

Franchetti Group

**Consolidated
Financial Report**
at December 31, 2025



Directors' report

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Reclassified consolidated financial statements

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1. Parent company information

Franchetti S.p.A.

Registered Office in Arzignano Piazzale Della Vittoria 7
Share capital Euro 471,786 fully paid-in
Vicenza Companies Register No. 03835470240
Tax No. 03835470240
Vicenza Economic and Administrative Index No. 357868
VAT No. 03835470240

2. Corporate and control boards and management team

Board of Directors

Paolo Franchetti *(Chairperson & Chief Executive Officer)*
Michele Frizzarin
Rony Hamaui
Remy Cohen
Davide Croff *(Independent Director)*

The Board of Directors, appointed by the Shareholders' Meeting of April 30, 2025, has a mandate for three financial years, i.e. until the approval of the financial statements at December 31, 2027.

Board of Statutory Auditors

Federico Caprin *(Chairperson)*
Luigi Solinas *(Statutory Auditor)*
Sonia Poletto *(Statutory Auditor)*
Alberto Signorini *(Alternate Auditor)*
Alessandro Prandin *(Alternate Auditor)*

The Board of Statutory Auditors, appointed by the Shareholders' Meeting of April 30, 2025, has a mandate for three financial years, i.e. until the approval of the financial statements at December 31, 2027.

Independent Audit Firm

Ria Grant Thornton

The legally-required audit was awarded until the date of the Shareholders' Meeting called to approve the financial statements of Franchetti S.p.A. at December 31, 2026.

Management team

Gianluca Del Fabbro *(Group General Manager)*
Omar Emiliano Salustri *(Chief Financial Officer)*
Alexandre Dittert *(GM Brazil)*

3. Chairperson's Letter To The Shareholders

Dear Stakeholders,

2025 marks an inflection point in the Franchetti Group's development, as it transitions to an integrated industrial and technological platform on an international scale.

Amid an increasing focus globally on infrastructure security, asset resilience and the digitization of decision-making processes, the Group has strengthened its competitive position by combining advanced technical expertise with proprietary solutions based on artificial intelligence and predictive analytics.

All of the main KPI's improved significantly in the year: the Value of Production reached Euro 13.1 million (+45.7% on 2024), with revenues of Euro 7.4 million (+32.4%), while EBITDA exceeded Euro 3.7 million, confirming the solidity of the operating model, although margins normalized in view of the investments in development and organization.

The capital base strengthened significantly, with Shareholders' Equity of Euro 22.0 million (+48.8%), in support of future growth.

Against this backdrop, the Board of Directors has proposed the distribution of a dividend of Euro 0.04 per share, confirming the focus on shareholder remuneration.

The year was also marked by intensive investment and strategic development focused on building a scalable and replicable international industrial platform.

The Group continued to build its technological expertise and proprietary software suite, consolidated the activities launched on the overseas markets, while accelerating the acquisition-led growth strategy.

This includes the acquisition of 55% of the ECR Group in Brazil, a strategic transaction announced in March 2026 which will double operations, expand the customer base and boost the aggregate backlog to approximately Euro 90 million, providing significant visibility on future revenues and a structured positioning on a major global infrastructure market.

This trajectory unfolds within a rapidly expanding market, supported by long-term structural drivers such as aging infrastructure, increased investment in maintenance and the growing adoption of advanced digital solutions.

Franchetti in this environment emerges as a high-tech integrated platform marrying engineering expertise, proprietary technologies and large-scale operational capacity with a business model generating sustainable and recurring value creation.

Looking ahead, the Board of Directors has set out the 2026-2030 strategic guidelines, based on organic growth supported by the backlog, the continued development of the technology platform, international expansion and further acquisition-led growth.

The year 2026 will see the start of the fully operational phase of this journey, with the objective of further strengthening the Group's positioning as a global intelligent and predictive infrastructure management player.

The results delivered are the fruit of the work of our people, the support of the financial community and the trust of our stakeholders, factors that will continue to be the foundations of our development.



Against this backdrop, the Franchetti Group confirms its commitment to generating value over the long term with financial discipline, strategic vision and a strong focus on innovation.

With best regards,

Paolo Franchetti
Chairperson of the Board of Directors and Chief Executive Officer
 Franchetti S.p.A.

4. Company history and activities

The Franchetti Group specializes in planning, diagnosis and interventions aimed at safety and predictive maintenance scheduling of activities on infrastructure networks. It operates directly in Italy (with registered offices in Arzignano, Vicenza and Rome), Brazil and Canada, and through sales representatives in the United States and India. The Franchetti Group mainly operates in the area of structural capex, i.e., the inspection, analysis, and predictive maintenance scheduling of high-value elements - primarily bridges - of complex transportation networks.

It uses software produced in-house that facilitates predictive analysis for infrastructure maintenance. The Group's customers are both public and private entities, domestic and international, within the road and rail sectors. The Group boasts a capacity to create cutting-edge and highly-reliable solutions revolving around technology and specializing in software and "mission critical" systems which monitor the obsolescence of infrastructure.

2005	2013	2015	2022	2023	2024	2025
Specialization in the field of existing network infrastructure in the United States (University of Irvine)	Foundation Franchetti and Brazilian branch	Contract for the Rio-Niterói Bridge, currently the second-longest bridge in Latin America	IPO on Euronext Growth Milan: capital of Euro 2.5 million raised to pursue growth strategies	Acquisition of Gallo Technics Srl	Strengthening of management team with new hires in Rome, Milan and Rio de Janeiro Acquisition of 67% of Matildi+Partners Srl	Completion of acquisition of 66,67% stake in Austrian company Strucinspect GmbH

The Group's know-how and engineering expertise enable it to understand the structural damage relating to a wide range of existing structures and define the optimal intervention strategies over their lifetime. This is why industry leaders choose our Group to conclude contracts for road and rail infrastructure management. Contracts mainly cover multi-year periods and are acquired either through private negotiations or through public and/or private tenders. This process starts in the bidding office, which chooses which public contracts to participate in and draws up the necessary documentation, before moving to the area manager, who carries out commercial activities for direct assignments and manages the relationship with customers in the area within their remit. Finally, it arrives at the offices or branches, which ensure market presence in the relevant areas.

Business Model

5. Ktema Software Suite

The main software produced in-house to enable predictive analysis for infrastructure maintenance are the following:



Argan is the artificial intelligence software, designed in-house by Franchetti Spa, to carry out the predictive maintenance of infrastructures.

It collects and analyzes, for a predetermined period of time, the data on the state of health of a work. The diagnosis carried out allows it to plan in advance the necessary interventions in order to act promptly in case of urgency, with obvious advantages in terms of safety, protection of existing assets and correct management of economic resources.

Argan allows single structures or groups of structures to be monitored, representing them as complex mathematical elements and crossing information on their mechanical properties and on the state of decay, with the relative projections on the costs of the interventions to be carried out.

Argan is able to simulate the process of deterioration of an infrastructural network and to develop the most effective maintenance strategy in compliance with the existing legislation in the area in which the infrastructures are located. According to the needs of the customer, the software indicates the interventions to be carried out in a well-defined time horizon and with a high level of precision.

Through Argan, it is also possible to calculate the optimal allocation of economic resources over time to maintain the necessary level of safety of the infrastructures and preserve their full operation.



Pathwork is an original software designed and built by Franchetti Spa which aims to achieve optimal planning of the construction site of a stretch of road work.

Starting from a set of information, provided by the road manager, that describes the characteristics of each construction site, as well as a group of rules and constraints to be respected, Pathwork is able to produce, in the most complete form, the best allocation, in space and in time, of construction sites.

Pathwork is therefore a valid tool to better organize the maintenance work campaign that a road manager must carry out on a stretch of road, guaranteeing that the rules or restrictions imposed are never violated.

Operators using Pathwork's planning capabilities will be able to make the best use of the material and economic resources at their disposal, ensuring better service to users and better management of their concession.



Sidecheck software uses embedding algorithms and neural networks to measure the efficiency of inspection and management processes established by managers and owners of infrastructure and real estate assets.



Sight Zero software is dedicated to monitoring systems during their design phase, with the aim of verifying their configuration for optimal planning and installation.



Lens is the software for integrated sensor management applied to real estate assets and transport infrastructure (malfunction control, life cycle management).



f2d2 is the software that processes acceleration data from in situ sensors, identifying modal dynamic characteristics and detecting non-linear phenomena.



The addition of the “Strucinspect” software suite for predictive diagnosis marks a key step in Franchetti S.p.A.’s international expansion, particularly in the DACH area (Germany, Austria and Switzerland) and in the United States, where this software has already proven its abilities in iconic projects such as the inspection of the Los Angeles subway and the Clunie Dam in Scotland.



Based on advanced AI algorithms, “Strucinspect” sets itself apart by its ability to accurately detect structural defects and innovative features that enable comprehensive predictive management by fully integrating with both Franchetti S.p.A.’s products and other systems, including the Bridge Management Systems (BMS) and Enterprise Resource Planning (ERP) solutions to offer innovative interconnected management services.

6. Group Companies

Today, the Group counts major road and highway management authorities among its clients, and is expanding its range in the rail sector.

The Group adapts to this increase in activities by adequately structuring itself both organizationally and financially, with the goal of ensuring that its customers are constantly satisfied.

The transition to integrated, digital asset management is also designed to ensure production cost efficiency.

These activities are undertaken, both at the main offices and at the branch offices, by the parent company Franchetti S.p.A., also through the following investee and associated companies:

- **Franchetti & Merola Engenharia Ltda** (subsidiary)
- **Studio Franchetti Canada Inc.** (subsidiary)
- **Gallo Technics S.r.l.** (subsidiary)
- **Matildi + Partners. S.r.l.** (subsidiary)
- **Strucinspect GmbH** (associated company)

Brazilian company that performs similar activities to Franchetti S.p.A.

The Brazilian subsidiary is steadily developing in the infrastructure market, which is a very promising segment in Brazil. The company has an excellent reputation in this market among private road concessionaires. The very competent, technically skilled team of engineers is young and has a great deal of ambition to grow. The company is very active in public and private road and highway concessions and is growing in rail concessions, and has good development potential both in terms of revenue and business. Specifically, the company offers its own software services, combining them with engineering activities for special projects (OAE) such as bridges and viaducts, including new structures, evaluation and technical reports on existing works,

**Franchetti &
Merola Engenharia
Ltda**

improvement and reinforcement projects, and elevation of existing bridges and viaducts.

The energy and availability of an excellent engineering team in Brazil enables continued support for operations in Italy and mitigates the scarce domestic availability of engineers.

Studio Franchetti Canada Inc.

Company registered in Canada and ready for business development in the Canadian and US markets.

The Canadian subsidiary is registered in Canada to perform engineering activities in the provinces of Quebec and Ontario. The registration process involved administrative and professional licensing that required substantial interaction with Canadian government agencies and engineering boards.

These prerequisites must be fulfilled to carry out any business activity in Canada. The process to do so concluded in 2020 with the opening of an operational office dedicated to participation in tenders. The subsequent natural development of business activities was, however, abruptly interrupted by the COVID-19 health emergency.

Developing business relations and the exponential growth of the maintenance market also in North America, however, ensure that the Group remains determined to make every effort to develop commercial and technical entry into Canadian and consequently US territory.

This process began again in 2023 and continues this year, thanks to strategic alliances with local operators firmly rooted in the area. There is reasonable certainty it will be completed in the coming financial years. Partners have been identified and joint business strategies are in development.

Gallo Technics S.r.l.



Company specializing in the management of assets consisting of large private and public real estate.

In October 2023, the Company acquired 67% of the shares of Gallo Technics S.r.l., based in Padua, thereby assuming control.

The newly acquired Company employs a group of civil structural engineers who are helping to provide valuable input to the Parent Company, extending the application area in the field of large structures through its own technologies based on decades of experience.

The Company's location is also strategic, thanks to its connection with the Civil Engineering Faculty of the nearby University.

Matildi + Partners S.r.l.

MATILDI+PARTNERS

MATILDI+PARTNERS is an engineering firm specializing in the design of steel bridges and viaducts.

The business began as Studio Matildi, an associate engineering firm founded in 1950 by Pietro Matildi (1917-2002), a mathematician and engineer who was a pioneer in Italy in the design of metal bridges.

He was responsible for Studio Matildi's specialization in the field, which began with the first major projects on the A3 Salerno-Reggio Calabria Highway, including the Serra and Rago viaducts, and on major Italian state highways, including the Cadore Bridge.

MATILDI+PARTNERS also currently carries out work on existing bridges and viaducts, from extraordinary maintenance to structural monitoring.



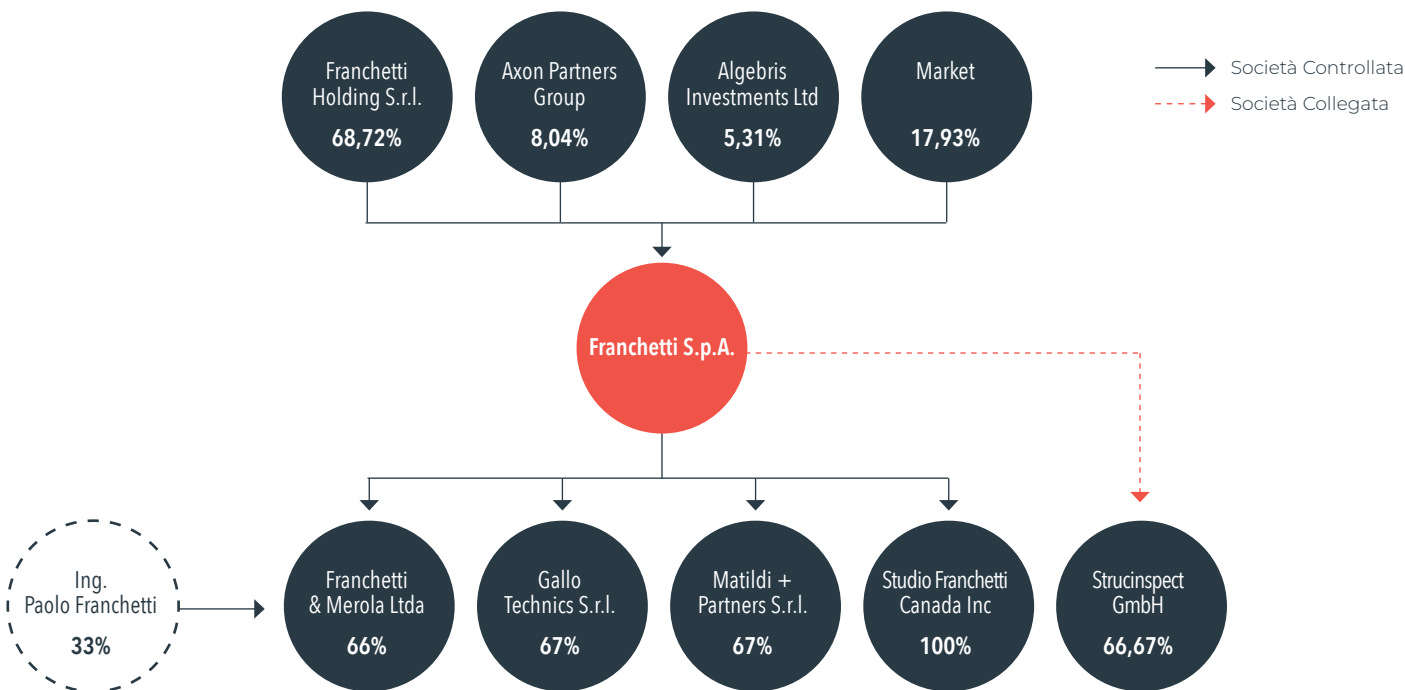
STRUCINSPECT supports and connects infrastructure stakeholders along the entire infrastructure management value chain. Innovative technologies, customized solutions, and expertise represent the key ingredients for providing digital infrastructure asset management for various types of resources.

Strucinspect GmbH owns the predictive diagnostic software of the same name based on advanced AI algorithms, which sets itself apart by its ability to accurately detect structural defects and innovative features that enable comprehensive predictive management by fully integrating with both Franchetti's products and other systems, including the Bridge Management Systems (BMS) and Enterprise Resource Planning (ERP) solutions to offer innovative interconnected management services. In addition, the undertaking of a stake in Strucinspect marks a key step in Franchetti S.p.A.'s international expansion, particularly in the DACH area (Germany, Austria and Switzerland) and in the United States, where the "Strucinspect" software has already proven its abilities in iconic projects such as the inspection of the Los Angeles subway and the Clunie Dam in Scotland.

Strucinspect GmbH



Corporate organizational chart at December 31, 2025



Percentages of total shares.
Franchetti S.p.A. operates through its headquarters in Arzignano (VI), and operating offices in Rome and Milan.

Economic overview**7. Operating performance 2025**

On the macroeconomic front, the world's major economies continued to see divergent performances in 2025, with China's GDP growth (+5.0%) still in line with government targets, U.S. output decelerating by 2.2% (+2.8% in 2024) and a better-than-expected overall recovery in eurozone GDP (+1.3%, from +0.7%).

Global trade slowed in December.

According to the Central Plan Bureau (CPB) figures, the volume of goods traded globally rose 0.4% in December 2025 on the previous month, decelerating sharply on the previous month (+1.8%).

Overall, the global trading of goods by volume is projected to grow 4.4% in 2025, clearly accelerating from 2024 (+2.5%).

The front loading of imports by companies to mitigate the effects of tariff increases imposed by the United States supported these numbers.

The significant geo-economic tensions dominate the global environment.

The outlook for the global economy in early 2026 is shaped by a significant degree of uncertainty, fueled by geopolitical crises and structural changes in trade policies that have further fragmented the international markets.

