

FINANCIAL
STATEMENTS
AT DECEMBER 31
2025

**WE MAKE BEAUTY.
BETTER.**

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CHAIRMAN'S LETTER



Dear shareholders, customers and employees,

2025 featured a Beauty market whose development fell short of historic sector growth rates, due on the one hand to the consolidation of the significant post-pandemic growth, and on the other to the geopolitical and trade tensions that have shaped the global environment and inevitably impacted consumption.

Against this backdrop, our Group decided to focus even more on the central pillar of our business model: innovation. This focus drove a consolidation of Group sales, which this year only slightly increased at constant exchange rates - although with higher value added.

This is highlighted at profitability level, whose growth has been tangible and the highest since IPO. The increased profitability was not delivered by containing costs - which increased and particularly in terms of innovation - but rather through increasing the gross profit, highlighting the recognition of the most innovative products available among our customer base.

This recognition comes from the most sophisticated cluster of brands internationally, i.e. the multinationals, who for Intercos grew by double-digits on 2024, following many years of the Emerging Brands' outperformance. This was particularly the case for the Make-up business segment, in which we are recognized as global market leaders.

In a period of market rebalancing such as we have seen in 2025, the search for technological innovation and new "on-trend" products has become even more important, as these are the real key to stimulating end consumption. I consider that 2025 - more than any other year - has demonstrated how our Group plays a key role within the global Beauty value chain.

It was also a year of major changes for Intercos. We consider change to be an integral part of our Group and which enables us to evolve our business model constantly so as to always anticipate the demands of the market, of our customers and to consistently improve the level of service offered.

Our 12 globally-distributed research centers, while maintaining a consistent identity within a single network whose hub remains in Italy, now benefit from greater operational autonomy. This evolution enables the regional structures to develop formulations targeted to the needs of the individual markets, to respond more quickly to emerging trends in the individual regions, thereby strengthening local portfolios and expanding the overall product offer. On the other hand, medium to long-term fundamental research remains centralized at the global level and benefits from a multi-functional approach within the Think Tank whose mission is to develop highly-innovative raw materials and technologies.

This dynamic generates benefits for the Group as a whole, with a positive impact also in Italy, in which the decision-making and strategic center of the innovation model is based.

2025 was also a year of new investments focused on expansion, boosting the production capacity of the South Korean site and one of our Chinese plants. This will enable us to have the necessary production capacity to meet the expected growth, as well as improve supply chain flows with positive effects on production costs.

We look to 2026 with confidence, strengthened by our role as an innovator, by our recognized industrial expertise, the long-term relationships with our customers and a solid business model focused on sustainable growth and value creation over time.



DARIO FERRARI
Executive Chairperson



CHIEF EXECUTIVE OFFICER'S LETTER



In a year that proved more complex than expected due to the challenging geopolitical environment and the general consolidation of the Beauty market, particularly in the U.S., our Group successfully focused on recovering profitability. Following many years of accelerated top line growth, sales in 2025 were substantially in line with the previous year, although amid a reduced packaging component and a greater concentration of higher value added business. This has enabled us, together with the procurement and production efficiency measures, to achieve significant EBITDA growth.

2025 in fact saw significantly increased profitability, thanks also to a sales mix more focused on the higher value added business lines: Make-up, the Group's main

business unit, returned to account for more than 60% of total sales, supported mainly by the increase in multinationals business volumes and in the prestige segment. This has allowed us to increase EBITDA by Euro 12.6 million on the previous year, representing nearly double-digit growth (+9%).

Within a more cautious procurement environment, particularly among the emerging brands (also in view of slowing U.S. consumption), the multinational Groups have instead stepped up the search for more innovative products to stimulate demand - both on the western and eastern markets. This approach is typical in market consolidation phases as gaining market share becomes essential to sustaining their business. It is therefore

fundamental to stimulate demand through product innovation. Within this environment, Intercos was once again able to anticipate trends, strengthening its position as a key strategic partner for global Beauty market innovation.

Looking to the performances of our business units, Make-up's growth far outstripped the general market, up +6%, despite the highly unfavorable exchange rate movements.

Skincare contracted 4%, mainly in view of the American market, in which the emerging brands saw a year of significant volatility. Finally, the Hair&Body business unit reported the most significant decline (-17%), following a 2024 which benefitted from the launch of important new perfume lines (the Business Unit in fact grew +20% compared to 2023). In terms of the performance by geographic area, we continued to be greatly satisfied with the performances in Asia, which saw - again in 2025 - double-digit

growth at constant exchange rates. EMEA however was impacted by the Hair & Body segment result indicated above, reporting a slight contraction in the year (-5%). Finally, the Americas were substantially stable on the previous year, amid a market impacted by weak Make-up consumer volumes.

Finally, we are satisfied with the emerging country performances, with sales in both India and Brazil beating our expectations, highlighting the attractiveness and the maturation process of these countries.

In terms of customer categories, the return to growth of the Multinationals (+9%) is highlighted and whose outsourcing trend, particularly in Make-up, accelerated during the year. The Emerging Brands however saw more fluctuating movements in view of the weaker fragrance performances and the contraction for skincare (particularly in the U.S.).

2025 again featured significant industrial expansion-focused capex, both in China and in Korea, following on from that in preceding years for the Polish and Italian Skin and Hair Care plant. The increase in production capacity will enable the Group to continue on its planned growth trajectories, supported also by recent organizational changes that provide the CEOs of the various Regions with more decision-making power in the area of innovation to build product portfolios which perfectly match the demands of their respective markets.

