooled loan at an interest rate risen to a higher market level than the level at which the same was set in 2018 (obviously as a consequence of the current dynamics of the cost of money). On the other hand, it should be noted that the improvement in the leverage between net debt and Ebitda has led to an improvement, especially in the second part of the year, in the contract spread over Euribor as stipulated in the agreements.
More details are provided in the notes to the 2024 consolidated financial statements.

Income taxes

Income taxes were set aside taking into account the tax laws of the respective jurisdictions of reference.

Main balance sheet data

During the year, investments of about 24 million euros were made (2023: 38 million euros).

The Group's net financial position (difference between loans and financing and cash and cash equivalents) improved from 246 million euros to 223 million euros. This positive change is mainly due to the contribution of operating income, good working capital management

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and to a lower level of investments compared to the previous year. The composition of Net Financial Position compared to last year follows:

NFP	2024	2023
Cash and cash equivalents	94.925	76.039
LIQUIDITY.	**94.925**	**76.039**
Current financial debt		
Current part of non-current financial debt	55.032	107.904
CURRENT FINANCIAL DEBT	**55.032**	**107.904**
NET CURRENT FINANCIAL DEBT	**-39.893**	**31.865**
Non-current financial debt	263.617	214.084
Trade and other non-current payables		
NON-CURRENT FINANCIAL DEBT	**263.617**	**214.084**
TOTAL FINANCIAL DEBT	**223.724**	**245.949**

At the end of fiscal year 2024, the group's cash on hand was 95 million euros (2023: 76 million euros). Operating cash flow was lower than in 2023 but was offset by lower investment activities absorbed cash for a net effect of 24 million euros net.

With regard to financial management, we point out that the net effect recorded from the level of cash of -24 million euros (last year it was -64 million euros), is the result of repayments of existing loans and interest payments of 233 million euros and the taking out of new loans of 208 million euros (significantly impacting the total repayment of the outstanding loan as of December 31, 2023 to the pool and the subsequent refinancing by the new pool).

Below, in order to ensure a better understanding of the Group's results we provide the value of some indices routinely used in financial statement analysis.

Profitability indices			
		31/12/2024	31/12/2023
ROE	*Capital profitability*	3,89%	-2,41%
ROI	*Profitability of core operations*	4,31%	3,11%

ROE (Return on Equity): is calculated as the ratio of net income (before extraordinary items) to shareholders' equity. It signals the profitability of the investment in the company's equity compared to investments of a different nature, i.e., whether the investment in the Group is worthwhile or not.
ROI: is calculated as the ratio of operating income to invested capital (net investments in noncharacteristic assets, which do not exist for the Gnutti Group). It indicates the company's ability to generate profitability through core operations.

Liquidity indices			
		31/12/2024	31/12/2023
BY	*Availability index*	105%	82%
LS	*Liquidity index*	65%	48%
DSCR	*Debt service coverage ratio*	0,33	0,77

DI: is calculated as the ratio of Current Assets to Current Liabilities and indicates the ability of the firm to meet current liabilities with short-term assets.
LS: is calculated as the ratio of Current Assets without inventories to Current Liabilities.

The Group's financial resources were also directed toward the usual investment activities in new plant and machinery. In total, the Group spent 24 million euros (2023: 38 million euros). More details on the investments made are provided in the notes to the financial statements (Note 5 and Note 6).

Major risks and uncertainties

The international environment remains heavily disrupted by the worsening crisis between Russia and Ukraine, the conflict between Hamas and Israel, as well as the potential repercussions of the U.S. elections on international duty policy. The concomitance of these circumstances makes the economic scenario unstable in terms of commodity cost prices, as well as finally exchange rate and rate trends.

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Risks and uncertainties

Risk management (internal and external, social, industrial, political, financial) is integrated into the Group's development strategy and is an essential element of the continuous process of evolution of the control and governance system. Risk management aims, including through improved rules of conduct, to respect the environment, protect *stakeholders* (employees, Customers, suppliers, shareholders), and safeguard corporate assets.

EXTERNAL RISKS.

Country Risk

The Group is exposed to the risk associated with the number and diversity of countries in which it operates, mitigated, however, by the adoption of a policy of *business* diversification by product and geographic area, such that this risk is balanced at the Group level.
In addition to this, the Group constantly monitors the development of risks (political, economic/financial, and security) related to countries whose general political-economic environment and fiscal regime may prove unstable in the future in order to mitigate these risks.

Pandemic Risk

Since the beginning of the pandemic from Covid 19, Gnutti has followed the developments of the emergency with great attention, promptly adopting the necessary prevention, control and containment measures of the virus at its sites, globally with the aim of protecting the health of employees (sanitization of premises, personal protective equipment, *smart working*, hygiene rules and social distancing). There remains, even once the health and social emergency is over, the Group's focus on maintaining normal hygiene rules aimed at preventing the spread of viruses and activating containment procedures in the event of alert reports from health institutions.

Risks associated with macroeconomic and demand developments

In recent years, the automotive and automotive industry in general, as well as other sectors, has suffered the effects associated with the global *microchip* shortage, which has forced most OEMs to slow production of certain car models, reduce volumes, and, in some cases, plan temporary plant closures. Although Gnutti does not have any products directly affected, it has affected by these OEMs' operational difficulties throughout 2024, albeit to a lesser extent than in 2023. In view of the market segments

targeted by the Group (65 percent of which are for a vehicle category less impacted by the issue) the risk should be considered mitigated.

Risk related to climate change

The transition to a low-carbon and more environmentally sustainable economy may lead to risks for the Group, induced by possible accelerations in the severity of environmental and climate policies, disharmonies in the standardization of different countries with related competitive asymmetries between companies, advances in reference technologies, or changes in the trust accorded by lenders to the reference business. In parallel, the relevance of the sustainability requirements of the supplier and its *supply chain* grows in customer tenders, while the consumption of energy and water resources becomes central along the company's entire value chain. Business processes, particularly manufacturing processes, as well as products and services offered to the market can be affected. The impact of climate change, in addition to a change in the environmental context, exposes the Group to increased frequency of acute weather events, such as floods, storms and wind, well as periods of drought and wildfires, which can endanger industrial facilities and products being prepared.

The Group pursues an industrial strategy oriented toward the continuous efficiency improvement of production systems and processes to reduce energy consumption and atmospheric emissions, and develops technological solutions with reduced environmental impact and functional to combat climate change. The Group implements interventions against possible acute and chronic physical risks and has specific insurance coverage in order to guarantee possible consequences resulting from disastrous climatic and natural events.

In addition to the above, the increased attention that international institutions have been showing towards the need to slow down the process of climate change entail risks for the Group and the sector in which it operates. These risks can be summarized in the need for production and technological adaptation that the introduction of new regulations may imply, resulting in the threat of loss of market share or instability in the sector. The Group hedges against this risk through adequate diversification, in its technological package offered to customers, by seeking to be present on all types of platforms, as well as by working alongside its business partners in the study of new ones.

OPERATIONAL RISKS

Supply chain-related risks

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Among the main risks associated with the *supply chain* we highlight the dependence on sole suppliers who, in the event of supply disruptions, could put a strain on the production process and the ability to fulfill orders to customers on time. To cope with these risks, the Purchasing Department identifies alternative suppliers as potential substitutes for supplies deemed strategic. The supplier monitoring process is strengthened, particularly with regard to financial soundness and availability of production capacity even in the presence of sudden fluctuations in demand, aspects that have become increasingly important in recent years.
Over the past three years unprecedented increases in the prices of raw materials and *utilities* have been, in part, neutralized by transferring them to sales prices. Also during the last few years, new risks related to logistics and associated in particular with the difficulty of finding services on the required routes and with the prices of transporting raw materials and finished products have taken over. The Group mitigates these risks through a strategy of diversification of transport modes and reference operators and continuous monitoring.

Risk of *business interruption*

Natural or accidental events, malicious behavior (vandalism) or plant malfunction can cause damage to assets or unavailability of production sites. The Company has therefore strengthened the risk mitigation process by planning *loss prevention* engineering activities, based on internationally recognized *standards*, aimed not only at eliminating risk factors but also at limiting their impact.

Risk related to Product Quality

The Group considers the risk associated with product marketing be of paramount importance. In terms of quality, safety and traceability. The Group has always been committed to mitigating risk with robust quality control.

***Information technology* risk**

Gnutti considers the business continuity of IT systems to be of significant importance and has implemented in this regard risk mitigation measures aimed at ensuring network connectivity, data availability and data security, while guaranteeing the processing of personal data in compliance with the European GDPR regulation and applicable national regulations in individual EU member countries. These issues are gaining in importance, not least in view of the 4.0 manufacturing interconnection projects.
The Group obtained in early 2023 Tisax certification on the largest plants in order to cover these risks and continued during 2024 certification on the smaller plants (these are

of a certification similar to ISO 27001). The duration of the certification is two years so the first renewals will occur in 2025.

Risks related environment, safety and health

The Group is exposed to risks related to occupational and environmental health and safety issues that may fall under the following headings:

- Insufficient protection of employees' health and safety (through the occurrence of occupational injuries or illnesses);
- environmental pollution phenomena related, for , to uncontrolled inputs or inadequate waste disposal;
- non-compliance or incomplete compliance with industry regulations, including the volatility of the relevant regulations in some countries.

The possible occurrence of such hypotheses may result in Gnutti incurring financial penalties, the size of which could prove to be non-negligible if associated with sanctions under Legislative Decree 231/01. The Group faces these risks with a continuous and careful activity of assessing its specific risks and with the consequent reduction or elimination of those deemed unacceptable. All this is organized within the Management System that includes both occupational health and safety and environmental aspects and is structured according to international standards ISO 14001 and ISO 45001 and certified by an independent third party.

In the area of occupational accident prevention, likewise, the measures and directives adopted by Group companies have made it possible to limit accidents, there have also been no major accidents or deaths caused in the workplace.

FINANCIAL RISKS

Financial and liquidity risks

The Group's financial situation is affected by the level of debt accumulated at the time to support the acquisition operations carried out over the years as well as the massive and consequent investment campaigns implemented. The Group Finance Department assiduously and constantly monitors the situation. It provides for the procurement of financing sources and the management of interest rate with respect to all companies within the scope of consolidation. The Group uses derivative financial instruments to reduce risks arising from interest rate fluctuations in relation to the nature of debt and international business.

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The Group protects itself from this risk through careful planning and strict control of cash flows of both the Parent Company and all Subsidiaries, so as to monitor and intervene early enough to identify suboptimal situations and ensure compliance with covenants.
The Group uses a centralized treasury system through a system (Piteco) integrated with SAP that enables more timely and reliable management of the Group's financial forecasts.
It should be noted that, to further hedge the liquidity risk associated with the amortization schedules on outstanding loans, the Group protects itself through an ongoing dialogue with its financial partners, aimed also at identifying and negotiating in good time any new financing or rescheduling or re-financing of outstanding loans.

Credit risk

In view of the profile of the relevant customers, the Group's financial assets must be considered to have excellent credit quality. The amount of financial assets deemed to be of doubtful recoverability is covered by the corresponding allowance for doubtful accounts receivable, which is deemed to be adequate.

Commodity price change risk

The Group's exposure to price risk is partially protected through purchase contracts that are able to maintain prices for sufficiently long periods to allow for bargaining with the customer for the reversal of purchase price increases on sales prices.
As is well known, the Group's exposure to the risk of commodity price fluctuations is largely protected (especially with regard to aluminum) by contractual structures under which sales prices are periodically revised precisely with reference to the dynamics of raw material cost prices.
However, the dynamics recorded in the last three years on raw material prices, has traced a prolonged and cumulative upward trend. The Group has protected itself from this risk by implementing continuous bargaining with suppliers on the one hand and, above all, with customers in order to create a contractual and indexed system regarding the cost components most subject to these trends.

Foreign exchange risk

The companies belonging to the Group each operate mainly in the currency of the country to which they belong with the exception of Gnutti Carlo Canada, which invoices mainly in U.S. dollars, and Ljunghall s.r.o., which invoices in euros and Swedish kronor; thus, there is a general

a natural hedge against the risk. In addition, the Group, in addition to the effects resulting from the translation of foreign financial statements into its operating currency, remains exposed to foreign exchange risks with respect to *intercompany* transactions and in particular with reference to *intercompany* loans. The Group conducts hedging operations only in Canada and the Czech Republic with respect to foreign exchange risk. To protect against this risk, also in view of the discontinuous exchange rate trends in recent years, the Group has initiated a project to identify the Group's foreign currency balance, map with greater awareness the transactions subject to this risk, and define a Group *policy* regarding the hedging of foreign currency transactions.

Interest rate risk

The Group is exposed to the risk of interest rate fluctuations because approximately 80 percent of its financial debt as of December 31, 2024 is governed by variable interest ratesThe Group (also in compliance with certain contractual provisions) has entered into plain vanilla interest rate swap contracts to mirror hedge the amortization schedules of major loans. Considering these contracts; the total hedge corresponds to about 58 percent of the total value of outstanding financial debt as of December 31, 2024.

The following table shows the effect pre-tax profit in the event of a 50 bps change in interest rates (figures in thousands).

	Variation of assumptions	*Effect on profit before tax*
2023	+50 BP	-756
	-50 BP	756
2024	+50 BP	-682
	-50 BP	682

Relations with subsidiaries, affiliates, parent and sister companies

During the year, the companies belonging to the Group: Gnutti Carlo S.p.A., Gnutti Carlo Canada, Gnutti Carlo Sweden, Gnutti Carlo UK, Gnutti Carlo India, Gnutti Carlo USA, Gnutti

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Carlo Wuxi, Gnutti System, TCG Unitech GmbH, and Ljunghall Group AB, supported transactions among themselves in the normal course of business.
These relationships, which do not include atypical and/or unusual transactions, are governed by normal market conditions.