The escalation of the Middle East conflict, with the U.S. and Israeli attack on Iran in late February, has caused a supply-side shock to energy products with potential systemic effects on economic growth, employment and inflation.

Iran's importance as an oil producer and the strategic significance of the Strait of Hormuz immediately spiked the price of Brent oil and the other major energy commodities.

The extent of the economic impact of the current crisis, which is currently difficult to assess, will depend on its length and on whether mining infrastructure or supply routes are compromised.

The significant stock market volatility presently suggests that the market has not yet fully priced in the possibility of an extended conflict.

Italy's GDP meanwhile in 2025 rose 0.5% on 2024 (eurozone average of 1.3% growth). The increase was mainly driven by domestic demand, which made a positive contribution of 1.5 percentage points.

On the other hand, net foreign demand and changes in inventories contributed negatively for -0.7 and -0.2 percentage points respectively.

The economy is expected to accelerate in the second half of the year. Specifically, GDP in Q4 - expressed in base-weighted indexes with reference year 2020 and adjusted for calendar effects and seasonally adjusted - grew 0.3% on the preceding quarter.

Compared to its European partners, the increase exceeded that of France (+0.2%), was similar to that of Germany (+0.3%), while lower than that of Spain (+0.8%)

Among the components, net foreign demand made a negative contribution (-0.7 percentage points) as a result of a decline in goods and services exports, compared with an increase in imports (-1.2% and +1.0% respectively).

Changes in inventories and domestic demand net of inventories made positive contributions to GDP growth of 0.7 and 0.3 percentage points respectively.

Employment levels returned to growth: the number of people in work increased to 24,181,000 in January 2026.

The growth was seen only in the male category, although across all age groups except 15-24 year olds. It encapsulated both employees and the self-employed.

The employment rate rose to 62.6%.



Unemployment fell on the previous month due to a decline among both males and females and among all age brackets. In the monthly comparison, the overall unemployment rate, which fell to 6.1% (-0.1%) in the eurozone, decreased to 5.1% (-0.4 points), with the youth rate dropping to 18.9% (-1.9 points).

Finally, the inactivity rate increased to 33.9% (+0.1 points).

On a quarterly basis, in the November 2025 - January 2026 period the employment level rose 0.1% on the preceding quarter (for a total of 23 thousand employed), which mainly concerned the male, permanent employee, self-employed, 25-34 year old and over 50 categories.

The growth in the number of employed is associated with a decline in job seekers (-8.4% or -125 thousand) and an increase in the inactive (+0.9% or +116 thousand).

The global predictive maintenance market in 2025 was worth USD 14.31 billion, with a 2026 estimate of USD 18.24 billion.

According to the "The Insight Partners" study entitled "*Predictive Maintenance Market Forecast to 2028*", it is forecast that the global predictive maintenance market in which the Group operates may reach USD 26.6 billion by 2028, up from USD 5.31 billion in 2021, with a compound annual growth rate (CAGR) of 27.4% for the 2022-2028 period.

This growth is due to a number of factors, including the impetus provided by the IoT Industry, particularly Digital Twins (DTs), which are set to become an increasingly useful and necessary tool for predictive maintenance and detection of infrastructure issues and failures.

Key regional dynamics:

- Fastest rising region: Asia-Pacific
- Dominant countries: United States, Germany, China, Japan, United Kingdom
- Emerging countries: India, Brazil, Mexico, South Korea

2025 was a year of structuring and consolidation for the Franchetti Group: alongside day-to-day operations, management focused closely on consolidated the companies entering the scope, strengthening the internal organization, building the foundation for a direct managerial presence in new markets and on preparing for a transformative acquisition.

The Group against this backdrop delivered a value of production of approximately Euro 13 million, up 46% on the Euro 8.9 million for 2024.

The extraordinary efforts that the integration of the acquired companies and the development of the Group's governance processes required during the year should also be considered in assessing this result.

Looking to investments, the year mainly featured the intensive analysis, negotiation and due diligence activities for the M&A's, culminating on March 4, 2026 in the signing of a binding agreement to acquire 55% of the share capital of ECR Engenharia Ltda., ECR Tecnologia and Engenharia Ltda. - Brazilian engineering services for complex infrastructure enterprises.

The parent company in parallel pursued an internal investment strategy focused on strengthening management and control processes through the adoption of an integrated ERP-CRM software solution, as well as through a multi-faceted modernization process focused on enhancing its proprietary application suite.

Market overview

Operating performance

Investment Policy

Significant investments in human capital are in addition reported, focused both on strengthening the production centers, through the hiring of additional qualified engineering resources, and on building the managerial structure, in order to effectively support the Company's growth and development path.

8. Share performance

The FCH.MI share price declined approximately **28%** in 2025, closing at **€4.70** on December 30, 2025, down from the opening price of **€6.55** at the beginning of the year. The highest price was **€7.70** (on February 10, 2025), while the highest volumes were seen on January 8, 2025 (**56,000** shares traded).

The following graph illustrates the price/volume trend in 2025:



A comparison with the FTSE Italia Growth index over the same period is presented below:



(source: TradingView)



During the year, Franchetti S.p.A. maintained constant dialogue with the financial community, ensuring active communication with investors, including through participation in one-on-one and group meetings at domestic and overseas conferences.

To stay regularly updated on the Company's developments, a public email communication channel is in place ir@franchetti.it.

Through this channel, subscribers receive press releases and specific communications addressed to Investors and Shareholders.

9. The environment

The commitments undertaken in relation to social and regional responsibility have become an integral part of the Group's conduct and principles.

They focus on technological excellence, maintaining high levels of safety, environmental protection and energy efficiency, in addition to the training, communication and involvement of personnel in issues of social responsibility, both in Italy and in the other countries in which the Group operates.

The parent company holds UNI EN ISO 14001:2015 certification, first obtained on May 31, 2019 and renewed on 29/5/2025 for a three-year period.

During the year, the Group made significant progress in strengthening its ESG commitment, with a particular focus on environmental sustainability, operational efficiency, and social responsibility.

The parent company's strategic investment in a new cloud architecture has been key in this area, generating profound acceleration in the ongoing digital transition and affecting every ESG dimension.

Cloud adoption has enabled a drastic reduction in the Group's carbon footprint, contributing to a decrease in the energy consumption associated with traditional IT infrastructure. Virtualization of resources and the use of more efficient data centers has also led to a reduction in CO₂ emissions, and increased process automation has also reduced the consumption of paper materials, promoting more sustainable work practices.

Adopting the Cloud has strengthened governance safeguards, offering more advanced control systems, data tracking and higher levels of cybersecurity.

Centralized information management and automated regulatory compliance have improved the Company's transparency and ability to promptly respond to regulatory requirements, audits, and ESG reporting.

The integration of cloud-based solutions has proven to be a key accelerator in achieving the Company's ESG goals.

This investment has not only improved operational efficiency and reduced environmental impacts, it has also strengthened organizational resilience and improved sustainable value creation for all stakeholders.

The Group is not currently engaged in any civil or criminal disputes with third parties for damage caused to the environment or concerning environmental offenses.

**Environmental
disputes**

10. Personnel

Type of professional relationship	Average no. 2025
Employees	30
Self-employed	115

Data on employee workers, with a comparison to the previously reported figures, are provided below:

	Average number 2025	Average number 2024
Executives	2	2
Managers	2	2
White-collar	22	15
Blue-collar	-	-
Other employees	5	6
Total employees	30	25

Safety

Group companies operate in all environments in accordance with national occupational safety regulations.

The activities carried out in this regard concern:

- Employee and collaborator training;
- Periodic medical checkups;
- The organization and training of intervention teams as required by the regulations in force;
- Ongoing monitoring by the Prevention and Protection Manager (RSPP);
- The preparation and dissemination of the documentation required by Legislative Decree No. 81/08 in Italy.

Specifically, the following initiatives were undertaken in Italy during the year:

- Updating of the company Risk Assessment document;
- Updating and preparation of occupational health and safety policies;
- Training course for new hires.

Commitment to social responsibility for occupational health and safety is now an integral part of the Franchetti Group's principles and behavior. The parent company holds the following certifications:

- UNI EN ISO 9000:2015, first obtained on December 20, 2018 and renewed on June 19, 2025 - expiration: December 19, 2027;
- UNI EN ISO 14001:2015, first obtained on May 31, 2019 and renewed on May 29, 2025 - expiration: 30/05/2028;
- UNI EN ISO 45001:2018, first obtained on September 15, 2020 and renewed on September 15, 2023 - expiration: September 14, 2026;
- UNI ISO 39001:2016, first obtained on May 19, 2022 and renewed on May 16, 2025 - expiration: 18/05/2028;
- SA 8000:2014, first obtained on January 24, 2023 - expiration: January 23, 2026;



- UNI/PdR 125:2022, first obtained on December 27, 2024 - expiration: December 26, 2027.

No employee injuries occurred during the year.

Injuries

The company currently does not have any ongoing disputes with employees or former employees of any type.

Disputes

11. Main risks and uncertainties

The Group has established and maintains an appropriate organizational, administrative and accounting structure to the nature and size of the business, and which is therefore capable of promptly detecting any signs of insolvency and/or in terms of its ability to operate as a going concern.

The Group's operations are exposed to risks and uncertainties deriving from outside factors concerning the general economic or sector environment, in addition to risks deriving from strategic choices and internal operating risks.

The identification and mitigation of these risks is systematically carried out, ensuring the monitoring and timely handling of manifesting risks.

The Group has centralized the management of risks, while leaving the departments in charge of the identification, monitoring and mitigation of such, also in order to better measure the impact of each risk on the going concern, reducing occurrence and/or containing the impact according to the causal factor (controllable or not by the company).

In terms of business risk, the main risks identified, monitored and managed by the company, pursuant to Article 2428, paragraph 1 of the Civil Code, are the following:

- risks related to the demand/economic cycle;
- financial management risks;
- risks related to attacks/natural calamities/climatic events/epidemics or serious incidents;
- third-party risk;
- risks based on outside variables;
- country risk

Any specific risks due to the conflict in the Middle East are being assessed.

Performance in the market in which the Group operates is weakly correlated with the general economic picture. Instead, it is related to the physiological aging of infrastructure and inevitable related investments.

Any periods of economic downturn or recession do not seem to directly result in reduced demand for the products and services offered.

Risks concerning general economic performance

The Group's financial situation features financial debt to public agencies arising from the sales cycle. While this debt is well structured through specific credit lines, this risk could lead to situations of slight financial strain.

The financial instruments used are liquidity, financial assets and financial liabilities.

No new derivative financial instruments were used during the year. The company has

Financial management risk

particularly focused on the identification, assessment and hedging of financial risks, consisting mainly of liquidity, changes in interest rates and currency risks.

Risks related to attacks/natural calamities/climatic events/epidemics or serious incidents

The occurrence of natural disasters or major accidents may pose a risk to Group personnel and employees.

Third-party risk

As part of the diagnosis and treatment of structures and infrastructure, the Group also occasionally carries out complex and highly technical assessments, which in themselves are random and exposed to the risk of material errors. Errors in assessments regarding safety levels, from which significant personal injury or property damage may result, cannot be ruled out with complete certainty. The Group is therefore exposed to the risk of liability actions which are adequately insured, in the civil sector, through leading insurance companies.

Internally, the personnel involved possess established experience and proven professionalism, and the relevant business processes are set up to ensure validation redundancy.

Outside risks

The cost of external services uses may fluctuate in price, particularly when operating in international markets, and there may be a consequent impact on production costs. Changes in this variable do not currently have a significant effect on company results.

12. Information as per article 2428 no. 6-Bis

The parent company has investments in financial assets totaling Euro 5,733,187, represented mainly by:

- loans to the subsidiaries Franchetti & Merola Engenharia LTDA for Euro 24,044, Studio Franchetti Canada Inc. for Euro 374,245 and Gallo Technics S.r.l. for Euro 161,581;
- investments in the Brazilian subsidiary Franchetti & Merola Engenharia Ltda total Euro 253,138, the investment in the Canadian subsidiary Studio Franchetti Canada Inc. is for Euro 1, the investment in Gallo Technics S.r.l. is for Euro 6,700, and the investment in Matildi + Partners S.r.l. is for Euro 3,039,473.
- Euro 1,874,005 refers to the investment in the associated company Strucinspect GmbH.

Company financial risk management objectives and policies

The Group pursues the objective of minimizing financial risks, without conducting derivative hedging transactions, with the exception of an interest rate risk hedge on a loan dated 2020 and disbursed by BPM to the parent company.

Credit risk

The Group's policy is governed by applicable regulations regarding payments from public bodies, which in some cases provides for a 30-day timeframe and in other cases a 60-day timeframe. Some works carried out with private entities provide for a 90-day timeframe. Currently, the doubtful debt provision allocated by the parent



company has been prudently aligned in the amount of 0.5% of the trade receivables outstanding as of December 31, 2025.

The Group companies' policy focuses on close treasury management, through the implementation of incoming and outgoing cash flow programming tools. In addition, the companies seek to maintain adequate reserves of liquidity to avoid non-fulfilment of maturing commitments.

The Group is not exposed to particular risks of cash flow variations.

Liquidity risk

Cash flow risk

13. Research and development

Research and development activities are carried out in order to:

- consolidate and retain expertise on civil, mechanical, computer, electronic, and telecommunications engineering;
- adapt existing proprietary software to the most advanced architectures, ensuring full compatibility with partner and customer digital platforms;
- develop new services that are at the cutting-edge of available technology and technology.

Research and Development, based on a structured and continuous investment plan, is a core element of the company's business model and extensively involves highly-qualified in-house personnel, management and outside partners. A commitment to innovation also contributes to improving infrastructure safety and reliability, while promoting more efficient and sustainable management, consistent with ESG principles.

- The Group's key investments include the continuous updating and development of the proprietary software, which is reflected in the increase in the related intangible assets. R&D spend on the range of proprietary software is focused on protecting and building in-house know-how, responding effectively to market developments and customer needs and to the processes regarding the increasing digitization of physical assets.

In this regard, a comprehensive program of industrial restructuring and modernization of the proprietary Ktema IT suite (formerly Digiroads) was launched. This focuses on a technological transformation based on cloud-ready architectures, so as to improve performance, security, scalability and the interoperability of systems, while ensuring that the offer remained constantly aligned with the most advanced market standards.

This software suite constitutes an end-to-end solution for the advanced management of structural diagnostics and the predictive maintenance of transportation infrastructure and strategic real estate assets. The platform integrates engineering expertise and advanced digital technologies, including artificial intelligence models, machine learning and neural networks, to analyze data from heterogeneous sources (inspection, monitoring, survey and design and regulatory data). This makes it possible to assess the health of structures, predict their evolution and support the optimization of maintenance interventions, including from a financial point of view, throughout the entire life cycle of the assets.

- The Parent Company Franchetti S.p.A. is also investing in the development of addi-

Investments

tional innovative software solutions, based on high-tech prototypes. These are designed to meet the concrete and long-term needs of customers and technological partners.

One of the main areas of emphasis is Building Information Modeling (BIM), with projects geared toward creating digital twins of existing buildings and infrastructure.

These tools allow high-fidelity three-dimensional models to be created and enhanced with information critical to the management, maintenance and optimization of physical assets.

- In 2025, the Group began a structured analysis and planning process for the future introduction of an integrated ERP system designed to support the centralized management of the activities of the parent company and of the subsidiaries.

This path has required a significant commitment from management that reflects a clear choice: to equip the Group with a common management infrastructure before growth in size makes it essential.

This is not merely an operational detail, but rather an integral part of the Group's structuring initiated in 2025.

- The parent company in parallel continues to roll out its acquisition-led growth strategy through M&A's, which was one of the main reasons for turning to the capital markets in September 2022.

This strategy seeks to strengthen the Group's competitive positioning, expanding its operating scope and accelerating its technological and business development processes, including through the integration of distinctive competencies, strategic assets and new operational capabilities.

Ongoing scouting and the evaluation of potential targets made it possible in 2025 to identify the Brazilian company ECR Engenharia, with which a binding agreement was concluded on March 4, 2026 for the acquisition of 55% of the share capital.

Intense R&D confirms the Group's commitment to pursuing continuous innovation, a key element in supporting competitiveness and offering advanced technological solutions that are sustainable over the medium to long term. Research and Development, which is based on a precise, concrete and scheduled plan of investments, therefore involved a significant number of the in-house engineering workforce, outsourcing, and a significant number of key management personnel, in addition to the utilization of other synergies.

This activity utilizes substantial economic resources which, necessarily and simply by accounting definition, reflect a close connection and precise cause-and-effect relationship between costs incurred and future benefits, confirming the Group's ongoing commitment to profoundly and unceasingly renewing its corporate structure. This is behind the increase in the value of intangible assets.

14. Transactions with subsidiary, associate, holding and group companies

It should be noted that there are no transactions with any other subsidiary, associated or group companies, other than those indicated below and subject to consolidation by elimination of the balance sheet and income statement items.

As per Article 2497 and subsequent of the Civil Code, the Parent Company Franchetti S.p.A. exercises management and co-ordination activities over the Companies listed below. The consolidation method adopted is as per the following table:

Company	Role	Consolidation method
Franchetti S.p.A.	Parent Company	Line-by-line
Franchetti & Merola Engenharia Ltda	Subsidiary	Line-by-line
Franchetti Canada Inc.	Subsidiary	Line-by-line
Gallo Technics S.r.l.	Subsidiary	Line-by-line
Matildi + Partners S.r.l.	Subsidiary	Line-by-line
Strucinspect GmbH	Associated company	Shareholders' Equity

A) Assets/Receivables

Subsidiaries
and associated
companies

Description	Value at 31/12/2024	Change	Value at 31/12/2025
Client Franchetti & Merola	668,871	263,377	932,248
Invoices to be issued to Franchetti and Merola	-	797,920	797,920
Client Gallo Technics S.r.l.	-	2,424	2,424
Invoices to be issued to Gallo Technics S.r.l.	-	40,000	40,000
Invoices to be issued to Matildi & Partners S.r.l.	-	450,000	450,000
Total Receivables from subsidiaries	668,871	1,553,721	2,222,592

B) Liabilities/Payables

Description	Value at 31/12/2024	Change	Value at 31/12/2025
Supplier Franchetti & Merola	250,725	(218,836)	31,889
Invoices to be received Franchetti e Merola	-	197,494	197,494
Supplier Strucinspect GmbH	-	31,807	31,807
Total Payables to subsidiaries	250,725	10,465	261,190

In continuity with previous years, transactions of a commercial nature were undertaken with Franchetti Holding S.r.l., which holds a controlling interest in Franchetti S.p.A.. As of the reporting date, there were no payable or receivable balances.

15. Outlook

2025 was the year in which the Group laid the groundwork for its transformation: strengthening the organizational structure, integrating the companies entering the scope, initiating common governance processes and preparing for a transformative acquisition. 2026 is the year when this path enters its operational phase, translating into concrete and measurable results.

Based on currently available information and considering the size of the order book, the strength of the organizational structure, and the recent growth transactions, either already finalized or nearing completion, Franchetti Group management expects

a positive operating performance for the current year, with expected growth in the range of 20% on a like-for-like consolidated basis.

This forecast is set to be further strengthened by the signing of the binding agreement between the parent company Franchetti S.p.A. and the ECR Engenharia Group for the acquisition of 55% of the latter's share capital. The closing of the transaction, expected by the first half of 2026, is expected to significantly boost Franchetti's consolidated volumes, such that the main earnings indicators will substantially double as early as this fiscal year.

2026 will thus be both a year of operational consolidation and further development.

On the one hand, the Group will fully bring on stream the industrial, commercial and technological synergies between the already integrated entities. On the cost side, this will gradually establish economies of scale and process optimization in order to improve overall efficiency. On the revenue side, the Group intends to capitalize on complementarities among its various entities, fostering cross-selling initiatives and expanding access to new markets and customer segments. From the technological point of view, a particular focus will be placed on the integration of the distinctive skills, know-how and proprietary developed solutions, so as to strengthen the offer and increase the level of innovation of the services provided.

The entry of ECR into the consolidated scope will meanwhile open a new expansionary phase, which will require the same attention to integration seen in 2025.

In parallel, the governance and control systems at the Group's various Legal Entities will be further strengthened. In this regard, the Company plans to gradually standardize the internal controls and operating procedures so as to ensure greater uniformity and efficacy in the decision-making and management processes.

The compliance system will also be consolidated, with a particular focus on the international contexts in which the Group operates, so as to ensure full compliance with applicable regulations and the highest standards of transparency and fairness. Finally, the integration and harmonization of the financial reporting systems will continue, so as to improve the quality, timeliness and comparability of information to support management.

Internally, the development of new technologies and the updating and modernization of the existing technologies will continue, along with the selection and hiring of highly-specialized personnel to consolidate and expand the company's range of expertise.

This set of initiatives seek to further strengthen the Group's competitive positioning and support growth in both size and quality.

With reference to the global macroeconomic and geopolitical backdrop, although tensions and conflicts exist in certain regions, management does not currently identify any significant impacts for the Group's activities, also in view of the absence of direct exposures in the affected areas.

Overall, the outlook confirms the strong prospects for organic and acquisition-led growth, consistent with the Group's long-term strategic trajectory, based on technological innovation, international expansion and sustainable value creation.

16. Significant events concerning the parent company in the year

- January 30, 2025** - Closing of the transaction announced on December 23, 2024, regarding the acquisition of a 66.67% stake in the Austrian company Strucinspect GmbH.
- February 3, 2025** - Order book reaches Euro 40 million, with visibility to 2029. The backlog consists of orders with an underlying signed contract and reflects significant growth, driven by positive performance in the global infrastructure market.
- March 24, 2025** - Subscribed capital increase finalized for Euro 2,811,700 by issuing new ordinary shares through private placement, without publication of a public offering Prospectus, at a price of Euro 6.2 per share.
- October 13, 2025** - Almaviva and Franchetti signed a strategic partnership to innovate infrastructure management and maintenance, with a focus on Italy, Brazil and the United States. The agreement enables integrated and scalable high-tech solutions, including engineering services, monitoring platforms, predictive maintenance systems and advanced inspection and diagnostic tools. The initiative targets the transportation, logistics and construction sectors, with the goal of fostering the development of smart, safe and sustainable infrastructure over time.
- October 15, 2025** - Franchetti announces the results of the third exercise period of the 2022-2025 Franchetti Warrants. During this period, 765,217 Warrants were exercised and consequently 765,217 ordinary Franchetti shares were subscribed to, without indication of par value, at a price of Euro 3.99 per share, in the ratio of 1 (one) Conversion Share for every 1 (one) Warrant held, with regular dividend entitlement and the same characteristics as the Franchetti Ordinary Shares traded on the Euronext Growth Milan on the date of issue of the Conversion Shares, for a total value of Euro 3,053,215.83. It should be noted that Franchetti Holding S.r.l., the majority shareholder and headed by Mr. Franchetti, the Company's Chairperson and Chief Executive Officer, proceeded to exercise 250,000 Warrants, for a total value of Euro 997,500.
- November 24, 2025** - Franchetti announces the signing of a new strategic agreement to consolidate its presence in Latin America, expanding its operations in Chile, Mexico, Colombia and Peru by partnering with a leading local operator.

17. Subsequent events concerning the parent company

- January 14, 2026** - Franchetti announces the hiring of Ashley Langford as the Country Manager for North America, with direct responsibility for business development and operational consolidation in Canada and the United States. This appointment is not incidental - it represents a conscious decision to build a structured and direct managerial presence on the North American markets, providing the Group with a high-profile local presence focused on business development in a region with significant growth potential.
- March 4, 2026** - Franchetti S.p.A. announces the signing, through a newly-established Brazilian subsidiary, of a binding agreement to acquire 55% of the share capital of ECR Engenharia Ltda. and ECR Tecnologia e Engenharia Ltda., Brazilian engineering services for complex infrastructure enterprises.

The closing of the transaction, planned for the first half of 2026, is expected to significantly raise the Group's consolidated volumes, substantially doubling business levels by the current fiscal year, expanding the customer base, the infrastructure assets under management and the aggregate backlog to an estimated Euro 90 million.

The transaction strengthens the presence in Latin America through the integration of complementary operational and technological skills. In particular, ECR brings an organizational structure which can manage complex public contracts, while Franchetti contributes advanced digital solutions for infrastructure lifecycle management. Benefits are expected in terms of expanding the target market, improving margins and strengthening the Group's competitiveness.

ECR represents a transformative acquisition from a numerical and operational perspective, rooted in the methodical preparation initiated in early 2025.

The consideration for the 55% acquisition is a total of BRL 46.2 million (approximately Euro 7.5 million), to be paid on closing. An earnout mechanism up to a maximum of BRL 19.8 million (approximately Euro 3.2 million) is also in place, subject to the achievement of pre-set EBITDA targets.

The transaction provides for the retention of the founding shareholders in managerial roles for a minimum period of four years, subject to any leaver assumptions, in addition to the signing of a shareholder agreement containing clauses in line with market practice, including lock-up commitments, put and call options on the remaining stake, representations and warranties with indemnification obligations and non-compete and non-solicitation agreements.

The closing is subject to the usual suspensive conditions for similar transactions.

For funding purposes, Franchetti has signed an agreement with Simest S.p.A., which will contribute, through the Brazilian special purpose vehicle, up to a maximum of 49% of the acquisition consideration.

The contribution takes the form of an ESG-linked investment, consistent with the Group's sustainable development and internationalization goals, with specific reference to personnel training and cybersecurity initiatives.

- **March 26, 2026** - The Parent Company obtained certification of the impairment test carried out by an Independent Expert at the request of the Independent Audit Firm. The analysis, conducted on intangible assets in accordance with IAS 38 (OIC 24) and IAS 36 (OIC 9) in order to verify the fairness of the values recognized in the financial statements, presented a value in use of the assets of Euro 21.2 million, with headroom of Euro 6.5 million compared to the operating carrying amount. The Certifier therefore declares the recoverability of the values recognized to the financial statements, indicating that the impairment of the fixed assets considered is not necessary: *"In light of the information available at the preparation date of this report, the results obtained and the sensitivity analyses conducted, with reference to the carrying amount of the intangible assets recognizable under IAS 38 in the financial statements of Franchetti S.p.A. as of December 31, 2025, it does not appear necessary to recognize any impairment pursuant to IAS 36 of intangible assets"* (Mr. Alberto Gabriele Piva, Certified Accountant, Independent Auditor, Certified Fraud Examiner (2009), enrolled in the criminal and civil sections of the Register of Technical Consultants of the Court of Milan and in the Register of Judicial Administrators).



18. Activities as per *Legislative Decree no. 231/01*

The Italian parent company has adopted an Organization and Control Model pursuant to Legislative Decree No. 231/01, including a Code of Ethics. The functioning of this Model is monitored by a Supervisory Board.

The Company has also adopted a “Whistleblowing” procedure in accordance with law.

Arzignano, March 30, 2026

For the Board of Directors
The Chairperson
Paolo Franchetti

Consolidated Balance Sheet	31/12/2025	31/12/2024	Change	%
Inventories	9,180,982	4,171,102	5,009,880	120%
Trade receivables	9,303,040	7,507,860	1,795,180	24%
Trade payables	(3,440,278)	(1,939,408)	(1,500,870)	77%
Commercial working capital	15,043,744	9,739,554	5,304,190	54%
Other Assets	2,606,938	1,070,625	1,536,313	143%
Other Liabilities	(4,669,857)	(3,397,336)	(1,272,521)	37%
Net Working Capital	12,980,824	7,412,843	5,567,981	75%
Intangible assets	8,786,207	6,012,977	2,773,230	46%
Property, plant and equipment	428,188	246,743	181,445	74%
Financial assets	2,114,207	234,128	1,880,079	803%
Gross Capital Employed	24,309,426	13,906,691	10,402,735	75%
Post-employment benefits	(156,836)	(160,995)	4,159	(3%)
Provisions	-	-	-	0%
Net Capital Employed	24,152,590	13,745,696	10,406,894	76%
Bank payables (short-term)	6,526,380	4,999,683	1,526,697	31%
Bank payables (medium/long-term)	2,480,652	102,273	2,378,379	2326%
Financial liabilities	9,007,032	5,101,956	3,905,076	77%
Cash	(6,883,586)	(6,163,657)	(719,929)	12%
Other financial assets	-	-	-	0%
Net financial debt	2,123,446	(1,061,701)	3,185,147	300%
Share Capital	487,102	430,387	56,715	13%
Reserves	20,686,582	12,869,720	7,816,862	61%
Net result	855,460	1,507,290	(651,830)	(43%)
Total SE	22,029,144	14,807,397	7,221,747	49%
Total sources	24,152,590	13,745,696	10,406,894	76%

Consolidated Income Statement	2025	2024	Change	%
Revenues	7,390,776	5,584,197	1,806,579	32%
Change in inventories	5,028,081	3,281,410	1,746,671	53%
Increases for internal work	191,374	9,136	182,238	1995%
Other operating income	484,050	110,333	373,717	339%
Value of production	13,094,281	8,985,076	4,109,205	46%
Costs for raw materials and consumables	(127,340)	(118,289)	(9,052)	8%
Service costs	(6,480,256)	(3,469,945)	(3,010,311)	87%
Use of third party assets	(559,820)	(381,076)	(178,744)	47%
Personnel	(1,644,667)	(1,377,023)	(267,644)	19%
Other operating expenses	(605,263)	(240,945)	(364,317)	151%
EBITDA	3,676,935	3,397,798	279,137	8%
EBITDA Margin (% VoP)	28%	38%		
Amortization	(1,383,289)	(1,053,776)	(329,513)	31%
Depreciation	(91,008)	(35,508)	(55,499)	156%
Write-downs	(15,279)	(34,072)	18,793	(55%)
EBIT	2,187,359	2,274,442	(87,083)	(4%)
EBIT Margin (% VoP)	17%	25%		
Financial income	79,568	8,193	71,375	871%
Financial expenses & financial asset adjustments	(815,278)	(373,331)	(441,947)	118%
Exchange gains/(losses)	(1,246)	-	-	0%
Pre-Tax Result	1,450,403	1,909,304	(458,901)	(24%)
Income taxes	(594,943)	(402,014)	(192,929)	48%
Profit	855,460	1,507,290	(651,830)	(43%)

Consolidated Financial Debt	Current year	Previous year	Change	%
A) Available liquidity	6,883,586	6,163,657	719,929	12%
B) Cash and cash equivalents				
C) Other current financial assets				
Other current assets				
D) Liquidity (A+B+C)	6,883,586	6,163,657	719,929	12%
E) Current financial debt	6,526,380	4,999,683	1,526,697	31%
F) Current portion of non-current financial debt				
Other current liabilities				
G) Current financial debt (E+F)	6,526,380	4,999,683	1,526,697	31%
H) Net current financial debt (G-D)	(357,206)	(1,163,974)	806,768	(69%)
I) Non-current financial debt	2,480,652	102,273	2,378,379	2326%
J) Debt instruments				
K) Trade payables and other non-current payables				
L) Non-current financial debt (I+J+K)	2,480,652	102,273	2,378,379	2326%
M) Total financial debt (H+L)	2,123,446	(1,061,701)	3,185,147	300%
Leverage Ratio (NFD/EBITDA)	0.6x	-0.3x		
Gearing Ratio (NFD/Shareholders' Equity)	0.1x	-0.1x		
Financial receivables beyond 12 months	(240,202)	(234,128)	(6,074)	3%
Overdue Tax Payables	1,266,316	957,417	308,899	32%
Total ADJ net financial debt	3,149,560	(338,412)	3,487,972	1031%

Franchetti Spa

Balance Sheet	31/12/2025	31/12/2024	Change	%
Inventories	5,158,670	2,467,116	2,691,554	109%
Trade receivables	5,783,636	5,718,705	64,931	1%
Trade payables	(2,000,828)	(1,505,158)	(495,670)	33%
Commercial working capital	8,941,478	6,680,663	2,260,815	34%
Other Assets	4,469,763	1,764,500	2,705,263	153%
Other Liabilities	(3,957,781)	(3,330,045)	(627,736)	19%
Net Working Capital	9,453,460	5,115,118	4,338,342	85%
Intangible assets	3,916,753	2,239,151	1,677,602	75%
Property, plants and equipment	315,310	196,111	119,199	61%
Financial assets	5,800,544	3,572,644	2,227,900	62%
Gross Capital Employed	19,486,067	11,123,024	8,363,043	75%
Post-employment benefits	(94,106)	(101,491)	7,385	7%
Provisions	-	-	-	-
Net Capital Employed	19,391,961	11,021,533	8,370,428	76%
Bank payables (short-term)	5,137,814	4,675,360	462,454	10%
Bank payables (medium/long-term)	2,424,689	102,273	2,322,416	2271%
Financial liabilities	7,562,503	4,777,633	2,784,870	58%
Cash	(6,679,774)	(6,078,053)	(601,721)	10%
Other financial assets	-	-	-	-
Net financial debt	882,729	(1,300,420)	2,183,149	168%
Share Capital	471,786	410,850	60,936	15%
Reserves	17,715,078	11,532,530	6,182,548	54%
Net result	322,368	378,573	(56,205)	15%
Total SE	18,509,232	12,321,953	6,187,279	50%
Total sources	19,391,961	11,021,533	8,370,428	76%

Franchetti Spa

Income Statement	2025	2024	Change	%
Revenues	4,293,578	4,450,420	(156,842)	4%
Change in inventories				-
Changes in contract work in progress	2,691,554	1,940,927	750,627	39%
Increases for internal work				-
Other operating income	457,074	92,747	364,327	393%
Value of production	7,442,206	6,484,094	958,112	15%
Costs for raw materials and consumables	(115,045)	(108,141)	(6,904)	6%
Service costs	(3,183,748)	(2,530,842)	(652,906)	26%
Use of third party assets	(420,008)	(332,493)	(87,515)	26%
Personnel	(1,470,835)	(1,298,519)	(172,316)	13%
Other operating expenses	(395,416)	(235,400)	(160,016)	68%
EBITDA	1,857,155	1,978,699	(121,544)	6%
EBITDA Margin (% VoP)				-
Amortization	(1,031,264)	(917,203)	(114,061)	12%
Depreciation	(67,101)	(33,689)	(33,412)	99%
Write-downs	(14,980)	(33,560)	18,580	55%
EBIT	743,810	994,247	(250,437)	25%
EBIT Margin (% VoP)				-
Financial income	84,550	5,747	78,803	1371%
Financial expenses	(293,062)	(323,370)	30,308	9%
Exchange gains/(losses)	-	-	-	-
Pre-tax result	535,299	676,624	(141,325)	21%
Income taxes	(212,931)	(298,051)	85,120	29%
Profit	322,368	378,573	(56,205)	15%