As the parent company, Gnutti Carlo S.p.A. prepares consolidated financial statements to which reference should be made for further details on the individual companies and the activities of the Group as a whole.

Research and development costs

During FY2024, the Group continued its research and development activities. The Group expenses research-related costs in the income statement as required by IAS 38.

Treasury shares and shares/shares of parent companies

The Company does not hold any of its own shares or shares or quotas of parent companies. There were no purchases or disposals of them during the year.

Business continuity

In light of the 2025-2029 Business and Financial Plan approved by the Board of Directors of Gnutti Carlo S.p.A. on March 13, 2024, there are no risks related to going concern. In particular, it should be noted that the cash flow forecast included in the plan itself shows the Group's ability to meet its contractual obligations to service its debt. In addition to this, it should be noted that as of December 31, 2024, the Group has complied with the *covenants* related to the outstanding syndicated loan, and has already obtained, as of the date of the Board of Directors approving the 2024 consolidated financial statements. In addition, it should be noted that the renegotiation of the syndicated loan has given the Group a better balance in debt service.

Foreseeable development of operations and significant events occurring after the end of financial year

While the heavy-duty and commercial vehicle market seems to be benefiting from growing volumes mainly due to the expected "*prebuy*" effect on trucks in the United States due to the introduction of mandatory next-generation engines, the passenger car market still seems to be affected by structural and strategic problems and equally significant contingent problems. Indeed, on the one hand, the shift to electric technologies, despite the investments made by automakers, is struggling to take off in the end market and achieve large and stable sales volumes. On the other hand, geo-political instability scenarios on several fronts make demand from the Group's customers unstable, unpredictable. In spite of this, the inclusion of new customers in the Group's revenue outlook, mainly related to BEVs, should make it possible to maintain a stable volume level in the face of improved profitability.

The commodity market at the beginning of 2025 seems to have stabilized compared to the growths of 2024 even if maintaining at an "inflated" level that the Group must continue to cover in its trade negotiations with its customers.

The phenomenon of inflation of other cost components, energy and transportation in particular, despite the fact that the Group has bargained for "automatic" recovery policies on selling prices, outlines a still difficult and unstable scenario.

Order flow from unstable and contradictory customers continues to be not conducive to smooth and optimized management of industrial transformation processes, resulting compromised efficiencies and economies of scale of costs themselves.

In addition to these phenomena that are already known, the introduction of the component of new duties that the government of the United States of America, following the election of the new president, is planning to apply on import transactions from Canada and Europe, entail an additional complexity in the management of commercial relations with our Clients (especially where the relationship with them directly involves a Canada-US or Europe-US international transaction), as well as the difficulty of understanding and determining the financial economic impact of this new factor. To date, the situation is being analyzed and evaluated by the Group, since the Trump government has not yet made these measures completely final, making the scenario highly changeable, and obviously trying in negotiations with clients to minimize the impacts on the Group companies involved. However, it is useful to point out that the Group's geographic composition and diversification is also a potential competitive advantage in such an international context.

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It should be noted that on October 17, 2024, by Legislative Decree 138/2024, the NIS 2 (*Network and Information Security*) directive aimed at strengthening cybersecurity in Europe was implemented in Italy. The main new elements of the NIS 2 framework are.

1) extension of scope compared to the previous NIS regulation (now includes 80 types of subjects, grouped into 18 sectors, including 11 highly critical sectors and 7 critical sectors;
2) Identification of subjects, distinguished between essential and important;
3) Strengthening of safety obligations in relation to various areas, according to a risk-based methodology, more stringent incident reporting process, enforcement, inspection and sanction powers of the competent supervisory authorities;
4) Introduction of new tools and institutions for coordination (especially of a cross-border nature, with the establishment of the Cyber crisis liaison organization network and the National Cyber Crisis Authority).

From Dec. 1, 2024 to Feb. 28, 2025, public and private entities to which NIS 2 applies had to manifest themselves to the competent national NIS authority by registering on the digital platform made available by ACN (National Cybersecurity Agency). This fulfillment is functional to allow ACN to census the entities operating in the supervised sectors, also in order to provide them with support in the implementation phase of the obligations, through the articulated activities of monitoring and assisting in their shared path of growth, regulated by Article 35 of the NIS Decree. Failure to register is a violation assisted by an administrative fine with an amount up to 0.1 percent of the entity's annual worldwide turnover.

In particular, the Holding Company and its subsidiaries, which operate internationally, are active in a number of critical industrial sectors; for this reason, they have been preliminarily identified as significant entities under the NIS2 Directive. The Holding Company falls within the scope of medium-sized enterprises operating in sectors considered critical Annex II, Number 3 of the NIS Decree, being classified as a major entity accordingly.

The Holding Company took steps on February 24, 2025 to register on the digital platform made available by ACN. In addition to this, by resolution of the Board of Directors on March 18, 2025, an internal work team, including a number of senior figures from the main functions involved, was set up to support an external consulting firm for the main purpose of identifying, consolidating, and formalizing the *scope* constituted by the entities (Italian and European) belonging to the Group and relevant to application of the NIS2 Directive,

as well as perform an NIS2 *assessment* activity apt to evaluate each domain of security measures (covered in the European Directive) and define a *roadmap* for the Group's compliance with the requirements of the NIS2 Directive and local standards based on the findings of the *assessment* activities.

As better highlighted in the explanatory notes accompanying the consolidated financial statements, it should be noted that in June 2023 the Economic and Financial Police Unit of the Brescia Finance Police had issued a Report of Findings following the inspection that began in November 2022 having as its object the verification of compliance with the regulations governing the *transfer price* within the framework of the relationships between Gnutti Carlo S.p.A. and the other companies in the group for the period between 2017 and 2022. As a result of this report, the Internal Revenue Service issued notices of assessment on all the years under analysis, to which the company, with the collaboration of its consultants, appealed by requesting a suspension. This suspension has to date been positively upheld by the court, thus postponing the settlement of the dispute to the trial stage in committee.

Notwithstanding the findings of the PVC and what the Internal Revenue Service indicated in the notices of assessment received, in light of the information in management's possession based on the internal functional analyses regarding the policies implemented by the Group and the opinion of the experts who are assisting the company, the company considers it possible but not probable that it will lose the case definitively in court and therefore it is not necessary to allocate amounts to cover this risk.

Allocation of operating income

For allocation of the profit for the year, reference is made to Note 32 to the financial statements of the parent company Gnutti Carlo S.p.A.

We thank you for your confidence in us and invite you approve the budget as presented.

Maclodio March 28, 2025

The Chairman of the Board of Directors PIERCARLO

GNUTTI

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GNUTTI CARLO S.P.A.

Registered office in VIA ARTIGIANI 2 - 25030 MACLODIO (BS) Share capital Euro 7,280,000.00 I.V.

Consolidated financial statements as of 12/31/2024

Consolidated balance sheet - financial position

figures in thousands)	Note	31/12/2024	31/12/2023
ACTIVITIES.			
(A) NON-CURRENT ASSETS			
Tangible fixed assets	5	343.003	369.962
Intangible fixed assets	6	12.779	15.121
Startup	7	70.954	71.972
Investments in affiliated companies	8	7.118	8.664
Other holdings	9	159	159
Receivables and other non-current assets	10-19	4.811	5.942
Derivative financial instruments	20	352	3.945
Deferred tax assets	31	10.247	11.494
TOTAL NON-CURRENT ASSETS		**449.423**	**487.259**
(B) CURRENT ASSETS			
Inventories	11	98.070	106.618
Trade receivables	12	58.529	61.585
Other activities	14	7.042	8.679
Available-for-sale financial assets	15	102	102
Cash and cash equivalents	16	94.925	76.039
TOTAL CURRENT ASSETS		**258.668**	**253.023**
TOTAL ASSETS (A+B)		**708.091**	**740.282**

LIABILITIES AND EQUITY

(A) NET WORTH			
Capital	17	7.280	7.280
Reserves	17	154.280	171.830
Profit (loss) for the year		2.404	-10.581
TOTAL EQUITY		**163.964**	**168.529**
(B) NON-CURRENT LIABILITIES			
Loans and financing	18	256.929	214.084
Employee benefits	19	18.234	19.761
Long-term provisions for risks and charges	24a	7.447	9.134
Deferred tax liabilities	31	14.675	21.455
TOTAL NON-CURRENT LIABILITIES		**297.285**	**264.434**
(C) CURRENT LIABILITIES			
Loans and financing	18	61.720	107.904
Derivative financial instruments	20	3.863	0
Trade payables	21	119.296	141.767
Tax debts	22	5.655	2.766
Other debts	23	50.555	50.377
Provisions for short-term risks and charges	24	5.753	4.505
TOTAL CURRENT LIABILITIES		**246.842**	**307.319**
TOTAL LIABILITIES (B+C)		**544.127**	**571.753**
TOTAL LIABILITIES AND EQUITY (A+B+C)		**708.091**	**740.282**

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Consolidated income statement

(figures in thousands)	Note	2024	2023
Revenues from contracts with customers	4	791.335	861.261
TOTAL REVENUE AND INCOME		**791.335**	**861.261**
Cost of sales	25	-703.124	-771.726
GROSS PROFIT		**88.211**	**89.535**
Other income	26	9.817	8.841
Distribution costs	27	-6.524	-10.053
General and administrative expenses	28	-61.624	-66.517
Income from valuation of part. by equity method		668	1.188
Value adjustments on non-current assets and other provisions	31	-3.970	-6.522
Financial income and expenses	29	-20.617	-20.178
Foreign exchange gains and losses	32	493	-1.563
PROFIT BEFORE TAX		**6.454**	**-5.269**
Income taxes for the year	30	-4.050	-5.312
RESULT FOR THE YEAR		**2.404**	**-10.581**

Consolidated statement of comprehensive income

	Note	2024	2023
RESULT FOR THE YEAR		**2.404**	**-10.581**
Changes in fair value of cash flow hedge financial instruments	20	-2.568	-3.303
Fiscal effect		759	793
Gains/(losses) from conversion of financial statements of foreign enterprises		-2.979	-4.477
Components that will not be subsequently reclassified in the operating result			
Actuarial gains/(losses) on defined benefit plans	19	-432	-34
Fiscal effect		104	8
TOTAL OTHER INCOME/(LOSS)		**-5.116**	**-7.013**
OVERALL ECONOMIC RESULT		**-2.712**	**-17.594**

Statement of changes in consolidated shareholders' equity

Description	Share capital	Legal Reserve	Extraordinary Reserve	IFRS Conversion Reserve	Securities Valuation Reserve at Fair Value	Cash Flow Hedging Derivative Reserve	Reserve Actuarial gains/(losses) defined benefit plans	Revaluation/realignment reserves	Other reserves	Profit/(Loss) Previous Years	Currency conversion reserve	Profit or loss for the year	Total Group Shareholders' Equity	Third Party Capital	Third Party Result	Total Shareholders' Equity
Balance as of December 31, 2022	7.280	1.456	154.808	523	3	4.710	3.298	6.201	365	47.733	-37.449	-6.806	186.122	0	0	186.122
Destination result 2022																
Extraordinary reserve			-6.806									6.806	0			0
Dividends													0			0
A new													0			0
Other movements																
Income/(expense) recognized in equity						-2.510	-25				-4.477		-7.013			-7.013
Movements between reserves													0			0
More													0			0
Fiscal year 2023 result												-10.581	-10.581			-10.581
Balance as of December 31, 2023	7.280	1.456	148.002	523	3	2.200	3.272	6.201	365	47.733	-37.926	-10.581	168.529	0	0	168.529
Destination result 2023																
Extraordinary reserve			-10.581									10.581	0			0
Dividends													0			0
A new													0			0
Other movements																
Income/(expense) recognized in equity						-3.661	-328				-2.979		-6.968			-6.968
Movements between reserves													0			0
More													0			0
Fiscal year 2024 result												2.404	2.404			2.404
Balance as of December 31, 2024	7.280	1.456	137.421	523	3	-1.461	2.944	6.201	365	47.733	-40.905	2.404	163.964	0	0	163.964

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Consolidated Statement of Cash Flows

figures in thousands)	2024	2023
Beginning cash and cash equivalents	**76.039**	**88.310**
Net income for the year	2.404	-10.581
Depreciation	53.172	59.987
Value adjustments/writedowns/provisions	2.000	2.000
Unrealized foreign exchange gains and losses	493	-1.198
Interests	21.275	20.327
Deferred/prepaid taxes	-5.533	0
Loss/(Gain) disposal of assets	-88	0
Net working capital generated from operations	**73.724**	**70.535**
Trade Receivables	3.056	12.313
Other activities	4.314	4.469
Warehouse	8.548	-4.510
Available-for-sale financial assets	0	0
Trade payables	-22.471	4.327
Deferred/prepaid taxes	0	-3.155
Derivative financial instruments	2.630	0
Tax receivables/payables	2.889	-246
Other debts	-5.231	4.277
	-6.265	**17.475**
Cash flow from operating activities	**67.459**	**88.010**
Mortgages and loans taken out by banks and other lenders	208.000	34.192
Repayments of existing financing	-232.614	-98.323
Cash flows from (for) financing activities	**-24.614**	**-64.131**
Increase in tangible fixed assets	-24.515	-38.260
Increase in intangible assets	-236	-175
Divestment of tangible fixed assets	793	2.285
Cash flow from (for) investing activities	**-23.958**	**-36.150**
Total cash flow	**18.886**	**-12.271**
Closing cash and cash equivalents	**94.925**	**76.039**
Additional information		
Interest paid	21.275	20.327
Interest collected	657	608
Taxes paid	5.820	6.985

Reg. Imp. 01272680172

Rea 254912

GNUTTI CARLO S.P.A.