Franchetti Spa

Financial Debt	31/12/2025	31/12/2024	Change	%
A) Available liquidity	6,679,774	6,078,053	601,721	10%
B) Cash and cash equivalents	-	-	-	0
C) Other current financial assets	-	-	-	0
Other current assets	-	-	-	0
D) Liquidity (A+B+C)	6,679,774	6,078,053	601,721	10%
E) Current financial debt	5,137,814	4,675,360	462,454	10%
F) Current portion of non-current financial debt	-	-	-	0
Other current liabilities	-	-	-	0
G) Current financial debt (E+F)	5,137,814	4,675,360	462,454	10%
H) Net current financial debt (G- D)	(1,541,960)	(1,402,693)	(139,267)	10%
I) Non-current financial debt	2,424,689	102,273	2,322,416	2.271%
J) Debt instruments	-	-	-	0
K) Trade payables and other non-current payables	-	-	-	0
L) Non-current financial debt (I+J+K)	2,424,689	102,273	2,322,416	2.271%
M) Total financial debt (H+L)	882,728	(1,300,420)	2,183,148	168%
Financial receivables beyond 12 months	(67,357)	(48,480)	(18,877)	39%
Overdue Tax Payables	1,070,615	945,417	125,198	13%
Total adj net financial debt	1,885,986	(403,483)	2,289,469	567%

Franchetti & Merola

Balance Sheet	31/12/2025	31/12/2024	Change	%
Inventories	1,838,289	1,264,167	574,122	45%
Trade receivables	1,572,065	800,899	771,166	96%
Trade payables	(780,414)	(71,617)	(708,797)	990%
Commercial working capital	2,629,940	1,993,449	636,491	32%
Other Assets	424,444	287,626	136,818	48%
Other Liabilities	(1,910,856)	(881,980)	(1,028,876)	117%
Net Working Capital	1,143,528	1,399,095	(255,567)	18%
Intangible assets	1,442,716	661,863	780,853	118%
Property, plants and equipment	21,280	22,765	(1,485)	7%
Financial assets	172,845	185,648	(12,803)	7%
Gross Capital Employed	2,780,369	2,269,371	510,998	23%
Post-employment benefits	-	-	-	-
Provisions	-	-	-	-
Net Capital Employed	2,780,369	2,269,371	510,998	23%
Bank payables (short-term)	572,096	155,334	416,762	268%
Bank payables (medium/long-term)	-	-	-	-
Financial liabilities	572,096	155,334	416,762	268%
Cash	(158,723)	(28,109)	(130,614)	465%
Other financial assets	-	-	-	-
Net financial debt	413,373	127,225	286,148	225%
Share Capital	46,610	46,865	(255)	1%
Reserves	2,079,268	1,068,438	1,010,830	95%
Net result	241,118	1,026,844	(785,726)	77%
Total SE	2,366,996	2,142,147	224,849	10%
Total sources	2,780,369	2,269,372	510,997	23%

Franchetti & Merola

Income Statement	31/12/2025	31/12/2024	Change	%
Revenues	2,689,640	1,206,709	1,482,931	123%
Change in inventories				0%
Changes in contract work in progress	592,323	1,046,578	(454,255)	43%
Increases for internal work				0%
Other operating income	-	-		0%
Value of production	3,281,963	2,253,287	1,028,676	46%
Costs for raw materials and consumables	(6,721)	(9,497)	2,776	29%
Service costs	(2,463,428)	(923,528)	(1,539,900)	167%
Use of third party assets	(75,386)	(16,687)	(58,699)	352%
Personnel	(47,487)	(59,919)	12,432	21%
Other operating expenses	(191,443)	-		0%
EBITDA	497,498	1,243,656	(746,158)	60%
EBITDA Margin (% VoP)	15%	55%		73%
Amortization	(168,524)	(134,954)	(33,570)	25%
Depreciation	(6,887)		(6,887)	0%
Write-downs				0%
EBIT	322,087	1,108,702	(786,615)	71%
EBIT Margin (% VoP)	10%	49%		80%
Financial income	539	543	(4)	1%
Financial expenses	(81,507)	(34,318)	(47,189)	138%
Exchange gains/(losses)				0%
Pre-tax result	241,119	1,074,927	(833,808)	78%
Income taxes		(48,082)	48,082	100%
Profit	241,119	1,026,845	(785,726)	77%

Franchetti & Merola

Financial Debt	31/12/2025	31/12/2024	Change	%
A) Available liquidity	158,723	28,109	130,614	465%
B) Cash and cash equivalents	-	-	-	0
C) Other current financial assets	-	-	-	0
Other current assets	-	-	-	0
D) Liquidity (A+B+C)	158,723	28,109	130,614	465%
E) Current financial debt	572,096	155,334	416,762	268%
F) Current portion of non-current financial debt	-	-	-	0
Other current liabilities	-	-	-	0
G) Current financial debt (E+F)	572,096	155,334	416,762	268%
H) Net current financial debt (G- D)	413,373	127,225	286,148	225%
I) Non-current financial debt	-	-	-	0%
J) Debt instruments	-	-	-	0
K) Trade payables and other non-current payables	-	-	-	0
L) Non-current financial debt (I+J+K)	-	-	-	0%
M) Total financial debt (H+L)	413,373	127,225	286,148	225%
Financial receivables beyond 12 months	(172,845)	(185,648)	12,803	7%
Overdue Tax Payables	156,644	-	-	0%
Total ADJ net financial debt	397,171	(58,424)	455,595	780%

Franchetti Canada

Balance Sheet	31/12/2025	31/12/2024	Change	%
Inventories	-	-	-	-
Trade receivables	-	-	-	-
Trade payables	(2,182)	-	-	-
Commercial working capital	(2,182)	-	(2,182)	-
Other Assets	136	2,140	(2,004)	94%
Other Liabilities	(246,078)	(265,770)	19,692	7%
Net Working Capital	(248,124)	(263,630)	15,506	6%
Intangible assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Financial assets	-	-	-	-
Gross Capital Employed	(248,124)	(263,630)	15,506	6%
Post-employment benefits	-	-	-	-
Provisions	-	-	-	-
Net Capital Employed	(248,124)	(263,630)	15,506	6%
Bank payables (short-term)	-	-	-	-
Bank payables (medium/long-term)	-	-	-	-
Financial liabilities	-	-	-	-
Cash	(1,823)	(4,106)	2,283	56%
Other financial assets	-	-	-	-
Net financial debt	(1,823)	(4,106)	2,283	56%
Share Capital	1	1	-	0%
Reserves	(240,182)	(268,660)	28,478	11%
Net result	(6,120)	9,136	(15,256)	167%
Total SE	(246,301)	(259,523)	13,222	5%
Total sources	(248,124)	(263,629)	15,505	6%

Franchetti Canada

Income Statement	2025	2024	Change	%
Revenues	-	13,491	-13,491	100%
Change in inventories	-	-	-	-
Changes in contract work in progress	-	-	-	-
Increases for internal work	-	-	-	-
Other operating income	-	-	-	-
Value of production	-	13,491	-13,491	100%
Costs for raw materials and consumables	-	-	-	-
Service costs	(6,058)	(4,266)	(1,792)	42%
Use of third party assets	-	-	-	-
Personnel	-	-	-	-
Other operating expenses	-	-	-	-
EBITDA	(6,058)	9,225	(15,283)	166%
EBITDA Margin (% VoP)	-	68%	-	-
Amortization	-	-	-	-
Depreciation	-	-	-	-
Write-downs	-	-	-	-
EBIT	(6,058)	9,225	(15,283)	166%
EBIT Margin (% VoP)	-	68%	-	-
Financial income	-	-	-	-
Financial expenses	(62)	(89)	27	30%
Exchange gains/(losses)	-	-	-	-
Pre-tax result	-6,120	9,136	(15,256)	167%
Income taxes	-	-	-	-
Profit	-6,120	9,136	(15,256)	167%

Franchetti Canada

Financial Debt	31/12/2025	31/12/2024	Change	%
A) Available liquidity	1,823	4,106	(2,283)	(56%)
B) Cash and cash equivalents	-	-	-	
C) Other current financial assets	-	-	-	
Other current assets			-	
D) Liquidity (A+B+C)	1,823	4,106	(2,283)	(56%)
E) Current financial debt	-	-	-	
F) Current portion of non-current financial debt	-	-	-	
Other current liabilities	-	-	-	
G) Current financial debt (E+F)	-	-	-	
H) Net current financial debt (G- D)	(1,823)	(4,106)	2,283	(56%)
I) Non-current financial debt	-	-	-	
J) Debt instruments	-	-	-	
K) Trade payables and other non-current payables	-	-	-	
L) Non-current financial debt (I+J+K)	-	-	-	
M) Total financial debt (H+L)	(1,823)	(4,106)	2,283	(56%)
Financial receivables beyond 12 months	-	-	-	
Overdue Tax Payables	-	-	-	
Total ADJ net financial debt	(1,823)	(4,106)	2,283	(56%)

Gallo Technics S.r.l.

Balance Sheet	31/12/2025	31/12/2024	Change	%
Inventories	205,621	107,525	98,096	91%
Trade receivables	82,851	101,855	(19,004)	19%
Trade payables	(3,869)	(24,878)	21,009	84%
Commercial working capital	284,603	184,502	100,101	54%
Other Assets	25,857	17,680	8,177	46%
Other Liabilities	(211,581)	(72,005)	(139,576)	194%
Net Working Capital	98,879	130,177	(31,298)	24%
Intangible assets	3,998	1,077	2,921	271%
Property, plant and equipment	61,585	-	-	-
Financial assets	-	-	-	-
Gross Capital Employed	164,462	131,254	33,208	25%
Post-employment benefits	-	-	-	-
Provisions	-	-	-	-
Net Capital Employed	164,462	131,254	33,208	25%
Bank payables (short-term)	22,611	-	-	-
Bank payables (medium/long-term)	-	-	-	-
Financial liabilities	22,611	22,611	-	-
Cash	(37,408)	(15,551)	(21,857)	141%
Other financial assets	-	-	-	-
Net financial debt	(14,797)	(15,551)	754	5%
Share Capital	10,000	10,000	-	0%
Reserves	136,805	32,602	104,203	320%
Net result	32,455	104,203	(71,748)	69%
Total SE	179,260	146,805	32,455	22%
Total sources	164,463	131,254	33,209	25%

Gallo Technics S.r.l.

Income Statement	2025	2024	Change	%
Revenues	210,518	261,530	(51,012)	20%
Change in inventories				0%
Changes in contract work in progress	98,096	80,625	17,471	22%
Increases for internal work				0%
Other operating income	7,208	-	7,208	0%
Value of production	315,822	342,155	(26,333)	8%
Costs for raw materials and consumables	-	(37)	37	100%
Service costs	(230,075)	(178,747)	(51,328)	29%
Use of third party assets	(15,898)	(15,906)	8	0%
Personnel	-	-		0%
Other operating expenses	(6,374)	(1,709)	(4,665)	273%
EBITDA	63,475	145,756	(82,281)	56%
EBITDA Margin (% VoP)	20%	43%		53%
Amortization	(1,179)	(359)	(820)	228%
Depreciation	(5,299)		(5,299)	0%
Write-downs	(299)	(512)	213	42%
EBIT	56,698	144,885	(88,187)	61%
EBIT Margin (% VoP)	18%	42%		58%
Financial income				0%
Financial expenses	(10,636)	(220)	(10,416)	4735%
Exchange gains/(losses)				0%
Pre-tax result	46,062	144,665	(98,603)	68%
Income taxes	(13,607)	(40,460)	26,853	66%
Profit	32,455	104,205	(71,750)	69%

Gallo Technics S.r.l.

Financial Debt	31/12/2025	31/12/2024	Change	%
A) Available liquidity	37,408	15,551	21,857	141%
B) Cash and cash equivalents	-	-	-	
C) Other current financial assets	-	-	-	
Other current assets			-	
D) Liquidity (A+B+C)	37,408	15,551	21,857	141%
E) Current financial debt	22,611	-	22,611	
F) Current portion of non-current financial debt	-	-	-	
Other current liabilities	-	-	-	
G) Current financial debt (E+F)	22,611	-	22,611	
H) Net current financial debt (G- D)	-14,797	-15,551	754	-5%
I) Non-current financial debt	-	-	-	
J) Debt instruments	-	-	-	
K) Trade payables and other non-current payables	-	-	-	
L) Non-current financial debt (I+J+K)	-	-	-	
M) Total financial debt (H+L)	-14,797	-15,551	754	-5%
Financial receivables beyond 12 months	-	-	-	
Overdue Tax Payables	10,773	12,000	-1,227	-10%
Total ADJ net financial debt	-4,024	-3,551	-473	13%

Matildi & Partners S.r.l.

Balance Sheet	31/12/2025	31/12/2024	Change	%
Inventories	1,978,402	332,294	1,646,108	495%
Trade receivables	1,864,488	916,599	947,889	103%
Trade payables	(652,985)	(337,756)	(315,229)	93%
Commercial working capital	3,189,905	911,137	2,278,768	250%
Other Assets	106,824	68,464	38,360	56%
Other Liabilities	(1,195,351)	(123,476)	(1,071,875)	868%
Net Working Capital	2,101,378	856,125	1,245,253	145%
Intangible assets	205,811	42,759	163,052	381%
Property, plant and equipment	30,013	27,870	2,143	8%
Financial assets	-	-	-	-
Gross Capital Employed	2,337,202	926,754	1,410,448	152%
Post-employment benefits	(62,729)	(59,504)	(3,225)	5%
Provisions	-	-	-	-
Net Capital Employed	2,274,473	867,250	1,407,223	162%
Bank payables (short-term)	793,859	168,989	624,870	370%
Bank payables (medium/long-term)	55,963	-	-	-
Financial liabilities	849,822	168,989	680,833	403%
Cash	(5,857)	(37,837)	31,980	85%
Other financial assets	-	-	-	-
Net financial debt	843,965	131,152	712,813	544%
Share Capital	35,000	35,000		0%
Reserves	528,113	471,698	56,415	12%
Net result	867,395	229,400	637,995	278%
Total SE	1,430,508	736,098	694,410	94%
Total sources	2,274,473	867,250	1,407,223	162%

Matildi & Partners S.r.l.

Income Statement	2025	2024	Change	%
Revenues	1,682,453	231,759	1,450,694	626%
Change in inventories				0%
Changes in contract work in progress	1,646,108	213,280	1,432,828	672%
Increases for internal work				0%
Other operating income	19,836	4,095	15,741	384%
Value Of Production	3,348,397	449,134	2,899,263	646%
Costs for raw materials and consumables	(5,576)	(613)	(4,963)	810%
Service costs	(1,884,868)	(148,783)	(1,736,085)	1167%
Use of third party assets	(48,528)	(15,990)	(32,538)	203%
Personnel	(126,345)	(18,586)	(107,759)	580%
Other operating expenses	(12,119)	(3,834)	(8,285)	216%
EBITDA	1,270,961	261,328	1,009,633	386%
EBITDA Margin (% VoP)	38%	58%	-	35%
Amortization	(14,765)	(1,260)	(13,505)	1072%
Depreciation	(11,721)	(1,820)	(9,901)	544%
Write-downs				0%
EBIT	1,244,475	258,248	986,227	382%
EBIT Margin (% VoP)	37%	57%	-	35%
Financial income	12	1,903	(1,891)	99%
Financial expenses	(8,690)	(15,333)	6,643	43%
Exchange gains/(losses)				0%
Pre-tax result	1,235,797	244,818	990,979	405%
Income taxes	(368,404)	(15,418)	(352,986)	2289%
Profit	867,393	229,400	637,993	278%

Matildi & Partners S.r.l.

Financial Debt	31/12/2025	31/12/2024	Change	%
A) Available liquidity	5,857	37,837	(31,980)	85%
B) Cash and cash equivalents	-	-		0
C) Other current financial assets	-	-		0
Other current assets				0
D) Liquidity (A+B+C)	5,857	37,837	(31,980)	85%
E) Current financial debt	793,859	168,989	624,870	370%
F) Current portion of non-current financial debt	-	-		0
Other current liabilities	-	-		0
G) Current financial debt (E+F)	793,859	168,989	624,870	370%
H) Net current financial debt (G-D)	788,002	131,152	656,850	501%
I) Non-current financial debt	55,963		55,963	0%
J) Debt instruments	-			0
K) Trade payables and other non-current payables	-			0
L) Non-current financial debt (I+J+K)	55,963		55,963	0%
M) Total financial debt (H+L)	788,002	131,152	656,850	501%
Financial receivables beyond 12 months	-	-		0%
Overdue Tax Payables	28,285	-		0%
Total ADJ net financial debt	872,250	131,152	741,098	565%

Franchetti S.p.A. Group

Consolidated Financial
Statements



General company information

General Information

Company:	Franchetti Group
Registered Office of the parent company:	Piazzale Della Vittoria, 7, 36071 Arzignano Vi
Share Capital of the parent company:	471,786
Share Capital of the parent company fully paid-in:	yes
Parent company's Chamber of Commerce Code:	Vicenza
VAT No. of the parent company:	03835470240
Tax code of the parent company:	03835470240
REA number of the parent company:	357868
Legal form of the parent company:	Joint-Stock Company
Sector of principal activity (ATECO):	721909 Research and experimental development in the field of other natural sciences and engineering
Company in liquidation:	no
Single shareholder company:	no
Company subject to outside direction and control:	no
Name of the company or entity which exercises direction and control	
Belonging to a group:	yes
Name of the parent company:	Franchetti S.p.A.
Location of the parent company:	Italy
Co-operative registration No.:	n/a



Balance sheet	31/12/2025	31/12/2024
Assets		
A) Share capital issued and not yet paid		
Total share capital issued and not yet paid (A)	-	-
B) Fixed assets		
I Intangible assets		
1) Start-up and expansion costs	2,493	4,627
3) Industrial patent rights and intellectual property rights	3,728,862	1,389,332
4) Concessions, licenses, trademarks and similar rights	1,664	-
5) Goodwill	3,381,416	3,297,977
6) Assets in progress and advances	625,250	312,415
7) Others	1,046,522	1,008,627
Total intangible assets	8,786,207	6,012,978
II Property, plant & equipment		
2) Plant and machinery	43,524	4,252
3) Industrial and commercial equipment	227,574	171,093
4) Other assets	157,090	71,399
Total property, plant and equipment	428,188	246,744
III - Financial assets		
2) Receivables		
d-bis) others		
Due within one year	2,114,207	234,128
Total other receivables	2,114,207	234,128
Total Receivables	2,114,207	234,128
Total financial assets	2,114,207	234,128
Total fixed assets (B)	11,328,602	6,493,850
C) Current assets		
I) Inventories		
3) Contract work-in-progress	9,180,982	4,171,102
Total inventories	9,180,982	4,171,102
II) Receivables		
1) Trade receivables		
Due within one year	9,303,040	7,507,860
Total trade receivables	9,303,040	7,507,860

Balance sheet		31/12/2025	31/12/2024
5-bis)	Tax receivables		
	Due within one year	779,746	704,789
	Total tax receivables	779,746	704,789
5-quarter)	Others		
	Due within one year	1,641,912	258,708
	Total other receivables	1,641,912	258,708
	Total receivables	11,724,698	8,471,357
III	Current financial assets		
	Total financial assets not constituting fixed assets	-	-
IV	Cash and cash equivalents		
1)	Bank and postal deposits	6,881,063	6,157,645
3)	Cash and valuables on hand	2,522	6,012
	Total cash and equivalents	6,883,585	6,163,657
	Total current assets (C)	27,789,265	18,806,116
D)	Prepayments and accrued income	185,281	107,128
	Total assets	39,303,148	25,407,094

Balance sheet	31/12/2025	31/12/2024
Liabilities		
A) Shareholders' equity		
I Share Capital	487,102	430,387
II Share premium reserve	15,476,762	9,672,782
III Revaluation reserve	-	-
IV Legal reserve	74,493	78,603
V Statutory reserves	-	-
VI Other reserves, separately indicated		
Extraordinary reserve	1,963,810	1,883,342
Future share capital increase reserve	40,868	402,103
Misc. other reserves	2,303,165	716,950
Total other reserves	4,307,843	3,002,395
VII Cash flow hedge reserve	-	-
VIII Retained earnings/(acc. loss)	827,485	115,939
IX Net profit (loss) for the year	855,460	1,507,289
X Negative reserve for treasury shares in portfolio	-	-
Total shareholders' equity (A)	22,029,145	14,807,395
B) Provisions for risks and charges		
Total provisions for risks and charges (B)	-	-
C) post-employment benefits	156,836	160,995
D) Payables		
4) Bank payables		
Due within one year	6,526,380	4,999,683
Due beyond one year	2,480,652	102,273
Total bank payables	9,007,032	5,101,956
7) Trade payables		
Due within one year	3,440,278	1,939,408
Total trade payables	3,440,278	1,939,408
12) Tax payables		
Due within one year	796,879	582,494
Due beyond one year	1,211,972	957,417
Total tax payables	2,008,851	1,539,911
13) Payables to social security institutions		
Due within one year	448,961	380,019
Total payables to social security institutions	448,961	380,019



Balance Sheet

Balance sheet	31/12/2025	31/12/2024
14) Other payables		
Due within one year	2,069,630	1,138,905
Total other payables	2,069,630	1,138,905
Total payables (D)	16,974,752	10,100,199
E) Accrued liabilities and deferred income	142,415	338,505
Total liabilities & share equity	39,303,148	25,407,094



Income statement	31/12/2025	31/12/2024
A) Value of production		
1) Revenues from sales and services	7,390,776	5,584,197
2) Changes in inventories of work in progress, semi-finished and finished products	5,028,081	3,281,410
4) Increases in internal work capitalized	191,374	9,136
5) Other revenues and income		
Operating grants	66,890	42,175
Other	417,160	68,159
Total other income and revenues	484,050	110,334
Total value of production	13,094,281	8,985,077
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	127,340	118,289
7) Services	6,480,256	3,469,945
8) For use of third-party assets	559,820	381,076
9) For staff:		
a) Wages and salaries	1,255,652	1,056,808
b) Social security charges	299,084	219,973
c) Severance pay	89,931	100,243
Total personnel expenses	1,644,667	1,377,024
10) Amortization, depreciation and write-downs:		
a) Amortization of intangible assets	1,383,289	1,053,776
b) Depreciation of tangible fixed assets	91,008	35,508
d) Write-down of receivables included in current assets and of cash and cash equivalents	15,279	34,072
Total amortization, depreciation and write-downs	1,489,576	1,123,356
14) Other operating costs	605,263	240,946
Total costs of production	10,906,922	6,710,636
Difference between value and cost of production (A-B)	2,187,359	2,274,441

Income statement	31/12/2025	31/12/2024
CC) Financial income and expenses		
16) Other financial income:		
d) Income other than above		
Other	79,568	8,193
Total other income than above	79,568	8,193
Total other financial income	79,568	8,193
17) Interest and other financial charges		
Other	387,201	373,331
Total interest and other financial expenses	387,201	373,331
17-bis) Foreign exchange gains and losses	(1,246)	-
Total financial income and expenses (C) (15+16-17+-17-bis)	(308,879)	-365,138
D) Adjustments to the value of financial assets and liabilities		
19) Write-downs:		
a) Investments	428,077	-
Total write-downs	428,077	-
Total adjustments of financial assets and liabilities (18-19)	(428,077)	-
Result before taxes (A-B+-C+-D)	1,450,403	1,909,303
20) Current and deferred taxes		
Current taxes	594,943	402,014
Total Income tax including deferred tax income/charge	594,943	402,014
21) Profit (loss) for the year	855,460	1,507,289

Cash Flow Statement, indirect method	31/12/2025	31/12/2024
A. Cash flow from operating activities (indirect method)		
Profit (loss) for the year	855,460	1,507,290
Income taxes	594,943	402,014
Interest expense/(income)	307,633	365,138
(Dividends)	-	-
(Gains)/losses on sale of assets	-	-
1. Profit (loss) for the year before income tax, interest, dividends and capital gains, losses on disposal	1,758,036	2,274,442
Non-cash adjustments not impacting working capital		
Provisions	-	34,072
Depreciation and amortization of fixed assets	1,474,297	1,089,284
Impairment losses	-	-
Adjustments to financial instrument assets and liabilities that do not involve monetary movements	-	-
Other adjustments up/(down) for non-monetary items	443,356	100,243
Total non-cash adjustments not impacting working capital	1,917,653	1,223,599
2. Cash flow before net working capital changes	3,675,689	3,498,041
Change in net working capital		
Decrease/(Increase) in inventories	(5,009,880)	(3,247,562)
Decrease/(Increase) in trade receivables	(1,810,459)	(1,773,309)
Increase/(Decrease) in trade payables	1,500,870	597,509
Decrease/(Increase) in prepayments and accrued income	(78,153)	(49,215)
Increase/(Decrease) in accrued liabilities and deferred income	(196,090)	58,602
Other decreases/(Other increases) in net working capital	(584,497)	1,838,397
Total changes in working capital	(6,178,209)	(2,575,578)

Cash Flow Statement, indirect method	31/12/2025	31/12/2024
3. Cash flow after net working capital changes	(2,502,520)	922,463
Other adjustments		
Interest received/(paid)	(307,633)	(365,138)
(Income taxes paid)	-	(602,348)
Dividends received	-	-
(Utilization of provisions)	(4,159)	-
Other receipts/(payments)	-	(3,847)
Total other adjustments	(311,792)	(971,333)
Cash flow from operating activities (A)	(2,814,312)	(48,870)
B. Cash flow from investing activities		
Property, plant & equipment		
(Investments)	(272,452)	(211,766)
Divestments	-	-
Intangible assets		
(Investments)	(4,156,518)	(4,804,243)
Divestments	-	-
Financial assets		
(Investments)	(2,308,156)	(202,426)
Divestments	-	-
Current financial assets		
(Investments)	-	-
Divestments	-	-
(Acquisition of business units net of cash and cash equivalents)	-	-
Disposal of business units net of cash and cash equivalents	-	-
Cash flow from investing activities (B)	(6,737,126)	(5,218,435)
C. Cash flow from financing activities		
Third party funds		
Increase/(Decrease) in short-term bank debt	1,526,697	2,211,790
New financing	2,378,379	(130,888)
(Repayment of loans)	-	-
Own funds		
Paid-in share capital increase	6,366,290	453,859
(Repayment of capital)	-	-
Sale/(purchase) of treasury shares	-	-
(Dividends and interim dividends paid)	-	6,293,923
Cash flow from financing activities (C)	10,271,366	8,828,684

Cash Flow Statement, indirect method	31/12/2025	31/12/2024
Increase/(decrease) in cash and cash equivalents (A ± B ± C)	719,928	3,561,379
Exchange rate effect on cash and cash equivalents	-	-
Cash & cash equivalents at beginning of year		
Bank and postal deposits	6,157,645	2,601,905
Checks	-	-
Cash in hand and similar	6,012	373
Total cash and cash equivalents at beginning of year	6,163,657	2,602,278
Of which not freely usable	-	-
Cash and cash equivalents at the end of year		
Bank and postal deposits	6,881,063	6,157,645
Checks	-	-
Cash in hand and similar	2,522	6,012
Total cash and cash equivalents at end of year	6,883,585	6,163,657
Of which not freely usable	-	-

Explanatory notes, first part

Accounting policies

The consolidated financial statements at December 31, 2025 of Franchetti S.p.A. (hereinafter also the “Parent Company”) and its subsidiaries (hereinafter also the “Group”) have been prepared in accordance with Civil Code, and specifically in compliance with the drafting and structure principles set forth in Article 2423 bis. They have been prepared in accordance with the principles of clarity, truthfulness and fairness and the general principle of materiality. Data or information is considered material when its omission or misstatement could influence decisions made by the recipients of the financial statement disclosure.

The financial statements were prepared on a going concern basis. Their structure complies with that outlined by the Civil Code in Articles 2424 and 2425, based on the premises set forth in Article 2423-ter, while the Notes to the Financial Statements comply with Articles 2427, 2427-bis and all other provisions referring to the latter.

These financial statements have been prepared so as to provide sufficient information to give a true and fair view of the financial statements, the net result and the cash flows of the Group as a whole.

The layout and content of the balance sheet and income statement comply with the principles defined by the Italian civil code, as applicable to the Parent Company so as to provide a true and fair view of the Group.

The consolidated financial statements are presented in Euro, unless otherwise specified.

Structure and Content of the Consolidated Financial Statements

Consolidation scope

Company	Registered office	Share capital	Shareholders' Equity	Profit/(loss) for the year	% Holding
Franchetti S.p.A.	Arzignano (VI) Italy	471,786	18,186,865	322,368	100%
Franchetti e Merola Engenharia Ltda	Rio de Janeiro (RJ) Brazil	46,610	2,125,878	241,118	66% + 33%
Franchetti Canada Inc.	Montreal Quebec Canada	1	(240,181)	(6,120)	100%
Gallo Technics S.r.l.	Padua (PD) Italy	10,000	146,805	32,455	67%
Matildi + Partners.S.r.l.	Bologna (BO) Italy	35,000	563,113	867,395	67%

Form and contents of the financial statements

The consolidated financial statements at December 31, 2025 include the financial statements of the parent company **Franchetti S.p.A.**, the financial statements as of the same date of the Brazilian subsidiary **Franchetti e Merola Ltda**, in which the Parent Company directly holds 66% of the voting rights (in addition to the 33% share held by the natural person Paolo Franchetti), the financial statements of the Canadian subsidiary **Franchetti Canada Inc.**, in which the Parent Company directly holds

all of the voting rights, the financial statements of the subsidiary Gallo Technics S.r.l., in which the Parent Company directly holds 67% of the voting rights, and the financial statements of the newly-acquired Matildi + Partners S.r.l., in which the Parent Company directly holds 67% of the voting rights. The financial statements used for the consolidation are prepared by the overseas consultants in terms of the financial statements of the subsidiaries based outside Italy, and by company management for inclusion in the consolidated financial statements, and are appropriately reclassified where necessary, adjusting them to the Group accounting standards.

Basis of consolidation and conversion of foreign currency financial statements

The criteria adopted for the consolidation were as follows:

- Consolidation is carried out according to the line-by-line method, assuming the full amount of assets, liabilities, costs and revenues of the individual companies, regardless of the relative holding;
- The carrying amount of consolidated investments held by the parent company and other consolidated companies has been eliminated against the corresponding share of equity;
- The payables and receivables, expenses and revenues between companies consolidated by the line-by-line method were eliminated;
- Any dividends distributed by consolidated companies were reversed from the income statement;
- Financial statements expressed in currencies other than the reporting currency (Euro) were translated by applying the year-end exchange rates to the individual balance sheet items and average exchange rates for the year to the income statement items. Translation differences are charged directly to consolidated shareholders' equity. The exchange rates applied in the conversion of financial statements expressed in foreign currencies are as follows (expressed in foreign currency per unit of Euro):

Currency rate	Exchange rate at 31/12/2025	2025 Average exchange rate
Canadian Dollar	1.61	1.58
Brazilian Real	6.43	6.31

Consolidation of stake in Strucinspect GmbH

Analysis of paragraph 17 and subsequent ("17. Governance Matters") of the notarial deed regarding the acquisition of Strucinspect GmbH reveals that PALFINGER AG, as a minority shareholder, enjoys an enhanced system of protection through the "Shareholders Reserved Matters" clause (Article 17.5). Specifically:

- the most significant and strategic decisions regarding the company during its current startup phase (corporate transactions, amendments to the By-Laws, capital, major acquisitions/disposals, new lines of business, liquidation) require a quorum of 90% of the votes at the Shareholders' Meeting.
- this quorum attributes substantial veto power to the minority holding at least 10% of the share capital, preventing the majority from unilaterally imposing such choices.
- this protection covers both operations on capital (protection against excessive dilution or disadvantageous transactions) and strategy (protection against the initiation or cessation of unshared business).

- in summary, PALFINGER AG is guaranteed a veto right over all those decisions that have the greatest corporate impact, ensuring it plays an active role in governance and protecting its interests while remaining a minority shareholder.

The contractual clauses analyzed make it clear that PALFINGER AG, while holding a minority interest, exercises effective veto power over the most significant decisions of Strucinspect GmbH. This governance structure means that while the Franchetti Group is the majority shareholder, it does not have the exclusive control required under national accounting standards (Article 2359 Civil Code and OIC 17) to fully consolidate the company; in fact, key strategic and financial decisions cannot be taken unilaterally by Franchetti S.p.A., as parent company, but necessarily require the consent of PALFINGER AG.

As such, a situation of “joint control” or “significant influence” exists, which justifies the application of the equity valuation method.

The Franchetti Group is therefore entitled not to include Strucinspect GmbH in its consolidated financial statements using the line-by-line consolidation method since the condition of sole control is not met. As such, it qualifies the investment relationship with Strucinspect GmbH under the umbrella of “Investments in subsidiaries”.

Basis of preparation

In accordance with the provisions of Article 2423-bis of the Civil Code, the following principles were observed in the preparation of the Financial Statements:

- the individual account items have been measured in accordance with the prudence principle and on a going concern basis, while also taking into account the substance of the transaction or contract;
- only the profits realized in the year were included;
- income and charges pertaining to the year are included, independently of the date of payment or receipt;
- any risks and losses pertaining to the year, which became known after the year ended, are included in the financial statements;
- the individual items included in the various accounts have been valued separately;

The measurement criteria, provided for in Article 2426 of the Civil Code, are unchanged from those adopted in the previous year.

The Financial statements and the Explanatory notes were prepared in units of Euro.

Changes in accounting standards

There are no changes from that communicated last year with reference to the adoption of accounting standard OIC 23, referring to the valuation of contract work-in-progress.

Accounting policies applied

In preparing these Financial Statements, the measurement criteria set forth in Article 2426 of the Civil Code have been applied.

Intangible assets are valued at purchase or internal production cost, including accessory costs directly attributable to the asset.

The amounts are shown net of amortization, calculated systematically, taking into

Intangible assets

account their residual utilization.

Fixed assets whose value at the end of the fiscal year is permanently lower than the value as determined above have been recorded at that lower value.

Such is not maintained in subsequent financial statements where the reasons for the adjustment made have ceased to apply, with the exception of goodwill.

From FY 2025, the parent company has updated the amortization rate applied to intangible assets related to proprietary software, reducing it from 33% to 20%.

This change reflects a revised estimate of the useful economic life of the applications developed by the Company, made on the basis of the technological evolution of the platforms and their actual operational use.

Specifically, recent experience with the proprietary software suite has shown that these solutions are not short-lived application tools, but structural and continuously evolving technology platforms that are used for extended periods of time and incrementally upgraded to extend their functionality and economic life span.

Considering this, Management deemed the previous amortization rate of 33% (corresponding to an estimated useful life of approximately 3 years) no longer representative of the real economic useful life of software, while the rate of 20% (estimated useful life of approximately 5 years) is more consistent with their actual usage periods and the potential development of the parent company's technology platforms.

The changed amortization rate is therefore motivated by the need to align the accounting criterion with the actual useful life of intangible assets, ensuring a more accurate and prudent representation of assets' economic deterioration over time.

Property, plant & equipment

Property, plant and equipment are recorded in the financial statements at purchase or internal production cost. This cost includes accessory charges, as well as directly allocated costs.

There are no changes in the depreciation rates compared to the previous year.

Fixed assets whose value at the end of the fiscal year is permanently lower than the value as determined above have been recorded at that lower value. Such is not maintained in subsequent financial statements where the reasons for the adjustment made have ceased to apply.

Financial fixed assets

Financial assets consisting of investments in subsidiaries are valued in accordance with the cost method, including accessory charges; the cost value is determined on the basis of the purchase or subscription price or the value assigned to the assets conferred.

The cost as calculated above is reduced for any impairment losses; where the reasons for the adjustment cease to apply, the value of the equity investment is restored within the limit of the purchase cost.