Registered office in VIA ARTIGIANI 2 - 25030 MACLODIO (BS) Capital stock Euro 7,280,000.00 I.V.

Accounting Standards and Notes to the Consolidated Financial Statements as of 12/31/2024

Foreword

IFRS compliance.

The consolidated financial statements as of December 31, 2024 of the Gnutti Group have been prepared in accordance with International Financial Reporting Stardards (IFRSs) issued by the International Accounting Standards Board (IASB) and endorsed by the EU.

The draft of the Gnutti Carlo Group's consolidated financial statements for the year ending December 31, 2024 was approved by a resolution dated March 28, 2025, by the Board of Directors, which submitted it to the Shareholders' Meeting.

The consolidated financial statements are presented in thousands of euros.

The consolidated financial statements are subject to statutory audit in accordance Article 14 of Legislative Decree no. 27.1.2010, no. 39 by the auditing firm E&Y S.p.A., as appointed by the Ordinary Shareholders' Meeting of August 4, 2022.

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1. Drafting criteria

The accounting principles adopted in the preparation of these consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements as of December 31, 2023, except as noted in the following paragraphs.

The Group has early adopted certain accounting standards and amendments that are effective for fiscal years beginning on or after January 1, 2024. The Group has not early adopted any other standards, interpretations or amendments that have been published but are not yet effective. The nature and impact of each new accounting standard and amendment are described below. Although these new standards and amendments were first applied in 2024, they had no material impact on the Group's consolidated financial statements. However, the nature and impact of each new standard/amendment are listed below.

Changes to IFRS.

The Group has applied for the first time certain standards or amendments that are effective as of January 1, 2024. The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective.

European Union-approved accounting standards, amendments and interpretations adopted by the Group

Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent and Noncurrent Liabilities with Covenants

On January 23, 2020, the IASB published an amendment to IAS 1 that aims to clarify one of the criteria in IAS 1 for classifying a liability as noncurrent, namely the requirement that the entity must have the right to defer settlement of the liability:

- a statement that the right to defer settlement must exist on the date of the Annual Report;
- a clarification that the classification is not influenced by management's intentions or expectations regarding the possibility of using the right deferral;
- A clarification on how the terms of financing affect the classification and;
- A clarification of the requirements classifying liabilities that an entity intends to settle or may settle by issuing its own equity instruments.

In addition, on October 31, 2022, the IASB published amendments affecting noncurrent liabilities with covenants. Only the terms of a liability arising from a financing arrangement, which an entity must meet by the balance sheet date will affect the classification of that liability as current or noncurrent.

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

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

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

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

New accounting standards and amendments not yet applicable and not early adopted by the Company

Principles and interpretations that, as of the date of this financial report, had already been issued but will come into effect after December 31, 2024, are explained below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

No material impact to the Group is expected with reference to these principles and amendments.

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

On August 15, 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 exchangeability is lacking.

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 an exchange market or mechanism in which an exchange transaction would create actionable rights and obligations.

If a currency is not exchangeable another currency, the entity is required to estimate the spot exchange rate on the valuation date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly foreign exchange transaction would take place on the valuation date among market participants under prevailing economic conditions. The amendments note that an entity may use an observable exchange rate without adjustment 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 that is not exchangeable into the other currency affects, or is expected to affect, entity's results of operations, financial position, and cash flows.

The amendments will be effective for fiscal years beginning on or after January 1, 2025. Early application is permitted, and notice of this fact must be given.

Amendments to IFRS 9 and FRS 7: Classification and Measurement of Financial Instruments.

On May 30, 2024, the IASB issued amendments to the classification and measurement of financial instruments, and clarifies that a financial liability is derecognized on the "settlement date," which is when the related obligation is settled, cancelled, expires, or when the liability otherwise qualifies for derecognition. In addition, the amendment introduces an accounting policy option to derecognize financial liabilities settled through an electronic payment system before the settlement date if the following are met

certain conditions. Clarification has been provided on how to evaluate contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG) and other similar contingent characteristics. In addition, the amendments clarify the treatment of non-recourse financial assets and contractually linked instruments.

The amendment IFRS 7 additional disclosure for financial assets and liabilities with contractual terms that refer to a contingent event (including those that are linked ESG factors) and for equity instruments classified at fair value recognized in other comprehensive income.

The amendments will be effective for fiscal years beginning on or after January 1, 2026. Entities may adopt the changes relating to the classification of financial assets and related disclosures early and apply the other changes at a later date.

The new requirements will be applied retroactively with an adjustment to opening retained earnings. Prior periods need not be restated and can only be restated without using hindsight. An entity is required to provide information on financial assets that change their measurement category due to the changes.

Improvements to IFRS

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

IFRS 1 First adoption of International Financial Reporting Standards.

Hedge accounting by an entity adopting it for the first time

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 address potential confusion arising inconsistency between the wording of IFRS 1 and the requirements for hedge accounting in IFRS 9.
The entity shall apply the amendments from fiscal years beginning on or after January 12026. Earlier application is allowed.

IFRS 7 Financial instruments: disclosures

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Profit or loss in case of accounting elimination

The amendments update the wording regarding 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 from fiscal years beginning on or after January 12026. Earlier application is allowed.

Guidelines for implementation of IFRS 7 Financial instruments: disclosures

Introduction

The amendments to paragraph IG1 of the Guidance on the Implementation IFRS 7 clarify that the guidance does not necessarily explain all the provisions referred to in the referenced paragraphs of IFRS 7, nor does it create additional provisions.

Disclosure of deferred difference between fair value transaction price

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

Credit risk disclosure

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

IFRS 9 Financial Instruments

Accounting elimination of lease liabilities by the lessee

Paragraph 2.1 of IFRS 9 has been amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize in profit (loss) for the period any resulting gain or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9.

The entity shall apply the amendments from fiscal years beginning on or after January 12026. Earlier application is allowed.

Transaction price

Paragraph 5.1.3 of IFRS 9 was amended to replace the reference to "transaction price as defined by 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 was therefore removed. The term has also been removed from Appendix A of IFRS 9.

The entity shall apply the amendments from fiscal years beginning on or after January 12026. Earlier application is allowed.

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 might 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 judgment in determining whether other parties are acting as de facto agents.

The entity shall apply the amendments from fiscal years beginning on or after January 12026. Earlier application is allowed.

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 prior deletion of the definition of 'cost method'.

The entity shall apply the amendments from fiscal years beginning on or after January 12026. Earlier application is allowed.

Amendments to IFRS 9 and FRS 7: Contracts that refer to electricity dependent on nature

On December 18, 2024, IASB issued amendments to IFRS 9 and IFRS 7 with reference to nature-dependent power contractsThe amendments clarify the application of the

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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.

Clarifications "own use" requirements are to be applied retroactively, but guidance allowing hedge accounting is to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The amendments will be effective for fiscal years beginning or after January 1, 2026. Earlier adoption is allowed, but must be indicated.

IFRS 18 Presentation and disclosure of financial statements

On April 9, 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. In addition, entities are required to classify all income and expenses within the income statement into one of five categories: operating, investing, financing, income taxes, and discontinued operations, of which the first three are new.

In addition, IFRS 18 requires disclosure of management-defined *performance* measures, subtotals of revenues and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and notes.

In addition, there are limited changes to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows operations under the indirect method from "profit (loss) for the year" to "profit (loss) for the year" and eliminating the option related to the classification of cash flows from dividends and interest. In addition, there are consequential changes to several other accounting standards.

IFRS 18 and amendments to other accounting standards are effective for fiscal years beginning on or after January 1, 2027, but early application is permitted and must be indicated. IFRS 18 will apply retroactively.

The Society is currently working to identify all impacts that the changes will have on the primary financial statements and notes to the financial statements.

IFRS 19 Non-publicly held subsidiaries: disclosures

On May 9, 2024, the IASB issued IFRS 19, which allows eligible entities to choose to apply their disclosure requirements in a reduced foma while continuing to apply the recognition, measurement, and presentation requirements of other IFRS accounting standards. To be eligible, at the end of reporting period, an entity must be a subsidiary under IFRS 10, cannot have any public responsibilities, and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, that comply with IFRS.

IFRS 19 will be for fiscal years beginning on or after January 1, 2027, with early application permitted.

Since the Group has no public liability, it is eligible to choose to IFRS 19.

Principles of consolidation

The consolidated financial statements include the financial statements of Gnutti Carlo S.p.A. and the financial statements of subsidiaries prepared as of December 31 of each year.
Subsidiaries are fully consolidated from the date of acquisition, i.e., the date on which the Group acquires control, and cease to be consolidated on the date on which control is transferred outside the Group.
The financial statements of subsidiaries are prepared by adopting the same accounting principles for each accounting close as the parent company.

The closing date subsidiaries' financial statements coincides with that of the parent company the exception of Gnutti Carlo India Pvt. Ltd whose fiscal year ends on March 31 of each year. For preparation of the consolidated financial statements, Gnutti India has prepared interim financial statements as of the same closing date as the parent company.

In the preparation of the consolidated financial statements, the assets, liabilities, as well as costs and revenues of the consolidated companies are assumed line by line in their total amount, allocating to any minority shareholders, under appropriate headings in the balance sheet and income statement, their share of the shareholders' equity and results for the year. The carrying amount of the investment in each of the subsidiaries is eliminated against the corresponding share of the equity of each of the subsidiaries including any fair value adjustments, as of the date acquisition, of the related assets and liabilities; any residual difference arising is allocated to goodwill. All intercompany balances and transactions, including any gains and

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unrealized losses arising from dealings between Group companies are completely eliminated.

The list of companies consolidated on a line-by-line basis as of December 31, 2024 has not changed substantially since last year (the only change, which does not result in a change in scope, relates to the two mergers in Austria and Canada that simplified the structure) and is as follows:

Name	Head quarters	Share capital (in thousands currency)	% ownership direct	% ownership indirect
Gnutti Carlo Canada Ltd	Exeter - Canada (Ontario)	801 - CAD	100%	
Gnutti Carlo Sweden Hold. AB	Gothenburg - Sweden	640,784 - SEK	68%	100%
Gnutti Carlo Sweden AB	Kungsor - Sweden	10,304 - SEK		100%
Gnutti Carlo UK Ltd	Alford - UK	701 - GBP		100%
Gnutti Carlo Germany GMBH	Gross Gerau - Germany	25 - EURO		100%
Gnutti Carlo India Pvt. Ltd	Chennai - India	337,602 - IR	99,997%	100%
Gnutti Carlo USA Inc.	Webberville (Mitchigan) - USA	65,010 - USD	100%	
Gnutti Carlo Wuxi Engine Co.	Wuxi - RPC	30,821 - CNY	100%	
Ljunghäll Group AB	Södra Vi - Sweden	68,066 - SEK	100%	
Metalfabriken Ljunghäll AB	Södra Vi - Sweden	3,431 - SEK		100%
Ljunghäll s.r.o.	Čáslav - Czech Republic	231,385 - CZK		100%
Ljunghall Wuxi	Wuxi - PRC	137,902 - CNY		100%
TCG Unitech GmbH	Kirchdorf - Austria	4,360 - EURO	94%	100%
Gnutti Carlo Bet. GmbH	Kirchdorf - Austria	35 - Euro	100%	

In addition to the above, it should be noted that the joint venture Jebsen TCG Industrial Holdings Limited (indirectly controlled through TCG Unitech GmbH), is also included in the scope of consolidation using the equity method.

2. Discretionary evaluations and significant accounting estimates

The preparation of the Group's financial statements requires the directors to make discretionary judgments, estimates, and assumptions that affect the values of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities at the balance sheet date. Howeveruncertainty about these assumptions and estimates could result in outcomes that will require significant adjustment to the carrying value of these assets and/or liabilities in the future.

Discretionary Evaluations

In applying the accounting standards, the directors have not made decisions based on discretionary judgments that have a significant effect on the values recorded in the financial statements.

Estimates and assumptions

The following are basic assumptions regarding the future and other major sources of uncertainty in estimates at the balance sheet date, which could produce significant adjustments in the carrying values of assets and liabilities within the next fiscal year.

Impairment of non-financial assets

The Group verifies at each balance sheet date whether there are indicators of impairment for all nonfinancial assets. These nonfinancial assets are tested annually to identify impairment losses when there are indications that the carrying value may not be recovered.

When value-in-use calculations are prepared, directors must estimate the expected cash flows from the cash-generating asset or units and choose an appropriate discount rate so as to calculate the present value of those cash flows.

Impairment of financial assets

The Group classifies certain assets as available-for-sale and recognizes changes in their fair value in equity. When the fair value decreases, the directors make assumptions about that in fair value to determine whether it is an impairment, which must be recognized in the income statement.

Deferred tax assets

Deferred tax assets are recognized against all temporary differences in assets to the extent that it is probable that there will be adequate future taxable profits against which these differences may reverse. Significant discretionary judgment is required of the directors in determining the amount of deferred tax assets that can be recognized. They must estimate probable timing and amount of future taxable profits, as well as a planning strategy for future taxes.

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Inventories

Inventories of raw materials and finished goods are valued at the lower of purchase or manufacturing cost and the corresponding net realizable value that emerges from market trends. For raw, ancillary and consumable materials, net realizable value is replacement cost. For finished and semi-finished goods, the net realizable value is estimated selling price in the normal course of business, less the estimated costs of completion and those necessary to realize the sale. Obsolete or slow-moving inventories are written down in relation to their presumed possibility of future use or realization through recognition of a special provision adjusting the value of inventories.

Pension funds and other post-employment benefits

The cost of defined benefit pension plans is determined using actuarial valuations. Actuarial valuations require the development of assumptions about discount rates, the expected rate of return on investments, future salary increases, mortality rates and future pension increases. Because of the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty.

Provisions for risks and charges

The value expressed in the balance sheet represents the best discounted estimate of the expense required to settle the obligation. The rate used in determining the present value of the liability reflects current market values and includes additional effects related to the specific risk associated each liability. Changes in estimates are reflected in the income statement for the year in which the change occurs. For some disputes, the information required by IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" is not reported, in order not to prejudice the Group's position in such disputes or negotiations. Risks for which the occurrence of a liability is only possible are disclosed in the appropriate disclosure section on commitments and risks, and no provision is made.

3. Summary of the main accounting policies

Conversion of currency items

The consolidated financial statements are presented in euros, which is the functional and presentation currency. Foreign currency transactions are initially recognized at the exchange rate (referring to the currency

functional) in existence at the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated back into the functional currency at the exchange rate prevailing on the balance sheet date. Taxes and tax credits attributable to exchange rate differences on such loans are also treated directly in equity. Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates in effect on the date of initial recognition of the transaction. Non-monetary items recorded at fair value in foreign currency are translated using the exchange rate on the date of determination of that value.

Any goodwill arising from the acquisition of foreign companies and any changes in fair value that change the carrying value of assets and liabilities at the time of acquisition are treated as assets and liabilities for the foreign company and converted using the closing exchange rate.

At the balance sheet date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent Company Gnutti Carlo S.p.A. (the euro) at the exchange rate in effect on that date and their income statements are translated using the average exchange rate for the year. Exchange rate differences arising from the conversion are recognized directly in equity and are shown separately in a special reserve therein. When a foreign company is disposed of, the cumulative exchange differences recognized in equity in consideration of that specific foreign company are recognized in the income statement.

The following table shows the average exchange rates for the year and the spot exchange rates as of 12/31/2024 used to convert the financial statements of the companies included in the scope of consolidation.

foreign currency for 1 euro	exchange rates			
	medium 2024	31/12/2024	medium 2023	31/12/2023
Swedish crown	11,43	11,46	11,48	11,09
Canadian dollar	1,48	1,49	1,46	1,46
Indian Rupee	90,56	88,83	89,3	91,9
Chinese Renminbi	7,79	7,58	7,66	7,85
U.S. dollar	1,08	1,04	1,08	1,1
British Pound Sterling	0,85	0,83	0,87	0,87
Czech crown	25,12	25,18	24	24,72

Property, plant and equipment

Machinery and plant are initially recognized at historical cost less the related accumulated depreciation and accumulated impairment losses. This cost includes the costs of replacing part of the machinery and plant at the time they are incurred, if they meet the recognition criteria. Similarly, when major revisions are recognized, the cost is included in the book value of the plant or machinery as a replacement, if the criterion

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for recognition is satisfied. Other routine repair and maintenance costs are recognized in the income statement when they are incurred.

Land and buildings are recorded historical cost less depreciation on buildings only.

The depreciation rates, charged to the income statement on a straight-line basis, were calculated in view of the use, destination and economic-technical life of the assets, based on the criterion of residual possibility of use, a criterion that we considered to be well represented by the following rates, which have not changed from the previous year:

- manufactured: 3% to 5%
- light construction: 4% to 10%
- plant and machinery: 6.67% to 33%
- furniture and office machines: 12% to 20%
- internal transport vehicles: 20%
- passenger cars: 25%

It should be noted that during year, within the plant and machinery category shown above, a homogenization of the depreciation keys applied on mechanical processing machines was carried out, raising the key itself from 17.5% to 10% where this percentage was not already applied and on die casting presses from 10%-12% to 6.67% where this percentage was not already applied. This change generated an effect on the year of about 2.6 million euros before the related tax impact.

A tangible asset is eliminated from the balance sheet when it is sold or when there are no expected future economic benefits from its use or disposal. Any losses or gains (calculated as the difference between the net proceeds from the sale and the carrying amount) are included in the income statement in the year of such elimination.

The asset's residual value, useful life, and applied methods are reviewed annually and adjusted if necessary at the end of each fiscal year.

Intangible assets

Intangible assets acquired separately are initially capitalized at cost, while those acquired through business combinations are capitalized at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Intangible assets

produced internally, with the exception of development costs, are not capitalized and are recognized in the income statement for the year in which they are incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with finite lives are amortized over their useful lives and tested for impairment whenever there are indications of possible impairment. The period and method of amortization applied to them are reviewed at the end of each fiscal year, or more frequently if necessary. Changes in the expected useful life or the manner in which the future economic benefits associated with the intangible asset are achieved by the Group are recognized by changing the amortization period or method and treated as changes in accounting estimates. Amortization expense for intangible assets with finite lives is recognized in the income statement in the cost category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested annually for impairment at the individual or cash-generating unit level. No amortization is recognized for such assets. The useful life an intangible asset with an indefinite life is reviewed annually to ascertain whether the conditions underlying such classification continue to apply. If not, the change of useful life from indefinite to finite is made on a prospective basis.

Gains or losses from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in the income statement when the asset is disposed of.

Research costs are charged to the income statement when they are incurred. Development costs incurred in connection with a particular project are capitalized only when the Group can demonstrate the technical feasibility of completing the intangible asset so as to make it available for use or sale, its intention to complete that asset for use or sale, the manner in which it will generate probable future economic benefits, the availability of technical, financial, or other resources to complete the development, and its ability to reliably estimate the cost attributable to the asset during its development.

Subsequent to initial recognition, development costs are recorded at cost, decreased by any accumulated amortization or loss. Amortization of the asset begins when the development has been completed and the asset is available for use. It is amortized by reference to the period over which the related project is expected to generate revenue for the Group. During the period when the asset is not yet in use it will be reviewed annually for impairment.

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Impairment losses on non-financial assets

At each financial statement closing, the Group assesses whether there are any indicators of asset impairment. In such cases, or in cases where an annual impairment review is required, the Group performs a value update. Recoverable value is the higher of the fair value of the asset or cash-generating unit, less costs to sell, and its value in use. Recoverable amount is determined on a per-asset basis, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is higher than its recoverable amount, that asset has been impaired and is consequently written down to its recoverable amount. In determining value in use, the Company discounts estimated future cash flows to present value a pre-tax discount rate that reflects market assessments of the present value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Updates are made using appropriate valuation criteria, quoted equity prices for investees whose securities are publicly traded, and other available fair value indicators.

Impairment losses on operating assets are in the income statement in the cost categories consistent with the use of the asset that showed the impairment loss. Exceptions are made for previously revalued fixed assets, where the revaluation was taken to equity. In such cases, the impairment loss is in turn recognized in equity up to the amount of the previous revaluation.

At each reporting date, the Group assesses, with respect to assets other than goodwill, whether there is any indication that previously recognized impairment losses have ceased to exist (or have been reduced) and, if such indications exist, estimates the recoverable amount. The value a previously impaired asset may be reinstated only if there have been changes in the estimates on which the calculation of the recoverable amount was based, determined subsequent to the recognition of the last impairment loss. The reversal may not exceed the carrying value that would have been determined, net of depreciation and amortization, assuming no impairment loss had been recognized in prior periods. Such reversal is recognized in the income statement unless the fixed asset is carried at revalued value, in which case the reversal is treated as a revaluation increase.

The following criteria are used to account for impairment losses related to specific types of assets:

Startup

The Group tests goodwill for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The impairment loss on goodwill is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill is allocated. Where the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which the goodwill is allocated, an impairment loss is recognized. Impairment of goodwill cannot be reversed in future years.

Intangible fixed assets

On December 31, the Group annually tests intangible assets with indefinite useful lives for impairment on a specific or cash-generating unit level, whichever is more appropriate.

Equity investments and other financial assets

Financial assets are initially recognized at their fair value plus incidental expenses. Upon initial recognition, financial assets are classified into the following categories, as appropriate: financial assets measured at fair value through profit or loss or recognized in OCI, loans, receivables, and available-for-sale financial assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these financial assets are measured at amortized cost, using the effective interest rate method, less impairment losses. Amortized cost is calculated by recognizing any discounts, premiums on purchase, fees or costs that are an integral part of the effective interest rate. Effective interest is recognized as financial income in the Income Statement. Writedowns resulting from impairment losses are recognized as financial expense in the Income Statement. This category normally does not include trade and other receivables.

For financial assets carried at amortized cost, the Group first assesses whether there is an impairment loss for each individually significant financial asset, or collectively for financial assets that are not individually significant. The carrying value of the asset is reduced through the recognition of an allowance for impairment, and the amount of the loss is recognized in the Income Statement. Loans and related allowances for impairment are reversed when there is no realistic prospect of future recovery and the guarantees have been realized or have been transferred to the Group. If, in a subsequent year, the amount of the write-down

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estimated increases or decreases as a result of an event that occurred after the impairment was recognized, that impairment is increased or decreased by adjusting the provision.

Financial assets are classified and measured at fair value recognized in OCI when they are held part of a business model, the objective of which is achieved either by collecting contractual cash flows or by selling the financial assets. For investments represented by equity securities, upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. Classification is determined for each individual instrument. Gains and losses earned on such financial assets are never reversed through the income statement. Dividends are recognized as other income in the income statement when the right to payment has been resolved, except when the Group benefits from such income as recovery of part of the cost of the financial asset, in which case such gains are recognized in OCI. Equity instruments recorded at fair value recognized in OCI are not subject to impairment testing.

Financial assets are removed from the balance sheet when the right to receive cash has ceased, the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay, and (1) has transferred substantially all the risks and rewards of ownership of the financial asset, or (2) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of it.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each asset to its current location and storage are recognized as follows:

Raw materials: average purchase cost.

Finished and semi-finished goods: direct cost of materials and labor plus a share of production overhead, defined on the basis of normal production capacity, but not taking into account financial expenses.

Net realizable value is the normal estimated selling price less estimated completion costs and estimated costs to realize the sale.

Cash and cash equivalents

Cash and cash equivalents and short-term deposits include cash hand and demand and deposits, in the latter case with an original scheduled maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents are represented by cash and cash equivalents as defined above.

Financial Liabilities

The Group determines the classification of its financial liabilities after initial recognition and, where appropriate and permissible, reviews that classification at the close of each fiscal year.

A financial liability is removed from the balance sheet when the obligation underlying the liability is discharged, or canceled or fulfilled.
In cases where an existing financial liability is exchanged for another from the same lender, under substantially different terms, or the terms of an existing liability are substantially changed, such an exchange or change is treated as a derecognition of the original liability and the recognition a new liability, with any differences between the carrying values recognized in the income statement.

Onerous loans and financing

All loans are initially recognized at the fair value of the consideration received net incidental loan acquisition costs if they have not been recognized at fair value through changes in the income statement.

After initial recognition, loans are measured at amortized cost, using the effective interest rate method.

Any gain or loss is recognized in the income statement when the liability is extinguished, as well as through the amortization process.

Financial liabilities at fair value with changes charged to income statement

Financial liabilities at fair value with changes through profit or loss include liabilities held for trading and financial liabilities carried at fair value with changes through profit or loss upon initial recognition.

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Liabilities held for trading are all those acquired for the purpose of sale in the short term. Derivatives are classified as financial instruments held for trading unless they are designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the income statement.

Financial guarantees payable

Passive financial guarantees issued by the Group are those contracts that require the provision of a payment to reimburse the holder for a loss incurred as a result of the default a specific debtor.

Financial guarantee contracts are initially recognized as liabilities at fair value, increased by transaction costs that are directly attributable to the issuance of the guarantee. Thereafter, the liability is measured at the higher of the best estimate of the expense required to meet the actual obligation at the balance sheet date and the amount initially recognized.

Provisions for risks and charges

Provisions for risks and charges are made when the Group considers it probable that it will have to meet in the future an obligation (legal or implied) resulting from a past event, for which an outflow of resources is probable and for which a reliable estimate of its amount can be made. When the Group believes that a provision for risks and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognized separately and distinctly in assets if, and only if, it is practically certain. In such a case, the cost any provision is presented in the income statement net of the amount recognized for the indemnity. If the effect of discounting the value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liabilities. When discounting is done, the increase in the provision due to the passage of time is recognized as a finance charge.

Pension funds and other post-employment benefits

Pension cost related to past benefits is recognized as an expense on a straight-line basis over the average period of benefit accrual. If benefits accrue immediately after the introduction or modification of the plan, the pension cost related to past benefits is recognized immediately.

The defined benefit asset or liability includes present value of the defined benefit obligation, minus any past service cost not yet recognized, minus the fair value of plan assets that will be used to settle the obligations directly. The value of each asset is limited to the sum of any as-yet unrecognized past service cost and the present value of any economic benefit available in the form of repayment from the plan, or reduction in future contributions to the plan. The Group accounts for the gains and losses resulting from performing the actuarial calculation in the statement of comprehensive income.

Leasing

The definition of a contractual arrangement as a lease transaction (or containing a lease transaction) is based on the substance of the arrangement and requires an assessment of whether fulfillment of the arrangement depends on the use of a specific asset or assets and whether the arrangement transfers the right to use that asset.

Leases are capitalized at the lease inception date at the fair value of the leased asset or the present value of the lease payments, whichever is lower. Lease payments are allocated pro rata between principal and interest so that a constant interest rate is applied to the outstanding balance of the debt. Finance charges are charged directly to the income statement. The asset is subsequently depreciated using the rates described above.

Operating lease payments for which the underlying asset is a low-value asset, i.e., lease contracts for which the unit value of the underlying assets is immaterial, are recognized as expenses in the income statement on a straight-line basis spread over the term of the contract. Such contracts fall mainly into the following categories:

- computers, phones and tablets;
- Office printers and multifunction printers;
- other electronic devices.