The value thus determined is not higher than the value that would have been determined by applying the criteria set forth in Article 2426, point 4 of the Civil Code. The investment in the associated company is recognized for the full cost of the acquisition.

Inventories, securities and current financial assets

Pursuant to accounting standard OIC 23 "Contract Work-in-Progress" it should be noted that inventories recorded in the financial statements have been valued on the basis of their estimated realizable value, corresponding to the expected net sales value, as this is higher than the cost incurred.

This methodology reliably reflects the progress of contract orders and ensures a true



and fair view of the company's financial position, in line with the provisions of OIC 23. Losses on contract orders estimated with reasonable certainty are fully expensed to the income statement in the year they are identified.

The market value is determined based on the current costs of services at fiscal year-end.

Receivables have been recognized according to their estimated realizable value, through the accrual of a relative doubtful debt provision, to which an amount corresponding to the risk of non-collectability of the receivables represented in the financial statements is set aside annually, based on the general economic conditions and those of the sector to which they belong, as well as the origin of the debtor. Pursuant to OIC 15, paragraph 84, it should be noted that the amortized cost criterion was not adopted in the valuation of receivables, as the effects are irrelevant for the purpose of providing a true and fair view.

Receivables

This item includes cash and cash equivalents and liquidity held by the company with credit institutions, all expressed at their nominal value, and converted to domestic currency when concerning accounts in foreign currency.

Cash and cash equivalents

Accruals and deferrals were calculated on an accruals basis by allocating revenues and/or costs common to multiple fiscal years.

Deferrals were calculated according to the "economic time" criterion since the contractual services received do not have a constant economic content over time, and therefore the allocation of the cost (and thus the allocation to the present year of the accrued portion) is made in relation to the conditions of the undertaking of operations, as specified in accounting standard OIC 18.

Accruals and deferrals

Accruals were calculated according to the "economic time" criterion since the contractual services provided do not have a constant economic content over time, and therefore the allocation of the income (and thus the allocation to the present year of the accrued portion) is made in relation to the conditions of the undertaking of operations, as specified in accounting standard OIC 18.

The items are shown in the financial statements at their book value in accordance with the indications contained in accounting standard OIC 28.

Shareholders' Equity

Provisions for risks and charges are provided to cover known or likely losses or liabilities of a specific nature, the timing and extent of which cannot be determined at year end.

These provisions have been measured in accordance with the prudence and accruals concepts and no provision has been made for matters without any economic justification.

Provisions for risks and charges

The post-employment benefits provision corresponds to the liability of the Company to employees, in accordance with current legislation and in particular the provisions of Article 2120 of the Civil Code and collective labor contracts and agreements.

These liabilities are subject to index-linked revaluation.

Post-employment benefit provision

Payables

Payables are recognized at nominal value, net of premiums, discounts, and allowances, and include, where applicable, interest accrued and payable as of fiscal year-end.

Pursuant to OIC 19, paragraph 86, it should be noted that the amortized cost criterion was not adopted in the valuation of receivables, as the effects are irrelevant for the purpose of providing a true and fair view.

Translation of foreign currency balances

Receivables and payables originally expressed in foreign currencies are converted into Euro at the historical exchange rates on the day on which they arose. Foreign exchange differences realized on settling payables and collecting receivables in foreign currencies are charged to the income statement.

Receivables in foreign currencies at year-end have been converted into Euro at the exchange rate at the reporting date.

The foreign exchange gains and losses thus recognized have been presented in the income statement of the financial statements under item C.17-bis "Foreign exchange gains/losses" if necessary by setting aside an amount equal to the net profit emerging from the sum of the values considered, until they are realized, to a non-distributable equity reserve.

Recognition of revenues and costs

Revenues and income are stated net of returns, discounts and rebates, and net of direct taxes related to the sales of products and services rendered.

Specifically, it covers:

- **revenues for services rendered** are recognized on the basis of the services provided and in compliance with the relative contracts.
- **revenues for contract work-in-progress** are recognized in proportion to the progress of the work;
- **revenues for the sale of goods** are recognized on the transfer of ownership. This normally takes place when the goods are shipped or delivered;
- **costs** are recognized in accordance with the accruals concept;
- **provisions for risks and charges** are recorded by nature, where possible, in the relevant income statement category;
- **financial income and expenses** are recognized in accordance with the accruals concept.

Dividends

Dividends are recognized on an accruals basis, when the right to receive them arises, in accordance with OIC 21.

Income taxes

Income taxes are recorded on an accruals basis, and in accordance with applicable law and the estimated assessable income; in the Balance Sheet the payable is recorded in the account "Tax payables" and the receivable in the account "Tax receivables".

With reference to the recognition of tax effects arising from timing differences between the presentation of economic components in the Financial Statements and the time of their fiscal materiality, the following is specified.

Deferred taxes have been calculated on the basis of taxable temporary differences by applying the tax rate that is deemed to be in effect at the time when such temporary differences will generate increases in the tax base.

In accordance with principle of prudence, deferred tax assets have been calculated on deductible temporary differences by applying the tax rate deemed to be in effect at the time when such differences will generate a decrease in taxable income, based on the principle of reasonable certainty of the existence of future taxable income sufficient to reabsorb the above changes.

The amount of deferred tax assets are reviewed each year, in order to verify the continuation of the reasonable certainty of future assessable income, such as to recover the entire amount of the deferred tax assets.

The amount of deferred tax assets and liabilities is also subject to restatement in the event of changes in the tax rates originally considered.

Other information

In order to present the most significant changes in the items in the financial statements in an organic and structured manner, the following specific statements are presented.

Financial statement reclassifications

A statement of Net Financial Debt is provided below. Prepared in accordance with the ESMA Guidelines, it presents the composition of financial debt. A negative value indicates a situation in which financial assets exceed financial liabilities.

Net financial debt

Net Debt	Value at 31/12/25	Value at 31/12/24	Change	%
A) Available liquidity	6,883,586	6,163,657	719,929	12%
B) Cash and cash equivalents	-	-	-	
C) Other current financial assets	-	-	-	
Other current assets	-	-	-	
D) Liquidity (A+B+C)	6,883,586	6,163,657	719,929	12%
E) Current financial debt	6,526,380	4,999,683	1,526,697	31%
F) Current portion of non-current financial debt	-	-	-	
Other current liabilities	-	-	-	
G) Current financial debt (E+F)	6,526,380	4,999,683	1,526,697	31%
H) Net current financial debt (G-D)	(357,206)	(1,163,974)	806,768	69%
I) Non-current financial debt	2,480,652	102,273	2,378,379	2.326%
J) Debt instruments	-	-	-	
K) Trade payables and other non-current payables	-	-	-	
L) Non-current financial debt (I+J+K)	2,480,652	102,273	2,378,379	2.326%
M) Total financial debt (H+L)	2,123,446	(1,061,701)	3,185,147	300%
Financial receivables beyond 12 months	(240,202)	(234,128)	(6,074)	3%
Overdue Tax Payables	1,266,316	957,417	308,899	32%
Total ADJ net financial debt	3,149,560	(338,412)	3,487,972	1.031%

Consolidated Income Statement	2025	2024	Change	%
Revenues	7,390,776	5,584,197	1,806,579	32%
Change in inventories	5,028,081	3,281,410	1,746,671	53%
Increases for internal work	191,374	9,136	182,238	1995%
Other operating income	484,050	110,333	373,717	339%
Value of production	13,094,281	8,985,076	4,109,205	46%
Costs for raw materials and consumables	(127,340)	(118,289)	(9,052)	8%
Service costs	(6,480,256)	(3,469,945)	(3,010,311)	87%
Use of third party assets	(559,820)	(381,076)	(178,744)	47%
Personnel	(1,644,667)	(1,377,023)	(267,644)	19%
Other operating expenses	(605,263)	(240,945)	(364,317)	151%
EBITDA	3,676,935	3,397,798	279,137	8%
EBITDA Margin (% VoP)	28%	38%		
Amortization	(1,383,289)	(1,053,776)	(329,513)	31%
Depreciation	(91,008)	(35,508)	(55,499)	156%
Write-downs	(15,279)	(34,072)	18,793	(55%)
EBIT	2,187,359	2,274,442	(87,083)	(4%)
EBIT Margin (% VoP)	17%	25%		
Financial income	79,568	8,193	71,375	871%
Financial expenses & financial asset adjustments	(815,278)	(373,331)	(441,947)	118%
Exchange gains/(losses)	(1,246)	-	-	0%
Pre-tax result	1,450,403	1,909,304	(458,901)	(24%)
Income taxes	(594,943)	(402,014)	(192,929)	48%
Profit	855,460	1,507,290	(651,830)	(43%)

Explanatory Notes - Assets

Assets

The item “**Industrial patents and intellectual property rights**” includes the proprietary suite, which in turn contains the “Argan”, “Pathwork”, “Sidecheck”, “Optimist” and “Sightzero” software. These are internally developed technological solutions that constitute significant corporate assets. The Company uses these tools to carry out predictive maintenance and digitalization for infrastructure and real estate assets of high strategic importance, including bridges, viaducts, tunnels, hospital facilities, and other categories of building.

The Group has to date managed a portfolio equivalent to more than 40,000 bridges, utilizing the potential offered by its software platforms. Based on proprietary algorithms developed in the engineering field, these platforms enable the acquisition, digitalization and analysis of big data from each infrastructure, providing advanced support for all operational activities.

The parent company Franchetti S.p.A.’s strategic objective is to continuously develop its software internally, thereby maintaining a technology offering that aligns with changes in the market, customer needs and the growing prevalence of the Internet of Things (IoT) in the digitalization of physical assets.

As such, the Company has embarked on a major long-term technological development plan to modernize **its proprietary Ktema software suite** (formerly Digiroads). First and foremost, this plan provides for the transition to “cloud-ready” architectures, but represents a strategic transformation process and not simply a technical upgrade.

The ultimate objective is to improve the performance, security and scalability of the solutions, ensuring they remain consistently aligned with the highest market standards.

R&D is a key element in the company’s mission and is based on a structured and concrete long-term investment plan. This involves significant use of internal engineering resources, the external supply chain, and key senior figures in the organization, while also improving synergies with other strategic Franchetti Group areas.

The sizeable R&D investments are justified not only in terms of strategic coherence, but also in the direct and measurable relationship between costs and expected future benefits. As such, these costs contribute continuously to renewing the Company’s operational structure. These dynamics are reflected in the growth in intangible assets, which represent the concrete results of the innovation produced.

“**Assets in progress and advances**” includes fixed assets not yet allocated to specific assets, as well as investments related to M&A transactions still being finalized.

During the year, the Group continued its acquisition-led growth activities, which was behind the parent company’s decision in 2022 to enter the regulated financial market.

In FY 2025, the parent company continued to scout and analyze potential acquisition-led growth opportunities, which saw the Brazilian group ECR Engenharia identified as a target of strategic interest.

On March 4, 2026, this led to the signing of a binding agreement to acquire 55% of the share capital of the aforementioned company.

Costs incurred as part of the process to identify, evaluate and negotiate the transaction are therefore recognized under assets in progress, as they are directly related to an investment transaction that, at the reporting date, has not yet been finalized.

Intangible assets

In parallel, the parent company has invested in developing innovative solutions, with a focus on integrating Building Information Modeling (BIM). Projects are ongoing in this area to create digital twins for existing buildings and infrastructure.

These tools allow high-fidelity three-dimensional models to be created, which detail not only the structures' geometry but also include all the functional information required for asset management, maintenance and optimization.

During the year, the parent company Franchetti S.p.A. began the analysis, design and planning activities to prepare for the implementation of a new ERP system. This is designed to support the centralized and integrated management of business processes, which may in the future be extended to associated companies.

As the system had not yet entered operation at the end of the fiscal year, costs incurred for preliminary activities are recognized to assets in progress.

The "Corporate & Public Affairs Platform" project (Project L) is particularly noteworthy. This investment forms part of the Company's strategic R&D initiatives and targets the definition and application of a Corporate & Public Affairs Platform, including the related organizational and operational model.

The initiative is applied in a market environment that features structural growth in engineering services applied to infrastructure. It is supported by significant public and private investment programs, both nationally and internationally, with a focus on digitalization, resilience and sustainability. Further opportunities are created by the development of strategic programs - such as Military Mobility - that are geared toward enhancing transportation infrastructure and digital management platforms.

The project seeks to strengthen the Company's institutional positioning and develop relationships with public and private stakeholders, fostering new growth opportunities in the medium to long term. Launched in 2025, the project is currently in the development and operational testing phase, in line with the planned roadmap. There have been no critical issues in terms of technical or economic sustainability.

Finally, the "Bridge Inspection Digitization" Project is highlighted. This relates to the development of a new ARGAN software application module, which acquires and supplements data from bridge inspection activities carried out through the software of the related company Strucinspect.

The initiative stems from the growing need to add advanced digital tools to collect, manage and analyze inspection data, consistent with the ever-changing regulatory framework and the need to ensure increasingly systematic and structured infrastructure monitoring. The module being developed will allow data collected during inspections to be directly linked with the platform's analysis and maintenance planning systems, facilitating more efficient and integrated management of technical information.

The project forms part of the wider ecosystem of the parent company's proprietary software suite and helps to improve the quality, traceability and reliability of inspection data. It also increases the overall efficiency of processes to assess the health of works and the planning of maintenance activities. These activities are in line with the Group's technological development targets and present use cases that are in line with the company's core business. No major technical or economic criticalities have been identified to date.

"Other deferred costs" mainly includes capitalized costs related to the listing process of the parent company. The remaining items relate to investments to improve third-party assets made at the Arzignano and Rome sites and M&A costs not previously allocated to increase the value of the shareholdings acquired.

Account Items	Value at 31/12/24	Change	Cge. %	Value at 31/12/25
Start-up and expansion costs	4,627	(2,134)	(46%)	2,493
Industrial patents and intellectual property rights	1,389,332	2,341,194	169%	3,730,526
Work-in-progress & advances	312,415	312,835	100%	625,250
Other deferred costs	1,008,626	37,896	4%	1,046,522
Goodwill	3,297,977	83,439	3%	3,381,416
Total	6,012,978	2,773,230	46%	8,786,207

Intangible assets as of 31/12/2025 amounted to Euro 8,786,207 (Euro 6,012,977 at the end of the previous year), net of amortization.

The following table presents the changes in intangible assets (Article 2427, point 2 of the Civil Code). The amounts for the previous year are presented under “Opening balance”:

Movements of intangible assets

	Start-up and expansion costs	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Goodwill	Assets in progress and advances	Other intangible assets	Total intangible assets
Opening balance							
Cost	11,361	2,431,801	74,000	3,297,977	312,415	1,703,827	7,831,381
Amortization (Accumulated amortization)	6,734	1,042,469	74,000	-	-	695,200	1,818,403
Carrying amount	4,627	1,389,332	-	3,297,977	312,415	1,008,627	6,012,978
Changes in the year							
Amortization in the year	169,691	830,186	119	-	-	383,293	1,383,289
Other changes	167,557	3,169,716	1,783	83,439	312,835	421,188	4,156,518
Total changes	(2,134)	2,339,530	1,664	83,439	312,835	37,895	2,773,229
Closing balance							
Cost	11,361	5,397,934	76,140	3,381,416	625,250	2,275,270	11,767,371
Amortization (Accumulated amortization)	8,868	1,669,072	74,476	-	-	1,228,748	2,981,164
Carrying amount	2,493	3,728,862	1,664	3,381,416	625,250	1,046,522	8,786,207

Intangible assets increased significantly in the year, with the net carrying amount rising from Euro 6,012,978 to Euro 8,786,207, an overall increase of Euro 2,773,229.

The increase mainly relates to the investments in industrial patent and intellectual property rights, which increased significantly, in addition to intangible assets in progress and advances, reflecting the extensive development and modernization of the proprietary software suite.

The overall movement highlights the strengthening of the Group's intangible assets, consistent with the strategy of investing in technological development, proprietary software and acquisition-led growth transactions.

Property, plant & equipment

The following table presents the breakdown of property, plant and equipment and the changes in the year.

Account Items	Value at 31/12/24	Change	Change %	Value at 31/12/25
Specific plant	4,253	39,271	923%	43,524
EDP	171,092	56,482	33%	227,574
Equipment	10,839	1,006	9%	11,845
Offices furniture and fittings	58,405	34,377	59%	92,782
Motor vehicles	2,155	49,230	2284%	51,385
Cellular phones	-	1,079	100%	1,079
Total	246,744	181,445	74%	428,188

Property, plant and equipment, net of accumulated depreciation, amounted to Euro 428,188 (Euro 246,743 at the end of the previous year).

Movements of property, plant and equipment

The following table highlights the components comprising the net carrying amount in the Financial Statements (Article 2427, point 2 of the Civil Code). The prior year amounts are presented under "Opening balance":

	Plant and machinery	Commercial and industrial equipment	Other property, plant and equipment	Total property, plant and equipment
Opening balance				
Cost	12,738	361,988	253,211	627,937
Depreciation (Accumulated depreciation)	8,486	-	181,812	190,298
Write-downs	-	190,895	-	190,895
Carrying amount	4,252	171,093	71,399	246,744
Changes in the year				
Depreciation in the year	6,240	50,722	34,046	91,008
Other changes	45,512	107,203	119,737	272,452
Total changes	39,272	56,481	85,691	181,444
Closing balance				
Cost	58,250	479,699	362,163	900,112
Depreciation (Accumulated depreciation)	14,726	-	205,073	219,799
Write-downs	-	252,125	-	252,125
Carrying amount	43,524	227,574	157,090	428,188

Property, plant and equipment increased significantly in the year, with the net carrying amount rising from Euro 246,744 to Euro 428,188, an overall increase of Euro 181,444.