Revenue recognition

Revenues are recognized to the extent that it is probable that economic benefits will accrue to the Group. Revenues are recognized at the fair value of the consideration received, excluding discounts, rebates and other sales taxes. The following specific revenue recognition criteria must be met before recognition in the income statement:

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Sale of goods

Revenue is recognized when the enterprise has transferred all significant risks and rewards associated with ownership of the good to the buyer, generally on the date the goods are shipped or collected by the customer.

No forward sale transactions are entered into.

Provision of services

Revenues from services (technical assistance, repair, other services rendered) are recognized with reference to the state of progress, measured as a percentage with reference to the hours worked, compared to the estimated hours for each intervention.

Interests

They are recognized as financial income following the assessment of accrued interest income using the effective interest method, which is the rate that exactly discounts the expected future cash flows over the expected life of the financial instrument to the net book value of the financial asset.

Dividends

Dividends are recognized when the shareholders' right to receive payment arises.

Financial charges

Borrowing costs are recognized in the income statement when they are incurred.

Income taxes

Current taxes

Current tax assets and liabilities for current and prior years are recorded at the amount expected to be recovered from or paid to the tax authorities. The tax rates and regulations used to calculate the amount are those enacted or substantially expected at the balance sheet date.

Current taxes related to items recognized directly in equity are also recognized directly in equity and not in the income statement.

Deferred taxes

Deferred taxes are calculated on temporary differences arising at the balance sheet date between the tax taken for assets and liabilities and the values reported in the financial statements.

Deferred tax liabilities are recognized against all taxable temporary differences except:

- of when the deferred tax liability arises from the initial recognition goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of transaction, does not affect either the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes.

Deferred tax assets are recognized for all deductible temporary differences and for tax assets and liabilities carried forward to the extent that it is probable that there will be adequate future taxable profits that may make the use of deductible temporary differences and tax assets and liabilities carried forward applicable, except where:

- the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the profit for the year calculated for financial statement purposes nor the profit or loss calculated for tax purposes;

- with respect to taxable temporary differences associated with investments in subsidiaries and affiliates, deferred tax assets are recognized only to the extent that it is probable that the deductible temporary differences will reverse in the immediate future and that there are adequate taxable profits against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future to allow all or part of that credit to be utilized. Unrecognized deferred tax assets are reviewed annually at the balance sheet date and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow such deferred tax assets to recovered.

Deferred tax assets and liabilities are measured by the tax rates expected to be applied to the year in which such assets are realized or such liabilities are extinguished, considering the rates effect and those already enacted or foreseeable at the balance sheet date.

Income taxes related to items recognized directly in equity are charged directly to equity and not to the income statement.

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Deferred tax assets and deferred tax liabilities offset each other, if there is a legal right to offset current tax assets and current tax liabilities, and the deferred income taxes refer to the same taxable entity and tax authority.

Value-added taxes

Revenues, expenses, and assets are recognized net of value-added taxes, except when:

- such tax applied to the purchase of goods or services is nondeductible, in which case it is recognized as part of the purchase cost of the asset or part of the cost item recognized in the income statement;
- refers to trade receivables and payables shown by including the value of the tax.

The net amount of indirect sales taxes that can be recovered from or paid to the Treasury is included in the balance sheet in trade receivables or payables depending on the sign of the balance.

Derivative financial instruments and hedging transactions

The Group uses derivative financial instruments such as foreign currency forward contracts and interest rate swaps (IRS) to hedge risks arising mainly from fluctuations in interest and exchange rates. These derivative financial instruments are initially recognized at fair value on the date they are entered into; thereafter this fair value is periodically remeasured. They are accounted for as assets when the fair value is positive and as liabilities when it is negative.

Any gains or losses resulting from changes in the fair value of derivatives not eligible for hedging transactions are charged directly to the income statement in the year.

The fair value of foreign exchange forward contracts is determined by reference to current forward exchange rates for contracts of similar maturity profile. The fair value of interest rate IRS contracts is determined by reference to the market value for similar instruments.

The covers are classified as:

- fair value hedges if they are against the risk of change in the fair value of the underlying asset or liability;
- cash flow hedges if are against exposure to cash flow variability that is attributable to a particular risk associated with a recognized asset or liability or planned highly probable transaction or currency risk in a firm commitment;

- hedges a net investment in a foreign enterprise.

At the inception of a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply relative accounting, its objectives in managing the risk, 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 firm intends to assess the effectiveness of the hedge in offsetting exposure to changes in the fair value the hedged item or cash flows attributable to the hedged risk. These hedges are expected to be highly effective in offsetting the exposure of the hedged item to changes in fair value or cash flows attributable to the hedged risk; the assessment of whether these hedges have indeed proven to be highly effective is carried out on an ongoing basis during the accounting periods in which they are activated.

Transactions that meet the criteria to be defined as hedging are accounted for as follows:

Fair value hedges

The change in fair value of hedging derivatives is recognized in the income statement. The change in the fair value of the hedged item and attributable to the hedged risk is recognized as part of the book value of the hedged item and offset in the income statement.

As for fair value hedges referring to items accounted for under the amortized cost method, the book value adjustment is amortized to the income statement over the period to maturity. Any adjustments to the book value of a hedged financial instrument to which effective interest rate method is applied are amortized to the income statement.

Amortization may begin as soon as an adjustment exists but no later than the date on which the hedged item ceases to be adjusted for changes in its fair value attributable to the hedged risk.

If the hedged item is cancelled, the unamortized fair value is immediately recognized in the income statement.

When an unrecognized firm commitment is identified as a hedged item, subsequent cumulative changes in its fair value attributable to the hedged risk are accounted for as assets or liabilities and the corresponding gains or losses recognized in the income statement. Changes in the fair value of the hedging instrument are, likewise, charged to the income statement.

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Cash flow hedging

The portion of the gain or loss on the hedged instrument related to the effective portion of the hedge is recognized directly in equity, while the remainder is recognized immediately in the income statement.

The gain or loss posted to equity is reclassified to the income statement in the period when the hedged transaction affects the income statement (for example, when the financial expense or income is recognized or when an expected sale or purchase occurs). When the hedged item is the cost of a non-financial asset or liability, the amounts posted to equity are transferred to the initial carrying amount of the asset or liability.

If the forecast transaction is deemed to no longer occur, the amounts initially recorded in equity are transferred to the income statement. If the hedging instrument matures or is sold, cancelled or exercised without replacement, or if its designation as a hedge is revoked, the amounts previously charged to equity remain recorded there until the forecast transaction occurs.

4. Information by geographic area

Below is information by geographic area.

Information by geographic area

Revenues from external customers

The table below highlights revenue information based on the geographical location of the customer.

figures in thousands)	2024	2023
Italy	315	1.153
Other EU	489.458	539.121
North America	212.470	230.375
South America	2.729	3.300
Others	86.363	87.312
	791.335	**861.261**

Revenues related to the three main customers amount to about 44% (2023: 42%) of total sales and service revenues.

The following table shows assets and liabilities classified by geographical location.

figures in thousands)	31/12/2024	31/12/2023
(A) NON-CURRENT ASSETS		
Italy	18.711	26.140
Other EU	340.321	363.077
North America	72.111	68.566
More	23.699	29.476
TOTAL NON-CURRENT ASSETS	**454.842**	**487.259**
(B) CURRENT ASSETS		
Italy	39.496	33.824
Other EU	110.638	106.232
North America	81.474	84.140
South America	447	485
More	26.613	28.342
TOTAL CURRENT ASSETS	**258.669**	**253.023**
(B) NON-CURRENT LIABILITIES		
Italy	191.443	173.790
Other EU	109.920	81.479
North America	5.531	5.488
More	2.498	3.677
TOTAL NON-CURRENT LIABILITIES	**309.392**	**264.434**
(C) CURRENT LIABILITIES		
Italy	67.990	110.749
Other EU	134.482	150.067
North America	18.676	24.275
South America	0	0
More	19.006	22.228
TOTAL CURRENT LIABILITIES	**240.154**	**307.319**

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5. Tangible fixed assets

Increases for the year refer to the expansion of production capacity through purchases or modifications of plant and equipment.

The following table summarizes changes during the year:

figures in thousands)	Land and buildings	Facilities and machinery	Total
Cost			
As of 01/01/2024	**206.924**	**841.440**	**1.048.364**
Increases	1.515	23.000	24.515
Disposals		-6.115	-6.115
Reclassifications			0
As of 12/31/2024	**208.439**	**858.325**	**1.066.764**
Depreciation and amortization			
As of 01/01/2024	**-71.095**	**-607.307**	**-678.402**
Depreciation quota for the year	-7.491	-43.055	-50.546
Value adjustments			0
Disposals		5.410	5.410
Gearbox differences	-475	252	-223
As of 12/31/2024	**-79.061**	**-644.700**	**-723.761**
Net book value			
As of 12/31/2024	**129.378**	**213.625**	**343.003**
As of 01/01/2024	**135.829**	**234.133**	**369.962**

The most significant changes, in addition to depreciation for the period relate to:

- Italy PWT: the main increases for the year 2024 are related to the item plant and machinery and refer for 1,160 thousand euros to the two new machining centers (Chiron Italia Spa), for 323 thousand euros to the waterproofing of the roof of area 3 in order to install solar panels on the roof itself, and for 140 thousand euros to the Robodrill machine for the mechanical processing of rocker arms (G. Robotica Srl), for the remaining part for the purchase of equipment to support production. Disposals recognized mainly in the item plant and machinery refer mostly to the sale of already fully depreciated equipment to a business partner. This sale did not generate

significant economic impacts.

- Canada PWT and Die Casting: for about 147,000 euros for an assembly unit, for 133,000 euros for improvements on the building, for 185,000 euros for upgrades on machinery intended for production for John Deere, for 180,000 euros for a Mossner deburring cell, and for 256,000 euros for aluminum die casting molds.
- Sweden PWT: about 479 thousand euros for the purchase of a new HDE13 processing center for production destined for Volvo, about 146 thousand euros for the purchase of an assembly machine destined for production for Scania, about 222 thousand euros for the purchase of equipment and washing machines destined for production for Scania.
- China PWT: 309 thousand euros for investments related to the leased plant.
- India PWT: for about 137,000 for the purchase of a WIDMA pistol drill, for about 127,000 for the purchase of an assembly and washing station, for 227000 for the purchase of two Machining Machines with moving heads.
- United States PWT: for about 317,000 euros for the purchase of two Heller machines, for about 87,000 euros for the purchase of an air compressor, and for 53,000 euros for the purchase equipment for production for Daimler.
- Czech Republic LMT: for about 303 thousand euros for investments related to *Die Casting Machines.*
- China Die Casting: for about 164,000 euros for molds intended for production for BMW and for about 136,000 euros for the purchase of molds intended for production for ZF.
- Sweden Die Casting: for about 1.2 million i for the purchase of a CNC machining machine for Scania, for 1.4 million i for the purchase of two Grob machining machines, for 439 thousand i for an automatic assembly machine, for 334 thousand i for dedicated automatic loading equipment, and for 983 thousand i for investments upgrading production lines for Scania.
- Austria Die Casting: for about 970,000 euros for a dry ice deburring machine, for 320,000 euros for the purchase of a compressed air center in *Plant 4,* for 320,000 euros for the purchase of machinery for the production of BMW's GEN6 components, for 264,000 euros for extraordinary maintenance on machinery.

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6. Intangible fixed assets

(figures in thousands)	Total intangibles
Cost	
As of 01/01/2024	**146.456**
Increases	236
Decreases	
reclassification	
As of 12/31/2024	**146.692**
Depreciation and amortization	
As of 01/01/2024	**-131.335**
Depreciation quota for the year	-2.626
Value adjustments	
Gearbox difference	48
As of 12/31/2024	**-133.913**
Net book value	
As of 12/31/2024	**12.779**
As of 01/01/2024	**15.121**

Increases for the year mainly refer to the year-end exchange rate adjustment of pre-existing values.

7. Startup

Goodwill acquired through business combinations has been allocated to the separate cash-generating units for the purpose of impairment testing:

data in thousands)	Value initial	Increases	Decreases	Value final
Gnutti Carlo Canada Ltd	1.094	35		1.129
Gnutti Carlo Sweden H. AB	44.795		-1.667	43.128
Gnutti Carlo USA	18.726	714		19.440
Ljunghäll Group	7.357		-100	7.257
Total	**71.972**	**749**	**-1.767**	**70.954**

Changes for the year are due the effects of converting foreign currency amounts.

As required by the accounting standard IAS 36, at least once a year the recoverability of the carrying value of goodwill is tested in order to determine whether these assets may have suffered an impairment loss, through a comparison between recoverable value and carrying value (so-called impairment test). The impairment test procedure was carried out with the support of a specialized company and was then subject to independent and specific approval by the Board Directors. The recoverable value was determined from the future cash flows expected from the Cash Generating Units ("CGUs") corresponding to either the individual companies belonging to the group or the subgroups subject to the acquisitions, discounted to the reference date of analysis according to the so-called Discounted Cash Flow Model ("DCF"). The estimated future cash flows were derived from the 2025 - 2029 business plan approved by the Board of Directors on March 18, 2025. The impairment work conducted assumes a terminal value (i.e., the present value of the perpetual annuity), which was determined on the basis of a medium- and long-term growth rate in line with that of the specific industry to which it belongs and taking into account the countries in which the CGU operates. These estimated future cash flows were discounted at the weighted average cost of capital ("WACC") after tax. Specifically, for the calculation of betas (a coefficient that measures the specific riskiness of the individual company or operating segment), reference was made to the betas of comparable benchmark companies stripped of specific financial risk to make them indicators of operational riskiness only ("Beta unlevered"). The specific beta ("Beta relevered") was then calculated with reference to the Debt/Equity ratio of the comparable companies. The following table shows the result of the impairment tests carried out, which shows, for each CGU, values in use higher than the book values (the book value is given by the value of the goodwill allocated to the CGU plus the value of the assets that can be attributed directly or allocated according to a reasonable and uniform criterion to the CGU itself - so-called Net Invested Capital):

CGU	WACC	G	ACCOUNTING GOODWILL TEST OF USE		DELTA
Ljunghall Group	8,21%	2%	97.178	269.617	172.439
Gnutti Carlo Sweden H	8,17%	2%	47.628	77.822	30.194
Gnutti Carlo Canada	9,67%	2%	56.020	102.713	46.693
Gnutti Carlo USA	9,76%	2%	31.055	73.782	42.727

As required by accounting standard IAS 36, sensitivity analyses were performed on the test results as the following basic assumptions changed jointly: i) discount rate of cash flows

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of cash flow (WACC)-The discount rate used expresses the cost of the financing sources of the business under analysis: the cost of equity and the cost of debt; it is a weighted average between the cost of equity and the cost of debt capital-(ii) growth factor G and (iii) the level of EBITDA expected over the forecast period. Specifically, the sensitivity test was measured by simulating increases in WACC by 50 basis points at a time, decreases in growth factor G by 25 basis points at a time, and reductions in EBITDA by 5 percent, 10 percent, and 15 percent. Sensitivity tests showed no criticality for any of above CGUs. Based on this evidence, and the results of the impairment tests and sensititvity analisys conducted, the carrying value of goodwill as of December 31, 2024 was deemed recoverable.