The increase mainly concerns the investments in the various categories of assets, as reflected in the “other changes” for Euro 272,452, which mainly concerned “industrial and commercial equipment” and “other tangible assets”.

The movements overall reflect the strengthening of the Group’s production base, accompanied by a process of renewing and updating tangible assets, in line with operational and business development needs.

The following table presents the changes in financial fixed assets. The main increase relates to the recognition under “other movements” of the value of the investment in the associated company Strucinspect GmbH. It should be noted that this investment, as consolidated using the equity method (OIC 17), is not subject to elimination upon consolidation and is therefore presented in this item.

Financial fixed assets

The remaining amount concerns security deposits referring to rental guarantees.

	Opening nominal amount	Opening net value	Other movements increases/ (decreases)	Closing nominal amount	Closing net value
Cash collateral deposits due within one year	234,128	234,128	6,074	240,202	240,202
Investments in associated companies (Strucinspect)	-	-	1,874,005	1,874,005	1,874,005
Total	234,128	234,128	1,880,079	2,114,207	2,114,207

As already outlined in the consolidation criteria section, in view of the shareholder agreements in place, Strucinspect GmbH is considered an investment subject to significant influence. Consequently, the Directors decided not to consolidate on a line-by-line basis, categorizing the investment as an associated company.

In the consolidated financial statements, the investment was recognized at equity, with a downward adjustment for the associated company’s result.

This decision, made on a prudent basis, goes beyond that strictly required by the accounting standards.

The OIC rules and standards in fact would have allowed the loss not to be recognized in the first year, even in the presence of a negative difference not considered a long-term impairment.

Paragraph 90 of OIC 17 and the provisions of OIC 21 confirm that any write-down is subject to the establishment of objective and non-transitory factors. A loss may not be considered permanent where the investee has prepared credible and sustainable plans and programs for operating and financial equilibrium, such that the impairment is considered temporary.

This is evident from the development plan drawn up by the company, which forecasts, following the start-up period, the achievement of positive results.

Finally, it should be noted that Articles 18 and 19 of the EGM Issuers’ Regulation stipulate that “Euronext Growth Milan Issuers may not apply the exemptions from the obligation to prepare consolidated financial statements under Article 27 of Legislative Decree No. 127/91, excluding paragraph 3-bis”.

With regard to the receivable due from the Canadian subsidiary, the Company has assessed, in accordance with accounting standard OIC 15, the application of the amortized cost criterion. It was not deemed necessary to recognize effects in the financial statements, as this receivable is similar to a non-interest bearing intercompany loan.

However, for the purpose of complete and transparent disclosure, the theoretical effects of applying the amortized cost criterion, applying the average legal rate for the last five years, are however provided below:

Year	Nominal receivable	Opening receivable	Rate	Interest	Closing receivable
2020	271,338	271,338	2.50%	6,783	278,121
2021	246,338	278,121	2.50%	6,158	284,280
2022	303,838	316,780	2.50%	7,919	324,699
2023	325,247	346,108	2.50%	8,653	354,761
2024	372,790	402,304	2.50%	10,058	412,362
2025	374,245	413,817	2.50%	10,345	424,163

Current assets

Inventories

Pursuant to Article 2427, paragraph 4 of the Civil Code, the item is broken down below.

	Value at 31/12/24	Change during the year	Change %	Value at 31/12/25
Contract work-in-progress	4,171,102	5,009,880	120%	9,180,982
Total inventories	4,171,102	5,009,880	120%	9,180,982

Inventories are classified under “**contract work-in-progress**” as concerning labor hours and not components and/or manufactured goods, and are valued at estimated realizable value.

The following tables provide a detailed analysis of the most significant inventories (exceeding Euro 50,000) pertaining to each Group Company.

With reference to the parent company:

Order	Client	Inventories
25-066	Anas	812,134
23-291	Anas	532,236
23-294	Anas	422,939
25-294	Anas	187,320
23-150	Anas	183,106
25-295	Anas	180,490
24-189	Anas	151,300
19-213	Tecne	130,074
21-101	ULSS3	108,912
24-188	Anas	97,409
25-344	Anas	95,320
25-108	Anas Lombardy	78,064
25-020-CO	Corner	77,500
22-169	Città Metropolitana di Bologna	74,206
25-010-CO	Corner	69,887
21-163	VI.Abilità S.p.a.	69,792
25-036	Anas	60,868

With reference to the Brazilian subsidiary “FRANCHETTI e MEROLA ENGENHARIA LTDA”:

Order	Client	Inventories
24-080	Ecorodovias - cadastro geometrico (ex ecoaraguaia)	584,943
22-121	Ecorodovias auditoria	363,479
23-227	Econoroeste - Laudos de integridade	249,184
22-075	Ecoriominas - Auditoria	159,722
24-124	(Ex epr litoral) Ecovias do araguaia	120,012
24-245	Epr vias do café	99,206
25-114	Vli-projeto executivo	82,010
24-243	EPR triangulo mineiro	67,422
24-144	Lamsa	66,685

With reference to the subsidiary “GALLO TECHNICS S.r.l.”, in the absence of closing inventories with a value of Euro 50,000, the most significant are presented:

Order	Client	Inventories
GT-01	BIANALISI	6,300
GT-02	MUNICIPALITY OF PD	4,464
GT-03	AMV	3,000
GT-04	STOCCO TOMASIN	2,500
GT-05	SCANFERLA SILVIA	2,000

With reference to the subsidiary “MATILDI + PARTNERS S.r.l.”:

Order	Client	Inventories
275S_1	ANAS LOMBARDY	508,065
277S_1	ICM	306,193
194S_1	PROVINCE OF FOGGIA	289,068
226S_1	ANAS TUSCANY	260,742
264S_1	ANAS FRIULI	117,276
200S_1	ANAS CALABRIA	74,938
219S_1	ANAS EMILIA ROMAGNA	61,640
262S_1	ANAS LOMBARDY	59,238

Current receivables

Receivables

Current receivables amounted to Euro 11,724,698 (Euro 8,471,357 in the previous year). The composition is represented as follows:

	Due within one year	Total nominal value	(Provisions for risks/ devaluations)	Net value
Trade receivables	9,379,857	9,379,857	76,817	9,303,040
Tax receivables	779,746	779,746	-	779,746
Others	1,641,912	1,641,912	-	1,641,912
Total	11,801,515	11,801,515	76,817	11,724,698

Receivables totaled Euro 11,724,698, net of provisions for risks and write-downs of Euro 76,817, referring exclusively to trade receivables.

In particular, trade receivables represent the main component, with a net value of Euro 9,303,040. This item also includes invoices to be issued for a total of Euro 5,074,654 relating to services already performed although not yet invoiced at the end of the financial year, consistent with sector practice, which is often linked to client authorization timelines.



Tax receivables amounted to Euro 779,746 and are fully collectible and mainly attributable to the VAT receivable of the parent company.

Other receivables, amounting to Euro 1,641,912, mainly include miscellaneous items relating to operating activities and advances to suppliers.

The structure of receivables overall reflects the Group's operating activity dynamics and the significant proportion of invoices to be issued, which represents a normal aspect of the accounts receivable cycle.

The following table shows the breakdown of receivables by maturity, pursuant to Article 2427, paragraph 1, No. 6 of the Civil Code:

**Receivables -
Breakdown
by maturity**

	Value at 31/12/24	Change during the year	Value at 31/12/25	Due within one year
Current trade receivables	7,507,860	1,795,180	9,303,040	9,303,040
Current tax receivables	704,789	74,957	779,746	779,746
Current other receivables	258,708	1,383,204	1,641,912	1,641,912
Total current receivables	8,471,357	3,253,341	11,724,698	11,724,698

Current receivables by region are reported below, in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

**Receivables -
Breakdown by
region**

Region	Current trade receivables	Current tax receivables	Current other receivables	Total current receivables
Italy	7,730,975	612,973	1,581,735	9,925,683
Brazil	1,572,065	166,773	60,177	1,799,015
Total	9,303,040	779,746	1,641,912	11,724,698

The balance as detailed below represents the amount and changes in cash and cash equivalents at year-end (Article 2427, point 4 of the Civil Code).

The main components of the increase in the year, net of expenses for investments, are the share capital increase completed by the parent company on March 24, 2025, together with the exercise of the third and final period of the "Franchetti 2022-2025" warrants which concluded on October 15, 2025.

**Cash and cash
equivalents**

	Value at 31/12/24	Change during the year	Cge. %	Value at 31/12/25
Bank and postal deposits	6,157,645	723,418	12%	6,881,063
Cash in hand and similar	6,012	(3,490)	(58%)	2,522
Total cash and equivalents	6,163,657	719,928	12%	6,883,585

Prepayments and accrued income

The composition and changes in this item are detailed as follows (Article 2427, point 7 of the Civil Code):

In the recognition, as well as in the review of prepayments of long-term duration, the existence or permanence of their manifestation was verified. Where this condition appears to have changed, appropriate changes have been made.

Prepayments and accrued income relate mainly to insurance policies, local taxes and other long-term costs, as detailed below:

	Value at 31/12/24	Change during the year	Cge. %	Value at 31/12/25
Prepayments	-	58,328		58,328
Prepayments	107,128	19,825	19%	126,953
Total prepayments and accrued income	107,128	78,153	73%	185,281

Financial expenses capitalized

It is hereby certified that no capitalization of financial expenses to the values entered as assets in the Balance Sheet was undertaken during the year (Article 2427, point 8 of the Civil Code).

Explanatory Notes - Liabilities and Shareholders' Equity
Shareholders' Equity

Net profit/(loss)	31/12/2025	31/12/2024	Change	Cge. %
Net profit resulting from the parent company's financial statements	322,368	378,569	(56,201)	(17.43%)
Group profit share of net results of subsidiaries assumed in consolidated financial statements	556,099	1,369,584	(813,485)	(146.28%)
Consolidation adjustments	(23,006)	(240,864)	217,858	(946.96%)
Net result as per the group's consolidated financial statements	855,460	1,507,289	(651,829)	(76.20%)

The Group consolidated net profit was Euro 855,460 in 2025, decreasing on Euro 1,507,289 in the previous year (-Euro 651,829, -76.20%).

The movement mainly concerns the change in the Group's share of the results of the subsidiaries, amounting to Euro 556,099, compared to Euro 1,369,584 in 2024 (-Euro 813,485). In this regard, the earnings of the Brazilian subsidiary contracted, partially offset by the excellent Matildi+Partners performance, which in 2025 was consolidated for the entire financial year (12 months), compared to only one month in 2024. The reduced overall profitability was however impacted by the contribution of the investment in Strucinspect GmbH, valued at equity (OIC 17), which is still in the start-up phase having begun operations in March 2025.

The parent company's net profit saw a more contained contraction to Euro 322,368 (Euro 378,569 in the previous year, -17.43%), confirming it substantially stable stand-alone performance.

Overall, the reduction in the consolidated net profit mainly related to the reduced contribution of the subsidiaries, against the substantial stability of the parent company and improved consolidation adjustments.

Shareholders' Equity	31/12/2024	Change	Cge. %	31/12/2025
Shareholders' equity resulting from the parent company's financial statements	12,321,949	6,187,284	33.43%	18,509,233
Group shareholders' equity	2,485,444	1,034,468	29.39%	3,519,912
Shareholders' equity as per the group's consolidated financial statements	14,807,393	7,221,752	32.78%	22,029,145

Changes in the shareholders' equity accounts

Shareholders' Equity at year-end amounted to Euro 22,029,145 and presented the following changes (Article 2427, point 4 of the Civil Code).

The following is a reconciliation between the result for the period and the Group's shareholders' equity.

	Value at 31/12/24	Allocation of dividends	Other allocations	Reclass./ (loss)	Net profit	Value at 31/12/25
Share capital	430,387	-	-	56,715		487,102
Share premium reserve	9,672,782	-	-	5,803,980		15,476,762
Legal reserve	78,603	-	-	(4,110)		74,493
Other reserves		-	-			
Extraordinary Reserve	1,883,342	-	-	80,468		1,963,810
Reserve for future share capital increase	402,103	-	-	(361,235)		40,868
Various other reserves	716,950	-	-	1,586,215		2,303,165
Total other reserves	3,002,395	-	-	1,305,448		4,307,843
Retained earnings/ (accumulated losses)	115,939	-	711,546	-		827,485
Net profit/(loss)	1,507,289	-	(1,507,289)	-	855,460	855,460
Total Shareholders' Equity	14,807,395	-	(795,743)	7,162,033	855,460	22,029,145

Shareholders' equity significantly increased in the year to Euro 22,029,145, compared to Euro 14,807,395 at December 31, 2024, increasing Euro 7,221,750.

This movement is principally due to the share capital increase completed in March 2025, resulting in an increase in the share capital (from Euro 430,387 to Euro 487,102) and the proceeds from the exercise of the third tranche of the warrants in October 2025. This significantly strengthened the share premium reserve, which increased from Euro 9,672,782 to Euro 15,476,762 (+Euro 5,803,980).

The other equity components were stable overall, with limited changes relating to internal reclassifications and the allocation of the result. Specifically, retained earnings increased due to the allocation of the previous year's net profit, while the 2025 net profit contributed Euro 855,460.

Overall, the movement in shareholders' equity reflects the strengthening of the company's capital structure as a result of the share capital increase transactions and the capacity to generate profits, in line with the growth path undertaken.

The movements of the consolidation and translation reserve are presented below.

	Receivables /Payables	NE Currency diffs. BRA	NE Convers. diffs. BRA	Diff, goodwill CND	Balance sheet/ income statement currency diffs.	SE Italy Cancellation of investments	Balances
Balance at 31/12/2024	(112,781)	81,865	828,926	9,136	-90,195	-	716,951
Currency differences BRA	125,262	(255)					125,007
Cancellation of investment vs NE BRA		507	1,026,861				1,027,368
Alignment initial difference goodwill Canada				(15,256)			(15,256)
Currency diffs.		(81,865)			85,704		3,839
Cancellation of investments vs Gallo						91,659	91,659
Cancellation of investment vs Matildi						353,836	353,836
Balance at 31/12/2025	12,481	252	1,855,787	(6,120)	(4,491)	445,495	2,303,404

The changes in consolidation adjustments reflect both the corporate transactions during the period and the effects from the conversion of the overseas companies' financial statements.

Net of foreign currency differences, the amount of Euro 2,303,404 in the consolidation and translation reserve consists of the difference between the value of the investments acquired by the parent company and the effective value of the shares of the subsidiaries.

The provision reflects the effective liability of the various companies at 31/12/2025 to employees in service at that date, net of advances paid and provisions allocated to supplementary pension schemes. The accruals and utilizations are presented in the following table (Article 2427, point 4 of the Civil Code).

Post-employment benefit provisions

Post-employment benefit provisions	
Opening balance	160,995
Changes in the year	
Other changes	(4,159)
Total changes	(4,159)
Closing balance	156,836

Payables

The composition of payables, the changes in the individual items and their breakdown by maturity are shown in the following table (Article 2427, No. 4, Civil Code). It should be noted preliminarily that the gross amount of tax payables is Euro

Changes and maturity of payables

2,008,851, against income taxes for the year amounting to Euro 594,943. The overdue amount of IRES and IRAP taxes of Franchetti S.p.A., referring to fiscal year 2025, was Euro 1,070,615.

With regards to the prior VAT payable, payments are being settled according to regular repayment plans. These positions were not considered for the purpose of determining the Net Financial Debt.

	Value at 31/12/24	Change during the year	Change %	Value at 31/12/25
Bank payables	5,101,956	3,905,076	77%	9,007,032
Trade payables	1,939,408	1,500,870	77%	3,440,278
Tax payables	1,539,911	468,940	30%	2,008,851
Payables to social security institutions	380,019	68,942	18%	448,961
Other payables	1,138,905	930,725	82%	2,069,630
Total	10,100,199	6,874,553	68%	16,974,752

Payables - Breakdown by maturity

The breakdown of payables by maturity is reported below in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

	Value at 31/12/24	Change during the year	Value at 31/12/25	Due within one year	Due beyond one year	Of which with a residual maturity of more than 5 years
Bank payables	5,101,956	3,905,076	9,007,032	6,526,380	2,480,652	-
Trade payables	1,939,408	1,500,870	3,440,278	3,440,278	-	-
Tax payables	1,539,911	468,940	2,008,851	796,879	1,211,972	-
Payables to social security institutions	380,019	68,942	448,961	448,961	-	-
Other payables	1,138,905	930,725	2,069,630	2,069,630	-	-
Total payables	10,100,199	6,874,553	16,974,752	13,282,128	3,692,624	-

Payables significantly increased in the year to Euro 16,974,752, compared to Euro 10,100,199 at December 31, 2024, a total increase of Euro 6,874,553.

The increase is mainly attributable to bank payables, which amounted to Euro 9,007,032 (+Euro 3,905,076), reflecting the increased use of sources of financing to support the Group's growth and investments. It should be noted that these exposures mainly refer to revolving self-liquidating lines, for which no specific contractual maturity may be identified. The breakdown between current and non-current portions is therefore made solely for the purpose of correct accounting.

Trade payables amounted to Euro 3,440,278 (+Euro 1,500,870), in line with the increase in operating volumes, while tax payables amounted to Euro 2,008,851 (+Euro 468,940), of which a significant portion are classified as due beyond one year, also based on the existing repayment plans.

Payables to social security institutions amounted to Euro 448,961, an increase over the previous year, consistent with the increase in personnel expenses.

“Other payables”, amounting to Euro 2,069,630 (+Euro 930,725), mainly includes payables to personnel, settled in January 2026, in addition to the liabilities related to the completion of corporate transactions, including the balance for the acquisition of Strucinspect GmbH (settled in January 2026) and the second payment tranche related to Matildi+Partners.

Overall, the composition of payables reflects the Group’s increased recourse to debt to step up operating and investment activities, with a predominance of short-term liabilities consistent with the nature of the operating cycle.

Payables are broken down below according to the debtors’ region below.

Breakdown of payables by region

Region	Bank payables	Trade payables	Tax payables	Payables to social security institutions	Other payables	Payables
Italy	8,434,936	2,657,682	1,852,207	448,961	2,069,630	15,463,416
Brazil	572,096	780,414	156,644	-	-	1,509,154
Canada	-	2,182	-	-	-	2,182
Total	9,007,032	3,440,278	2,008,851	448,961	2,069,630	16,974,752

There are no payables secured by guarantees on Group assets, as per Article 2427, paragraph 1, No. 6 of the Civil Code.

Payables secured by guarantees on company assets

The composition and movements of this item are presented below (Article 2427, point 7 of the Civil Code).

In the recognition, as well as in the review of accrued liabilities of long-term duration, the existence or permanence of their manifestation was verified. Where this condition appears to have changed, appropriate changes have been made. Accrued liabilities and deferred income at December 31, 2025 are related to the listing receivable and the accrued interest expense, as detailed below:

Accrued liabilities and deferred income

	Value at 31/12/24	Change during the year	Cge. %	Value at 31/12/25
Accrued liabilities	156,365	(63,950)	(41%)	92,415
Deferred income	182,140	(132,140)	(73%)	50,000
Total accrued liabilities and deferred income	338,505	(196,090)	(58%)	142,415

Explanatory Notes - Income Statement

Value of production

The breakdown of the “Value of production” and the changes in the individual accounts compared to the previous year are illustrated below:

Description	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
Revenues from sales and services	5,584,197	1,806,579	32%	7,390,776
Changes in inventory of work-in-progress, semi-finished & finished products	3,281,410	1,746,671	53%	5,028,081
Increase in internal work capitalized	9,136	182,238	1995%	191,374
Other income	110,334	373,716	339%	484,050
Total value of production	8,985,077	4,109,204	46%	13,094,281

“**Revenues from sales and services**” include, in addition to revenues from invoices issued (Euro 5,586,867), the amounts allocated for invoices to be issued (Euro 1,803,909), concerning services already completed and delivered, for which formal authorization for issuance by the client is pending.

“**Change in inventories**” includes the increase in the value of estimated revenues related to contracts in progress that have not yet been completed and delivered as of year-end.

“**Increases in internal work capitalized**” totaling Euro 191,374 are recognized in accordance with OIC 12 and refer mainly to costs incurred internally by the Group for software development (Euro 197,494), partially offset by the negative impact of the loss for the year of the Canadian subsidiary (Euro 6,120).

“**Other revenues and income**” include prior year income, income from expected insurance reimbursements (Euro 200,000) and operating grants (Euro 66,890).

Breakdown of revenues from sales and services by region

In accordance with point 10) of Article 2427, the breakdown of revenues from sales and services by region is provided below. In addition to invoices issued, revenues include amounts for invoices to be issued as of December 31, 2025.

Region	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
Italy	4,641,409	257,221	6%	4,898,630
Brazil	942,788	1,549,358	164%	2,492,146
Total	5,584,197	1,806,579	32%	7,390,776

The parent company's main revenues, grouped by client type, are presented below:

Client Type	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
ANAS	1.970,634	(877,069)	(45%)	1,093,565
MANAGEMENT AUTHORITIES	98,536	82,321	84%	180,857
PRIVATE CLIENTS	538,809	(179,381)	(33%)	359,428
PUBLIC CLIENTS	260,096	197,337	76%	457,433

With reference to the Brazilian subsidiary "FRANCHETTI e MEROLA ENGENHARIA LTDA" the revenues from the main orders are presented below:

Client	Value at 31/12/2025
CONCESSIONARIA DA PONTE RIO NITEROI S.A. ECOPONTE	112,633
CONCESSIONARIA DA PONTE RIO NITEROI S.A. ECOPONTE	89,705
CONCESSIONARIA ECOVIAS DO ARAGUAIA S.A.	85,723
VLI MULTIMODAL S A	82,990
CONCESSIONÁRIA DE RODOVIAS NOROESTE PAULISTA SA	70,121
EPR LITORAL PIONEIRO	69,161
CONCESSIONARIA ECOVIAS DOS IMIGRANTES	55,397
ECORIOMINAS CONCESSIONARIA DE RODOVIAS SA	51,122

With reference to the subsidiary "GALLO TECHNICS S.r.l." the revenues from the main orders are presented below:

Client	Value at 31/12/2025
MUNICIPALITY OF NOVENTA VICENTINA	26,400
MATE SOCIETA' COOPERATIVA	20,000
OPERA DELLA PROVVIDENZA SANT'ANTONIO	11,400
SOGESID SPA	8,200
CITTADELLA VIGODARZERE GIORGIO	7,000
CA' MURA' S.r.l.	6,000
CAORLE RIVIERA S.r.l.	6,000
SPK S.r.l.	4,800

With reference to the subsidiary “MATILDI + PARTNERS S.r.l.” the revenues from the main orders are presented below:

Client	Value at 31/12/2025
ICM	734,862
ANAS	62,333
MUNICIPALITY OF CROTONE	55,226
ANAS	44,208
MUNICIPALITY OF CROTONE	34,909
ANAS	34,628
ICM	34,613
ANAS	32,024

Costs of production

The following table indicates the breakdown and movement of “**Costs of production**”.

Description	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
Raw materials, ancillary, consumables and goods for resale	118,289	9,051	8%	127,340
Services	3,469,945	3,010,311	87%	6,480,256
Rents, lease and similar costs	381,076	178,744	47%	559,820
Personnel expenses:				
a) salaries and wages	1,056,808	198,844	19%	1,255,652
b) social security charges	219,972	79,112	36%	299,084
c) severance pay provision	100,243	(10,313)	-10%	89,931
d) pension and similar rights	-	-	0%	-
e) other costs	-	-	0%	-
Amortization, depreciation, and write-downs				
a) amortization	1,053,776	329,513	31%	1,383,289
b) depreciation	35,507	55,500	156%	91,008
c) other write-downs of fixed assets	-	-	0%	-
d) write-downs of current receivables	34,072	(18,793)	(55%)	15,279
Other operating costs	240,945	364,317	151%	605,263
Rounding	-	-		-
Total	6,710,634	4,196,287	63%	10,906,922

The following table summarizes the items comprising “**Service costs**”, whose change in value exceeds the amount of Euro 50,000:

Cost	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
Technical Consulting Internal Collaborations	856,424	2,049,700	239%	2,906,124
Technical Consulting External Collaborations	285,870	1,060,859	371%	1,346,729
Commercial Consultancy	20,620	253,811	1231%	274,431
Various Insurance	138,055	169,568	123%	307,623
Software license fees	32,115	110,140	343%	142,255
Expenses Hotels Bars Restaurants	152,354	99,088	65%	251,442

Also with reference to this category of costs, it is noted that:

- “**Technical consulting internal collaborations**” - this item encompasses the personnel expenses of the parent company and subsidiaries, both Italian and overseas, for the continuous employment of a significant number of self-employed collaborators. The increase is consistent with the strategy of strengthening internal know-how, partly through the stepping up of collaborations with highly qualified professionals, particularly at the Brazilian subsidiary.
- “**Technical consulting external collaborators**” - this item includes the costs of the specialized technical personnel utilized, in particular by the Parent Company and the subsidiary Matildi, for the execution of their orders;
- “**Commercial consultancy**” - the item includes costs incurred for specialized business development activities, such as identifying and analyzing potential customers, mapping new business opportunities and supporting entry into new markets, in addition to the institutional communication services to strengthen the parent company’s positioning and manage relations with the public and private stakeholders;
- “**various insurance**” - for the parent company, the increase concerns both the adjustment of insurance limits and the variable component of premiums, which is related to the value of production. It should be noted, in particular, that an umbrella Professional Indemnity Insurance (PII) policy was taken out in FY 2025, structured as a Master policy covering the European companies, alongside a local policy dedicated to the Brazilian market;
- “**Software license fees**” - the item includes costs incurred for the acquisition and use of software licenses, both basic and application software, necessary for the operation of the company’s information systems and the performance of operational activities. In particular, the increase reflects the growing importance of BIM and software suite modernization activities;
- “**Hotel and restaurant expenses**” - the higher amount in the year is directly related to the intensive M&A activity carried out by the parent company in 2025;

“**Costs for use of third party assets**”. The only item whose change in value exceeds the amount of Euro 50,000 refers to lease costs:

Historic	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
Property lease charges	218,276	179,096	82%	397,372

The following is also noted:

- **“Property lease charges”** - the higher cost comes from the increased spaces leased in Italy for the offices in Milan, Rome, and Arzignano (office use) and in Brazil for the expansion of the operational headquarters.

The main **“Personnel expenses”** include:

Cost	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
Salaries	642,699	214,929	33%	857,628
INPS contributions on salaries	117,693	64,652	55%	182,345
Total	760,392	279,581	37%	1,039,973

Personnel expenses significantly increased in the year to Euro 1,039,973, compared to Euro 760,392 in the previous year, an overall increase of 37%.

This reflects the strengthening of the organizational structure and the expansion of the workforce, in line with the Group’s development path and operational needs.

The most significant items related to **“Amortization, depreciation and write-downs”** include:

Description	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
Amortization, depreciation, and write-downs				
A) Amortization	1,053,776	329,513	31%	1,383,289
B) Depreciation	35,508	55,500	156%	91,008

The increase in the amortization of intangible assets is mainly attributable to the significant capitalizations made, both in the current and previous years, mainly by the parent company and the Brazilian subsidiary. The main assets subject to amortization include internally-developed software and deferred costs related to investment activities and M&A’s.

Other operating expenses

Other operating expenses are included in the costs of production in the income statement totaling Euro 605,263 (Euro 240,946 in the previous year).

The composition of individual items is as follows:

	Value at 31/12/2024	Change	Change %	Value at 31/12/2025
Subscriptions to magazines, newspapers	8,869	3,809	43%	12,678
Prior year expenses and capital losses	26,022	207,109	796%	233,131
Other operating expenses	206,055	153,399	74%	359,454
Total	240,946	364,317	151%	605,263

This item mainly includes costs incurred in the year by the parent company totaling Euro 110,665 for the stock exchange listing and the fees of the Euronext Growth Advisor (EGA).



The increase in prior year expenses, amounting to Euro 207,109, is mainly attributable to adjustments of debt positions of a tax nature relating to previous years, concerning the parent company (VAT, IRAP and Inarcassa contributions) and the Brazilian subsidiary.

Financial income and expenses

In accordance with the provisions of Item 12) of Article 2427 of the Civil Code, details are provided on the amount of interest and other financial payables related to bonds, bank payables and others.

Financial income is recognized in the income statement for a total of Euro 79,568. The breakdown of the individual items is presented in the table below. The main component is interest income accrued on cash deposited in the bank accounts of the various Group companies.

Breakdown of interest and other financial expenses by type of payables

Finance income

	Value at 31/12/2024	Change during the year	Change %	Value at 31/12/2025
Exchange gains	-	462	100%	462
Bank interest	-	79,106	100%	79,106
Total	-	79,568	100%	79,568

Financial expenses for the year amounted to Euro 816,986, increasing 119% from Euro 373,331 in the previous year (+Euro 443,656).

The overall movement reflects opposing trends among the main components: on the one hand, bank interest expenses of Euro 248,961 significantly decreased (-19%), together with other interest expenses (-61%), confirming the more efficient management of short-term debt.

Interest expense on loans meanwhile increased significantly to Euro 122,734 (+362%), as a result of the increased use of medium to long-term sources of financing to support Group investment and development.

Finally, adjustments to the value of financial assets incorporate the pro-rata impact (66.67%) of the negative performance of the associate Strucinspect GmbH, as required by OIC 17 for consolidation using the equity method.

Financial expenses

	Value at 31/12/2024	Change during the year	Change %	Value at 31/12/2025
Bank interest expenses	306,498	(57,537)	(19%)	248,961
Interest on mortgage loans	26,585	96,149	362%	122,734
Other interest expenses	39,830	(24,331)	(61%)	15,498
Rebates, Discounts, Other int. exp.	56	(48)	(86%)	8
Exchange losses	302	1,406	466%	1,708
Rounding charges	60	(60)	(100%)	-
Adjustments to financial assets	-	428,077	100%	428,077
Total	373,331	443,656	119%	816,986

Current and deferred taxes

Income taxes for the year

The “**Income taxes for the year**” are presented in the following table:

Description	Value at 31/12/2024	Change	Cge. %	Value at 31/12/2025
Current taxes	402,014	192,929	48%	594,943

The Income Taxes of the Parent Company totaled Euro 212,931 for the year 2025, while the taxes of the subsidiary Gallo Technics amounted to Euro 13,607 and those of Matildi + Partners amounted to Euro 368,404, with the remaining amount accruing to the Brazilian subsidiary.



Explanatory Notes - Cash Flow Statement

The consolidated financial position indicates an increase in cash and cash equivalents in the year to Euro 6,883,586, compared to Euro 6,163,657 in the previous year (+Euro 719,929), confirming the strong funding capacity.

The current financial debt simultaneously increased to Euro 6,526,380 (Euro 4,999,683 in the previous year), reflecting the higher funding requirements to support the Group's operational growth. It should be noted that:

- the non-current financial debt increased significantly to Euro 2,480,652, from Euro 102,273 in the previous year, mainly due to the use of medium to long-term sources of financing to support the Group's investments and development strategies;
- as a result of the dynamics outlined above, the total financial debt rose from a positive net position (net cash) of Euro -1,061,701 to a net debt position of Euro 2,123,446;
- considering also financial payables beyond 12 months and overdue tax payables, the adjusted net financial debt was Euro 3,629,964, increasing from Euro -338,412 in the previous year.

This movement reflects the Group's expansion phase and increased use of financial instruments to support the growth plans.

Explanatory Notes - Other Information

Workforce

In accordance with the provisions of point 15) of Article 2427 of the Civil Code, the average composition of employees at 31/12/2025 is presented below.

	Average number 2024	Change	Cge. %	Average number 2025
Executives	2	-	0%	2
Managers	2	-	0%	2
White-collar	15	7	47%	22
Blue-collar	-	-	-	-
Other employees	6	(1)	(17%)	5
Total employees	25	5	20%	30

Remuneration, advances and receivables granted to directors and statutory auditors and commitments undertaken on their behalf

The following table presents the remuneration, advances and receivables granted to the Directors of the various Group companies, the members of the Board of Statutory Auditors, and the Independent Audit Firm, in addition to the commitments made on their behalf for the year to 31/12/2025 by the various Group companies involved.

	Directors	Statutory Auditors	Independent Audit Firm
Fees	178,000	25,680	33,334

Off-balance sheet commitments, guarantees and contingent liabilities

Pursuant to Article 2427, No. 9 of the Civil Code, it should be noted that there are no off-balance sheet commitments, guarantees and contingent liabilities.

Related party transactions

Pursuant to Article 2427, point 22-bis, it should be noted that the related party transactions in the year were conducted at arm's length. The information is contained in the attached Directors' Report.

Off-balance sheet agreements

Pursuant to Article 2427, point 22-ter, it should be noted that there are no off-balance sheet agreements that have significant risks or benefits and that are necessary to assess the Group's operating and financial position.

Subsequent events

Pursuant to Article 2427, No. 22 quater) of the Civil Code, the information is contained in the attached Directors' Report.

Arzignano, March 30, 2026

For the Board of Directors

The Chairperson

Paolo Franchetti

**Declaration of
conformity of
the financial
statements**

The undersigned PAOLO FRANCHETTI, Chairperson of the Board of Directors, aware of the criminal liability under Article 76 of Presidential Decree 445/2000 in the case of false or misleading statements, certifies, pursuant to Article 47 of the same decree, the correspondence of the digital document in XBRL format containing the Balance Sheet, Income Statement, Cash Flow Statement and these Notes to the Financial Statements to those kept on file at the company.

**Relazione della società di revisione indipendente
ai sensi dell'art. 14 del d.lgs. 27 gennaio 2010, n. 39**

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*Agli Azionisti della
FRANCHETTI S.p.A.*

Relazione sulla revisione contabile del bilancio consolidato

Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo Franchetti (il Gruppo) costituito dallo stato patrimoniale al 31 dicembre 2025, dal conto economico, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2025, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità alle norme italiane che ne disciplinano i criteri di redazione.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione. Siamo indipendenti rispetto al Gruppo in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Responsabilità degli amministratori e del collegio sindacale per il bilancio consolidato

Gli amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità alle norme italiane che ne disciplinano i criteri di redazione e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione del Gruppo o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

Responsabilità della società di revisione per la revisione contabile del bilancio consolidato

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori, inclusa la relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio, ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;
- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Relazione su altre disposizioni di legge e regolamentari

Giudizi e dichiarazione ai sensi dell'art. 14, comma 2, lettere e), e-bis) ed e-ter), del D.Lgs. 39/10

Gli amministratori della Franchetti S.p.A. sono responsabili per la predisposizione della relazione sulla gestione del Gruppo Franchetti al 31 dicembre 2025, incluse la sua coerenza con il relativo bilancio consolidato e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di:

- esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio consolidato
- esprimere un giudizio sulla conformità alle norme di legge della relazione sulla gestione
- rilasciare una dichiarazione su eventuali errori significativi nella relazione sulla gestione.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio consolidato del Gruppo Franchetti al 31 dicembre 2025.

Inoltre, a nostro giudizio, la relazione sulla gestione è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e-ter), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione del Gruppo e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Torino, 15 aprile 2026

Ria Grant Thornton S.p.A.



Gianluca Coluccio

(Socio)

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