8. Equity investments in affiliated companies

The value of associated equity investments as of December 31, 2024, amounting to 7,118 thousand euros (2023: 8,664), refers to the equity investment, held as a 50-50 joint venture, in Hong Kong-based Jebsen TCG Industrial Holdings Limited the latter owns 100 percent of the shares of the Chinese-registered company Jebsen TCG Automotive Systems (Dalian) Co Ltd based in Dalian in the People's Republic of China.

The decrease in value compared to previous year is attributable for 0.5 million euros to the valuation of the same using the equity method, as well as to the write-down carried out in the year, amounting to 1 million euros as a result of impairment tests, as required by IAS 36 to the same criteria identified above, to adjust the value to the value in use of the CGU calculated in the test. It should be noted in particular that the write-down was made for a value higher than the value indicated by the impairment test as greater prudence given the outcome of *sensitivity* tests.

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CGU	WACC	G	STARTUP TEST ACCOUNTA	OF	DELTA
Jebsen TCG Industrial Holding	8,98%	2%	8.118	7.501	-617

The associate made a profit in the year of HKD 11 million - EUR 1.36 million - (in 2023 equal to HKD 19 million - EUR 2.35 million) fully paid as dividends together with HKD 9 million - EUR 1.12 million - of profit reserves, of which the group's share was 50 percent.

9. Holdings in other enterprises

The following table shows list of holdings in other companies:

data in thousands)	Value initial	Increases	Decreases	Value final
Cargine Engineering AB	10			10
CSMT	35			35
Technologie und Inn. GmbH	100			100
More	14			14
Total	**159**	**-**	**-**	**159**

The Group (through Gnutti Sweden Holding AB) holds a 6.4 percent (2023: 6.4 percent) interest in the Swedish company Cargine Engineering AB. Cargine Engineering AB is a research company active in the field of internal combustion engine technology and is held by medium-sized industrial groups with an interest in the development of new actuation systems. The company values this investment at cost because, it does not have control over it.

The Group holds an interest pare 0.625% in CSMT Gestione Scarl. CSMT (Centro Servizi Multisettoriale e Tecnologico) through its parent company Gnutti Carlo S.p.A. The company operates as a private company although non-profit, and provides consulting and training services to companies by transferring university skills and knowledge to industrial applications in the Brescia area.

The Group (through TCG Unitech GmbH) holds a 20.83% interest in Austrian-registered Technologie und Innovationszentrum Kirchdorf GmbH a research and development company for technological innovations. The company values this investment at cost as it does not have control or significant influence.

10. Receivables and other non-current assets

figures in thousands)	Status initial	Increases	Decreases	Status final
Gnutti Carlo UK Pension Fund	1.411		-235	1.176
Advances to customers	4.531		-896	3.635
Total receivables and other non-current assets	**5.942**	**0**	**-1.131**	**4.811**

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The decrease for the year of 235 thousand euros in the defined benefit pension fund of Gnutti Carlo UK, which decreases due to the change in the discounting parameters (more details can be found in Note 19 below on employee benefits) while the decrease of 0.9 million euros is due to the reduction in advances paid to some clients as "nomination fees," due to the natural process of release to the income statement during the duration of the project as well as obviously from phenomena related to exchange rate trends of the companies in foreign currencies present in the aggregate.

11. Inventories

The item inventories is composed as follows:

(figures in thousands)	2024	2023
Raw and subsidiary materials	55.663	59.987
Finished products	13.948	14.739
Work in progress	28.459	31.891
Total inventories	**98.070**	**106.618**

Total write-downs for slow-moving material amounted to 8,178 thousand euros (2023: 10,413 thousand euros). The decrease in the total value of inventories is partly due to the reduction in volumes partly due to the careful policy of containing the level of inventories nevertheless led to the maintenance of net days of stock at 45, a level reached in 2023.

12. Trade receivables

Trade accounts receivable are noninterest-bearing, generally have a maturity of 30-120 days, and are composed as follows:

figures in thousands)	2024	2023
Trade receivables	60.896	63.647
Allowance for doubtful accounts	-2.367	-2.062
Total trade receivables	**58.529**	**61.585**

The decrease in the year is partly due to a reduction in volumes and partly due to better management of past due items.

Adjustment of the nominal value of receivables to their estimated realizable value was achieved through special allowance for doubtful accounts.

The breakdown of trade receivables by maturity is shown below:

figures in thousands)	2024	2023
Receivables due	**43.462**	**48.671**
Credits 30 days past due	13.193	9.115
Receivables 60 days past due	1.318	2.765
Receivables 90 days past due	186	505
Accounts receivable more than 120 days past due	370	529
Total trade receivables	**58.529**	**61.585**

In view of the prospects for recovery, it was not deemed necessary to make further increases in the allowance for doubtful accounts than the adjustment already made.

13. Tax credits

As of December 31, 2024, the Group had no net tax receivables. For more details, please refer to Note 22 below.

14. Other activities

The item other assets shows a balance of 7,042 thousand euros and is composed as follows:

(figures in thousands)	2024	2023
VAT Credits	1.563	1.467
Accruals and deferrals	2.140	1.607
Accounts receivable from suppliers	450	1.127
Deposits	140	295
More	2.749	4.183
Total other assets	**7.042**	**8.679**

VAT Receivables refers to value-added tax receivables claimed by the group from the relevant tax authorities.

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Accruals and Deferrals as of December 31, 2024 mainly refer to rent and fees for use of software licenses, insurance premiums and other miscellaneous maintenance fees.

Accounts Receivable from Suppliers refers to advances paid to suppliers of utilities and various services.

The item Other mainly includes miscellaneous receivables; the balance as of December 31, 2023 included an insurance reimbursement receivable of approximately 1.4 million euros for a claim that occurred during 2023 in the Sodra Vi plant, which was then collected in early 2024.

15. Available-for-sale financial assets

Available-for-sale financial assets are composed as follows:

(figures in thousands)	2024	2023
Balanced mutual funds	102	102
Total financial assets held for sale	**102**	**102**

16. Cash and cash equivalents

Cash deposited with banks accrues interest at variable rates based on banks' daily deposit rates.

The value of cash and cash equivalents is 94,925 thousand euros (2023: 76,039 thousand euros).

17. Net worth

Equity as of December 31, 2024 is composed as follows:

figures in thousands)	2024	2023	Variations
Group's share	163.964	168.529	-4.565
Third-party share	-	-	-
Total Shareholders' Equity	**163.964**	**168.529**	**-4.565**

Changes in shareholders' equity are shown in the attached dedicated statement.

The share capital amounts to 7,280 thousand euros, divided into 14,000,000 ordinary shares worth

nominal 0.52 euros each.

The following table shows the reconciliation between the net income and shareholders' equity of the parent company Gnutti Carlo S.p.A. and the respective values resulting from the consolidated financial statements.

data in thousands)	Patrimonio Net	Results to
Shareholders' equity and result for the year as reported in the financial statements of the parent company	**156.590**	**9.295**
Elimination of the carrying value of consolidated investments		
(a) difference between book value and pro-rata value of equity and pro-rata results achieved by investees	-86.365	-80
(b) start-up	51.514	
(c) fair value Ljunghall Group AB, TCG Unitech GmbH, Jebsen	42.255	-750
Elimination of the effects of transactions made between consolidated companies	-30	-6.061
Shareholders' equity and result attributable to the group	**163.964**	**2.404**
Shareholders' equity and net income attributable to minority interests	-	-
Consolidated shareholders' equity and net income	**163.964**	**2.404**

18. Loans and financing

On February 28, 2024, the Parent Company concluded the process of refinancing the syndicated loan that had been activated after the summer of 2023. The process involved the creation of a new pool of lenders composed of the same institutions that were part of the previous one (with different weights and incidences) and two new financial institutions with which the company already had relationships. The new financing is composed of 3 lines of credit:

- Term Loan of 138 million euros;
- Capex loan of 30 million euros;
- Revolving line of 30 million euros.

The term of the new loan was extended to December 31, 2028 with an amortization schedule that includes a 40% baloon rate on the Term line and 50% on the Capex line. The same covenants as in the existing loan were kept repriced on the updated plan made available for the transaction, which took into account the new debt and current scenarios in particular the cost of money.

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As in the previous loan, the cost borrowing is linked to the performance of the leverage covenant with an initial step fixed at 3.25 spread for 6 months and with a hedging obligation on 6-month Euribor rate risk for an amount at least equal to 65 percent of the sum of the Term and Capex lines.

Compared to the previous financing, the supporting guarantees have been changed by leaving only Gnutti Carlo Sweden Ab, Ljunghall Metallfabriken, Gnutti Carlo Canada and TCG Unitech GmbH as guarantors and removing any other type of guarantees.
The refinancing operation was important in order to provide the Group a more far-reaching debt structure over the medium term and also enabled the Group to strengthen relationships and synergies lending institutions that have always supported the Company.
As part of the refinancing operation and the definition of the new contractual text governing the new facility, the clauses of the bond loan agreement issued with Pricoa in 2018 and the intercreditor agreement governing the sharing of guarantees were also revised in order to make the positions of the financial institutions and the fund homogeneous and equal.
It should be noted that as of December 31, 2024, 15 million euros had been used on the revolving line.

In April 2024, interest rate risk was hedged by entering into IRS contracts with credit institutions that are part of the pool in amounts equal to 65 percent of the respective share of the Term and Capex lines. The contracts entered into have a term and amortization schedule in line with the underlying debt.
At the same time, the company carried out "*unwinding*" operation on the derivative contracts on the previous pooled loan generating a positive income statement effect of 2.6 million euros classified in the financial component of the income statement with a consequent reduction on shareholders' equity of 1.9 million euros, due to the elimination of the corresponding CFH reserve, net of the tax component of 0.8 million euros.

In addition to the above, on December 19, 2024, the Parent Company received a loan from Banca Nazionale del Lavoro in the amount of 25 million euros. The credit line obtained for the loan falls within the types assisted by "Future Guarantee" from SACE S.p.A., with a guarantee coverage of 70% of the amount disbursed.
From a contractual point of view, the loan was aligned with the conditions stipulated in the syndicated loan (primarily spreads and covenants) net of guarantees on subsidiaries.
The term of the loan is extended to Dec. 31, 2028, with quarterly installments 2.5 million euros with a one-and-a-half year grace period from disbursement.
The contractually stipulated rate terms were matched with a rate hedge on 65 percent of the disbursed amount by issuing a plain vanilla IRS, with a rate at 2.185 percent.

With regard to outstanding loans, the Group has regularly repaid the 2024 amortization installments at maturity (see the cash flow statement for a discussion of the repaid amounts).

The following table shows the details of short and medium-long term loans and other financing:

figures in thousands)	Rate of	maturity	2024	2023
Shortly				
Financing Decree Liquidity 2020 - MCC	Eur 6 M +1.05%	31/05/2026	1.000	1.000
Liquidity Decree 2020 - SACE - MPS	Eur 6 M+ 1.08%	31/03/2026	5.332	5.332
Liquidity Decree 2021 - SACE - MPS	Eur 6 M+ 1.00%	31/03/2027	1.868	1.868
Liquidity Decree 2021 - SACE - MPS	Eur 6 M+ 1.00%	31/03/2027	1.000	750
Liquidity Decree 2021 - SACE - BPM	Eur 3 M+ 1.1%	30/06/2027	1.666	833
Liquidity Decree 2022 - SACE - DB	Eur 3 M+ 2%	30/09/2027	2.656	2.656
Term Loan - 2024	Eur 6 M+ 2.95%	06/12/2025	19.596	51.887
Covid OKR Loan	0,80%	31/03/2022		15.620
Raiffeisenlandesbank	2,45%	31/12/2024		718
Raiffeisenlandesbank	3,58%	31/03/2028	2.105	2.105
The Huntington	5,69%	29/07/2028	695	630
Bond Loan - PRICOA	3,60%	12/12/2028	5.556	5.556
Ceska Sporitelna	Eur 1M+1.45%	31/03/2034	7.508	8.223
Obligations arising from leasing			7.962	5.976
Local Line - trade account receivables	0% - 0,5%		4.420	4.600
Accrued interest			356	150
			61.720	**107.904**
Medium/long-term				
LOAN CAI SIMEST			332	
BNL - SACE_2024 - 25M	Eur 3 M+ 2.95%		25.000	
Financing Decree Liquidity 2020 - MCC - MPS	Eur 6 M +1.05%	31/05/2026	417	1.417
Financing Decree Liquidity 2020 - SACE - MPS	Eur 6 M +1.08%	31/03/2026	1.335	6.667
Liquidity Decree 2021 - SACE - MPS	Eur 6 M+ 1.00%	31/03/2027	2.332	4.200
Liquidity Decree 2021 - SACE - MPS	Eur 6 M+ 1.00%	31/03/2027	1.250	2.250
Liquidity Decree 2021 - SACE - BPM	Eur 3 M+ 1.1%	30/06/2027	2.501	4.167
Term Loan - 2024	Eur 6 M+ 2.95%	06/12/2025	105.717	44.315
Revolving - 2024	Eur 6 M+ 2.95%	06/12/2025	15.000	40.000
Capex Line - 2024	Eur 6 M+ 2.95%	06/12/2025	30.000	37.450
Liquidity Decree 2022 - SACE - DB	Eur 3 M+ 2%	30/09/2027	4.647	7.303
The Huntington	5,69%	29/07/2028	1.992	2.515
Covid OKR Loan	3,60%	31/12/2026	15.620	0
Mortgage Financing - Landersbanken	3,58%	31/03/2028	5.263	7.368
Bond Loan - PRICOA	3,60%	12/12/2028	22.222	27.655
Obligations arising from leasing			23.301	28.777
			256.929	**214.084**

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The loans granted by Raiffeisen Landesbank and Ceska Sporitelna are secured by mortgages on real estate in the amount of 25 million euros and 120 million Czech crowns (equivalent to approximately 5 million euros), respectively. The same loans are also secured by surety granted by the parent company Gnutti Carlo S.p.A.

As mentioned in the management report, it is noted that the covenants related to the syndicated loan, the new loan from BNL, and the bond issued by Pricoa outstanding as of December 31, 2024 are met. It is further reported that the covenants related to the loan from Huntington bank to the subsidiary in the USA have also been complied with, while the covenants related to the loan from Ceska Sporitelna bank to our subsidiary in the Czech Republic have not been complied with. As of today's date, it is already agreed between the parties that the bank itself has not fulfilled its contractual rights in this regard.

The stratification of the composition of current debt by year of debt amortization is shown below. In this regard, it should be noted that the debt to Ceska Sporitelna (5 million euros) of the Czech plant, is classified as short-term but has, as of the date approval of the financial statements, already been renewed in agreement with the counterparties.

figures in thousands)	2025	2026	2027	2028	2029	2030
Shortly						
Financing Decree Liquidity 2020 - MCC	1.000					
Liquidity Decree 2020 - SACE - MPS	5.332					
Liquidity Decree 2021 - SACE - MPS	1.868					
Liquidity Decree 2021 - SACE - MPS	1.000					
Liquidity Decree 2021 - SACE - BPM	1.666					
Liquidity Decree 2022 - SACE - DB	2.656					
Term Loan - 2024	19.596					
Covid OKR Loan	0					
Raiffeisenlandesbank	0					
Raiffeisenlandesbank	2.105					
The Huntington	695					
Bond Loan - PRICOA	5.556					
Ceska Sporitelna	7.508					
Obligations arising from leasing	7.962					
Local Line - trade account receivables	4.420					
Accrued interest	356					
	61.720	**0**	**0**	**0**	**0**	**0**
Medium/long-term						
LOAN CAI SIMEST			332			
BNL - SACE_2024 - 25M	5.000	10.000	10.000			
Financing Decree Liquidity 2020 - MCC - MPS	417					
Financing Decree Liquidity 2020 - SACE - MPS	1.335					
Liquidity Decree 2021 - SACE - MPS	1.868	464				
Liquidity Decree 2021 - SACE - MPS	1.000	250				
Liquidity Decree 2021 - SACE - BPM	1.666	835				
Term Loan - 2024	20.700	22.080	62.937			
Revolving - 2024			15.000			
Capex Line - 2024	3.750	7.500	18.750			
Liquidity Decree 2022 - SACE - DB	2.656	1.991				
The Huntington	695	695	602			
Covid OKR Loan		15.620				
Raiffeisenlandesbank	2.105	2.105	1.053			
Bond Loan - PRICOA	11.112	5.556	5.554			
Obligations arising from leasing	5.045	4.660	4.660	4.660	4.276	
	0	**57.349**	**71.756**	**118.888**	**4.660**	**4.276**
TOTAL	**61.720**	**57.349**	**71.756**	**118.888**	**4.660**	**4.276**

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19. Employee benefits

The following table summarizes the details of benefits granted to group employees (figures in thousands of euros):

Society	Type	balance 2024	2023
Gnutti Carlo S.p.A.	Defined contribution	826	884
Gnutti Carlo Sweden AB	Defined benefits	2.839	2.950
Ljunghall Group AB	Defined benefits	1.806	1.919
TCG Unitech GmbH	Defined benefits	12.763	14.008
Total employee benefits		**18.234**	**19.761**

(The pension fund of Gnutti Carlo UK as of December 31, 2024 has a positive balance of 1,176 thousand euros - 2023: 1,411 thousand euros - and is represented in the item Receivables and Other Non-Current Assets - see Note 10 above).*

Gnutti Carlo S.p.A.

The following table summarizes the changes the year in the severance fund (values in thousands of euros).

Past Service Liability 12/31/2023	**884**
Interest cost 01.01.2024 - 31.12.2024	27
Actuarial (Gain) / Loss 01.01.2024 - 31.12.2024	-10
Transfer In / (Out)	-75
Past Service Liability 12/31/2024	**826**

The employee benefit, amounting to 826 thousand euros, refers entirely to the Severance Indemnity Fund.

In application of IAS 19, actuarial simulations were performed according to the accrued benefit method using the Projected Unit Credit Method by determining:

- The cost related to the service already rendered by the worker (Past Service Liability);
- The cost related to the service provided by the worker during the year (Service Cost);

- The cost related to the interest expense arising from the actuarial liability (Interest Cost);
- the actuarial gains/losses related to the valuation period under consideration (Actuarial (gain)/loss).

Under the unit credit criterion provided, the costs to be incurred in the year for the establishment of severance pay are determined according to share of benefits accrued in the same year.

In particular:

- the Past Service Liability is the present value calculated in a demographic-financial sense of the benefits due to the employee (severance pay settlements) resulting from accrued seniority;
- the Service Cost is the present value calculated in a demographic-financial sense of the benefits accrued by the worker during the closing fiscal year alone;
- Interest Cost represents the cost of the liability resulting from the passage of time and is proportional to the interest rate adopted in the valuations and the amount of the liability as of the previous year;
- Actuarial Gains/Losses measure the change in intercurrent liability in the period under consideration generated by:

- deviation between the assumptions used in the calculation models and the actual dynamics of the quantities being tested;
- changes in assumptions recorded during the period under review.

In view, moreover, of the evolutionary nature of the fundamental economic quantities, actuarial valuations were carried out under "dynamic" economic conditions; such an approach required the formulation of economic-financial assumptions capable of summarizing in the medium- to long-term:

- the average annual change in inflation in compliance, clearly, with current regulations and expectations regarding the general macroeconomic environment;
- the trend of expected interest rates in the financial market.

Regarding the choice of interest rate to be used in simulations, it is important to keep in mind that IAS 19, in paragraph 83 et seq. requires that the rates used correspond to the maturity of the quantities being valued.

The likelihood of resignations and requests for severance pay advances were taken into account during the assessments, based on the Company's historical statistics.

For actuarial valuations of severance pay, the following demographic and economic-financial assumptions were adopted:

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Demographic assumptions

- for probabilities of death those determined by the State General Accounting Office called RG48;
- for the probabilities of incapacity those, separated by sex, adopted in the INPS model for projections to 2010. These probabilities were constructed from the distribution by age and sex of pensions in force as of January 1, 1987, effective 1984, 1985, 1986 relating to credit branch personnel;
- for the time of retirement for the active generic was assumed to be the attainment of the first of the pensionable requirements valid for Compulsory General Insurance;
- Annual frequencies of 5.00% were considered for the probability of exit from work due to causes other than death, based on historical statistics;
- A year-to-year value of 3.00% was assumed for anticipation probabilities.

Economic-financial assumptions

- Technical annual discount rate 3.38% (2023: 3.17%)
- Annual inflation rate 2% (previously: 2% for 2023)
- Annual rate of increase TFR 3% (previously: 3% for 2023)

Regarding the discount rate, the iBoxx EUROZONE CORPORATE AA 10+ index as of the valuation date was taken as the reference for the valuation of this parameter.

Gnutti Carlo Sweden AB

The following table summarizes the changes for the year in the Swedish PRI pension fund (values in thousands).

Past Service Liability 12/31/2023	**2.950**
Interest cost 01.01.2024 - 31.12.2024	106
Actuarial (Gain) / Loss 01.01.2024 - 31.12.2024	125
Transfer In / (Out)	-248
Gearbox differences	-94
Past Service Liability 12/31/2024	**2.839**

Gnutti Carlo UK Ltd

The item refers to the pension fund for employees of Gnutti Carlo UK Ltd a company based Alford, England, which is a wholly owned subsidiary of Gnutti Carlo Sweden Holding AB. The pension fund, called Finnveden Powertrain Pension and Life Assurance Scheme, was activated in 1995 as a defined benefit fund and is administered under English law in the form of a trust. In November 2005, Gnutti Carlo UK Ltd decided to transform the pension fund into a defined contribution fund. Since 2005, therefore, the company has managed two pension funds, the old defined benefit fund and the new defined contribution fund.

In August 2005, the company agreed with the pension fund trustees to pay in monthly installments, over a 15-year term, the entire deficit of the plan calculated using buy-out methodology (cost of transferring the liability to an insurance company). The agreement with the trustees provides for a revision of the monthly installments over a three-year term the current value of the fund's assets and obligations is updated. This revision may result in either a decrease or an increase in the outstanding debt, depending on trends in the value of the trust's assets. The most recent three-year actuarial valuation prepared in July 2023 with respect to fund's situation as of July 1; 2023, showed a surplus of GBP 545,000 (equivalent to approximately EUR 614,000 at the December 31, 2024 exchange rate - last valuation in 2016: surplus of GBP 127,000). Consequently, the company's contributions to the fund remain zero.

In April 2009, the company signed an agreement with the Trustees of the pension fund that prevents its power (so-called winding up) to dissolve the fund (and demand payment of any deficit). The main terms and conditions of the agreement are summarized below:

- inability on the part of the Trustees to execute the winding up of the fund conditional on compliance with the conditions listed below;
- Regular payment of agreed monthly contributions (see above);
- Issuance of a surety in favor of the pension fund by the parent company Gnutti Sweden Holding AB for a maximum amount of GBP 5.5 million;
- Net asset value of the guarantor company not less than GBP 43.2 million.

During the first months of fiscal year 2021, in view of the reduced operational activities of Gnutti Carlo UK, the guarantee issued by Gnutti Carlo Sweden Holding AB was increased to GBP 9.5 million (equivalent to approximately EUR 10.9 million).

The following table shows the details of IAS 19 valuation as of December 31, 2024:

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Past Service Liability 12/31/2023	1.411
Interest revenues 01.01.2024 - 31.12.2024	68
Actuarial (Gain) / Loss 01.01.2024 - 31.12.2024	-370
Transfer In / (Out)	
Gearbox differences	67
Past Service Liability 12/31/2024	**1.176**

Ljunghäll Group AB

Ljunghäll Group AB and Metalfabriken Ljunghäll AB manage pension funds arising from Swedish national collective bargaining in the private industrial sector. In particular, the following schemes are active:

- ITP1 (defined contribution) for employees born after 1979;
- ITPK (defined contribution) and ITP2 (defined benefits) for employees born before 1979;
- ITP alternatives (hybrid of defined contribution and defined benefits) for employees in the ITP2 scheme with a salary more than 10 times the base salary.

In addition, Ljunghäll Group AB contributes to a number of private pension funds on behalf of some of the company's managers. These schemes are defined contribution.

The following table summarizes the year's movements of the Swedish PRI pension fund:

Past Service Liability 12/31/2023	1.919
Interest cost 01.01.2024 - 31.12.2024	58
Actuarial (Gain) / Loss 01.01.2024 - 31.12.2024	7
Transfer In / (Out)	-117
Gearbox differences	-61
Past Service Liability 12/31/2024	**1.806**

The ITP2 defined benefit pension scheme is insured through the company Alecta for bonds after FY2009 and through PRI (state pension agency) for earlier bonds. The company has also issued lien on the assets securing the

obligations arising from the pension scheme amounting to SEK 44.8 million (equivalent to about EUR 4 million).

TCG Unitech GmbH

The item mainly refers to the provision for severance pay and jubilee pay. These provisions are payable to employees in force until January 1, 2003 (thereafter, the reference standard was changed and the contribution is made an external fund). The provision is payable in proportion to the length of service of the individual employee (the maximum amount is 12 months' pay for length service exceeding 25 years). The company is required to pay the amount due if the employee is laid off or reaches retirement age (it is not paid if the employee resigns voluntarily).

The following table summarizes the year's movements:

Past Service Liability 12/31/2023	**14.008**
Interest cost 01.01.2024 - 31.12.2024	477
Actuarial (Gain) / Loss 01.01.2024 - 31.12.2024	-108
Transfer In / (Out)	-1.614
Past Service Liability 12/31/2024	**12.763**

20. Derivative financial instruments and hedging transactions

The following table summarizes the fair value of derivative instruments outstanding as of December 31, 2024:

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figures in thousands)	31/12/2024 speculative	hedging	total	31/12/2023 speculative	hedging	total
Active derivatives						
Interest rates		310	310	0	3.218	3.218
Changes		42	42		727	727
Total derivative assets	**0**	**352**	**352**	**0**	**3.945**	**3.945**
Passive derivatives						
Interest rates		2.384	2.384	0		0
Changes		1.479	1.479			
Total derivatives liabilities	**0**	**3.863**	**3.863**	**0**	**0**	**0**

The change for the year is due to the reduction in the amount of the underlying and the deterioration in the fair value associated with the hedging instruments, as well as the *unwinding* transaction described in the financing section.

21. Trade payables

Trade payables amounted to 119,296 thousand euros (2023: 141,767 thousand euros) and are generally due in 30-90 days. The decrease in this item is mainly attributable to the reduction in volumes. On the other hand, the policy of streamlining on working capital continues, which aims to introduce more favorable payment terms with our suppliers and tools (such as consigment stock) that allow for a lightening of working capital from this point of view.

22. Tax liabilities

The following table shows the details of net tax liabilities as of December 31, 2024 and December 31, 2023.

figures in thousands)	2024	2023
Advances paid and deductions made	488	-3.854
Taxes due for the year	841	2.566
Taxes on wages and salaries	4.227	4.783
Other tax credits	0	-801
Other taxes	99	72
Tax debts	**5.655**	**2.766**

23. Other debts

The following table summarizes the details of other payables:

figures in thousands)	2024	2023
Payables to social security institutions	6.834	7.335
VAT debts	3.701	4.296
Liabilities to supplementary pension plans	4.681	2.134
Payables to employees	14.154	15.401
More	21.185	21.211
Other debts	**50.555**	**50.377**

The item "due to social security institutions" refers to social security charges related to employees' salaries.

Payables to supplementary pension funds are related to payments due to industry and private pension funds.

The amount due to employees refers to accrued vacation pay, salaries for December and other back pay.

The item "other" essentially refers for approximately 19,400 thousand euros to liabilities from price differences with customers as well as to advances received from customers, and for approximately 1,600 thousand euros to deferred income related to tax credits related to 4.0 investments in italy that are deferred on an accrual basis subsequent years.

24 Short-term provisions for risks and charges

The item includes 1,000 thousand euros (1,000 thousand euros in 2023) related to a possible dispute with a customer (moreover, non-strategic and not significant in terms of turnover for the Group) concerning the supply of rocker arms deemed defective that occurred between fiscal years 2016 and 2017 by the subsidiary Gnutti Carlo UK. In the early months of 2024, this claim was concluded through an agreement signed between the parties that provided for disbursement of the amount ultimately requested by the customer by the subcontractor. However, management considers it appropriate to maintain the remaining allocation at the end of 2024 to cover legal costs emerging from the conciliation activities implemented by the lawyers in the last stages of the settlement process.

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The amount also includes 500 thousand euros to cover expenses associated with a potential dispute with a customer related to a quality problem related to a part we purchased from a supplier and then supplied to the end customer. The customer has communicated during 2022 the intention of the initiation of a recall campaign, the scope and extent of which is not yet known. The company is adequately protected by insurance policies to cover the costs associated with such a campaign and also assesses the risk of becoming involved in the costs of the campaign as low, nevertheless it was deemed appropriate to provide for the above allocation to cover any consulting costs or deductibles not covered by the policy. The latest developments in the matter also indicate that the Company's liability in this case is to be ruled out since the parts supplied turn out to be in accordance with drawings and production specifications indicated by the customer.

The amount also includes an allocation of 4 million euros, made partly in 2023 and partly in 2024 and related to a claim for which the Group, although the outcome is highly uncertain, believes it is taking a prudent approach in this regard.

In addition to these amounts, the item includes provisions for risks of a prudential nature that the Group has decided to set aside for precautionary purposes, including for ancillary defense costs that the tortuous negotiation process should generate.

24a. Other long-term debts

The item Other long-term liabilities of 7,447 thousand euros (2023: 9,134 thousand euros) mainly includes the share of contributions paid by some customers (mainly BMW) following the allocation of new engine platforms. These contributions will be released gradually together with the deliveries of finished components.

COMMENTS TO THE INCOME STATEMENT

Please refer to Section 4 of this note for an analysis on sales revenue data.

25. Cost of sales

The following table shows the breakdown of cost of sales for fiscal years 2024 and 2023.

figures in thousands)	2024	2023
Material	362.967	382.903
External processing	19.744	21.894
Staff	167.028	178.992
Production auxiliary material	55.469	66.173
Maintenance	11.877	14.614
Operating leases	1.238	1.839
Utilities	28.053	34.243
Depreciation	49.179	54.770
More	7.569	16.298
Total Cost of Sales	**703.124**	**771.726**

The change from last year is mainly due to the decrease in business volume found during the year.

26. Other income

The following table summarizes the contents of Other income.

figures in thousands)	2024	2023
Net capital gains from asset disposals	88	91
Miscellaneous reimbursements and insurance compensation	1.567	2.495
Extraordinary income	267	141
More	7.895	6.114
	9.817	**8.841**

"Other" includes sales related to scrap as well as recharges of miscellaneous expenses to customers. The increase in the item in 2024 refers to the component scrap sold.
"Miscellaneous reimbursements and insurance indemnities" also includes the amount of the accrued share of contributions in tax credits for 4.0 investments and research and development activities.

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27. Distribution costs

The following table summarizes the contents of Distribution Costs.

figures in thousands)	2024	2023
Transportation on sales	6.449	9.973
Consignment stock management fees	75	80
Total distribution costs	**6.524**	**10.053**

The 2025 change in transportation on sales is related to the reduction in volumes to a greater extent customers for whom transportation costs are borne by the group.

28. General and administrative expenses

The following table shows the details of general and administrative expenses.

figures in thousands)	2024	2023
Personnel costs	34.868	37.595
Travel expenses	1.106	1.311
Miscellaneous business expenses	128	74
Professional Expenses	2.803	3.717
Telephone expenses	425	382
Stationery and printed matter	534	575
Supervisory expenses	366	382
Training	462	533
Municipal taxes	622	550
Other taxes	437	452
Insurance	3.502	3.484
Bank charges and factor	1.260	1.215
Directors' Compensation	2.550	2.550
Company vehicle management	773	711
More	2.013	2.776
Computer expenses	5.782	4.993
Depreciation	3.993	5.217
	61.624	**66.517**

The reduction of some items is the result of the cost rationalization process that has been put

in place in some plants for which, even costs not strictly related to volumes have been revised in order to maintain a sustainable level of profitability.

29. Financial income and expenses

The following table shows details of financial income and expenses.

figures in thousands)	2024	2023
Total financial income	658	608
Total financial charges	-21.275	-20.786
Total financial income and expenses	**-20.617**	**-20.178**

For more details, please refer to Note No. 18 above.

30. Taxes

The main components of income taxes for the years ended December 31, 2024 and 2023 are:

figures in thousands)	2024	2023
Current taxes - IRES	617	512
Current taxes - IRAP	86	0
Current taxes - Foreign taxes	7.713	6.815
Deferred taxes	-4.366	-2.015
Total taxes on income for the year	**4.050**	**5.312**

The credit related to tax loss carryforwards was prudently recognized only in companies with a high probability of recovery as early as fiscal year 2025.

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It should be noted that the holding company carried out due analysis the purpose of compliance with the regulations related to the OECD directive of *Global Minimum Tax* and that the analysis itself did not reveal any impacts.

Changes in equity

Deferred taxes related to items charged directly to :

figures in thousands)	2024	2023
Movements in cash flow hedging derivative instruments.	759	793
Change in actuarial gains/losses of defined benefit plans	104	8
Income taxes reported in equity	**863**	**801**

Deferred taxes

Deferred taxes as of December 31 are detailed as follows:

(figures in thousands)	Balance Sheet 2024	2023
Deferred tax liabilities		
Depreciation	-13.182	-20.056
Derivative financial instruments - Available-for-sale financial assets.	-528	-1.087
More	-965	-312
	-14.675	**-21.455**
Deferred tax assets		
Entertainment expenses - employee benefits - inventory depreciation - etc.	768	636
Past losses	4.406	1.626
More	4.123	8.282
Derivative financial instruments and AFS financial assets	950	950
	10.247	**11.494**
Net deferred tax liabilities	**-4.428**	**-9.961**

31. Value adjustments and other provisions

Value adjustments and other provisions amounted to 3,970 thousand euros (2023: 6,522

thousand euros) refers in its entirety to costs of a non-ordinary nature incurred during the year.

32. Foreign exchange gains/losses

Foreign exchange gains amounted to 493 thousand euros (2023: loss of 1,563 thousand euros) and mainly refer to the realized negative effect of the foreign exchange delta for foreign currency trade transactions concluded during the year.

33. Other information

a) Commitments

Guarantees given

Group companies have provided the following guarantees as of December 31, 2024:

- as part of the loan agreement signed on February 28, 2024 related to refinancing transaction already mentioned in the management report, Gnutti Carlo S.p.A. guarantees, jointly with the Subsidiaries Gnutti Carlo Canada Ltd, Ljunghall Metallfabriken AB and Gnutti Carlo Sweden AB and TCG GmbH, the remaining debt to the lending institutions. No amount associated with this guarantee has been set aside in the annual financial statements. The loan is secured by a pledge on the shares of Metalfabriken Ljunghäll AB, Gnutti Carlo Sweden AB, Gnutti Carlo Canada ltd, and TCG Unitech GmbH.

- guarantee issued in favor of Ceska Sporitelna bank in support of the loan disbursed to the subsidiary Ljunghall s.r.o. for a total amount of CZK 185 million (equivalent to approximately EUR 7.4 million at the exchange rate of December 31, 2024);

- guarantee issued in favor of Raiffeisenlandensbank to support the loan provided to the subsidiary TCG GmbH in the total amount of 15.62 million euros with a term extending to January 31, 2025 (already renewed then for the next 2 years);

- warranty issued in favor of the BMW customer to guarantee the contractual obligations of the Group Companies involved in the production of "Heat Gen6 light metal covers and eAM Gen6 Heat sink rotor" for the duration of the supply of the above-mentioned component;

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- Commitment letter in favor of Volvo Truck AB Company to guarantee the supply obligations of the subsidiary Gnutti Carlo Sweden AB.

- Commitment letter in favor of Volvo Truck AB Company to guarantee the supply obligations of its subsidiary Ljunghall Metallfabriken AB.

- Guarantee in favor of Gnutti Carlo UK's defined benefit pension fund by Gnutti Sweden Holding AB for up to GBP 9.5 million (see Note 19 above).

- Privilege on Ljunghäll Group AB's assets securing the ITP2 defined benefit pension scheme for SEK 44.8 million (approximately EUR 4.0 million).

- Guarantee issued by Gnutti Carlo India in favor of local government agency managing the special free zone (SEZ) where the company resides in the amount of 687 million Indian rupees (equivalent to 7,719 thousand euros).

- Guarantee issued by Gnutti Carlo Sweden AB to the Lansforsakringar Pension Fund for SEK 458 thousand (equivalent to about 44 thousand euros).

- Mortgage on industrial property in Kirkhdorf issued by TCG Unitech GmbH in favor of Raiffeisen Landesbank to cover overdraft and export loans and credit lines totaling 19 million euros.

- Mortgage on the industrial property in Caslav issued by Ljunghall s.r.o. in favor of Ceska Sporitelna bank to cover loans granted totaling 120 million kroner (equivalent to approximately 5 million euros).

Legal actions and litigation

Group companies are parties to some lawsuits and disputes in the ordinary course of business. Apart from what is mentioned in Note 24 above, it is believed that the resolution of these disputes will not generate any major liabilities.

b) Fair value of financial instruments

In relation to financial instruments recognized in the statement of financial position at fair value, IFRS 7 requires that these values be classified based on a hierarchy of levels that reflects the significance of the inputs used in determining fair value. The following levels are distinguished:

- level1 - quotations recorded in an active market for assets or liabilities being valued;
- Level 2 - inputs other than the quoted prices mentioned in the previous point, which are observable directly (prices) or indirectly (derived from prices) in the market;
- Level 3 - inputs that are not based on observable market data.

Below is a comparison of the book value and fair value by category of all the Group's financial instruments.

figures in thousands)	Level	book value		fair value	
		2024	2023	2024	2023
Financial assets					
Derivative financial instruments	level 3	352	3.945	352	3.945
Financial assets held for sale	level 1	102	102	102	102
Financial liabilities					
Loans and financing - non-current	level 2	263.617	214.084	263.617	214.084
Loans and financing - current	level 2	55.032	107.904	55.032	107.904
Derivative financial instruments	level 3	3.863	0	3.863	0

During FY2024, there were no transfers from Level 1 to Level 2 and vice versa.

c) Compensation of Directors, Statutory Auditors, and Independent Auditors

The total compensation due to directors and members of the board of auditors is shown below (values in thousands of euros):

Charge	Compensation
Administrators	2.550
Board of Auditors	62
Parent Legal Audit	66
Legal audit other companies	654

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34. Related party disclosures

There were no transactions with related parties during FY2024.

Administrators

There are no financial relationships between the Group and the directors of Group companies.

Business continuity

As already reported in the report on operations, in light of the Economic and Financial Plan 2025-2029 approved by the Board of Directors of Gnutti Carlo S.p.A., there are no risks related to business continuity. In particular, it should be noted that the cash flow forecast included in the plan itself shows the Group's ability to meet its contractual obligations. In addition to this, it should be noted that the Group has complied with the *covenants* relating to the outstanding syndicated loan as of December 31, 2024, and has already obtained, as of the date of the Board of Directors meeting approving the 2024 consolidated financial statements, informal confirmation of waivers from the foreign banks concerned with minor local situations of *breach* of *covenants* on their respective loans, as detailed above.

Significant events after the end of fiscal year

Please refer to the management report for an examination of market development expectations for 2025 and discussion of significant events after the end of the fiscal year.

Maclodio March 28, 2025

The Chairman of the Board of Directors

PIERCARLO GNUTTI