Intercos continues to look to the future with optimism, strengthened by a unique business model globally. The Group's proven ability to anticipate market trends in all regions will continue to support the growth of the Beauty brands and thus of the target market worldwide.

We would like to thank all the people who, through their daily commitment and passion, help to consolidate a business model which, since its founding, stands out for its uniqueness internationally.



RENATO SEMERARI
Chief Executive Officer

VISION

To be at the heart of
beauty's favorite brands.

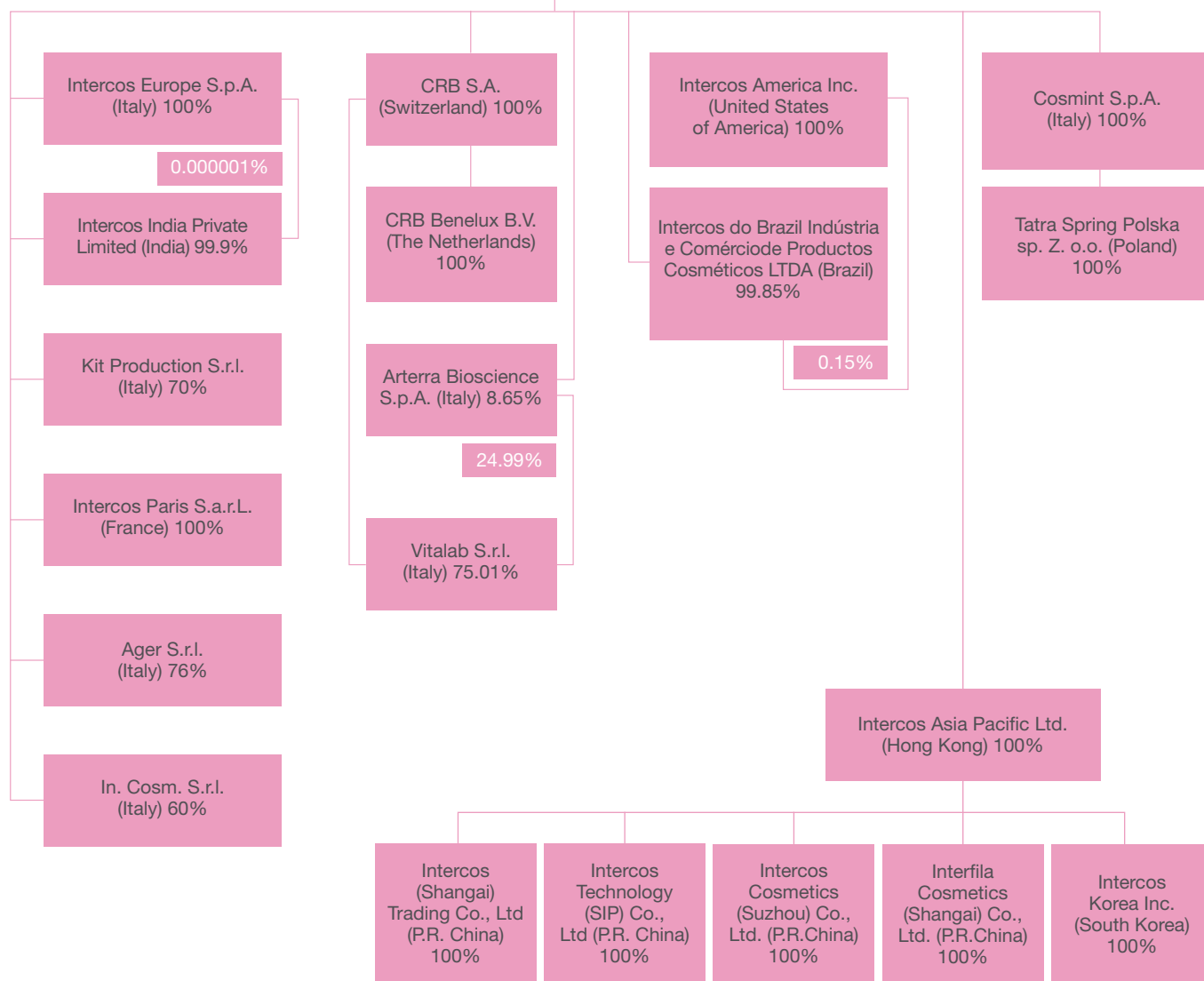
MISSION

To establish lasting *partnerships* with the most relevant and iconic cosmetic *brands*, offering complete ranges of makeup, *skincare* and hair & body care with a global approach.

THE GROUP STRUCTURE

At the preparation date of the financial statements, the Company's business is conducted through the following Group Companies:

Intercos S.p.A.





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03 INDEPENDENT AUDITORS' REPORT



The background features a complex, abstract design of overlapping, translucent, wavy shapes in various shades of pink, magenta, and purple. The shapes create a sense of depth and movement, resembling liquid or fabric. The overall color palette is soft and vibrant, with a gradient from light pink to deep magenta.

FINANCIAL STATEMENTS

2025 Operating and financial performance

The company, following the reorganization of 2011, acts as the corporate parent company. It is the exclusive owner of most of the Italian real estate, trademarks and industrial patents, equity investments in Italian and overseas companies, research and development and strategic marketing activities, in addition to the

management of all the Group's financial and administrative corporate functions.

In view of that outlined above, we provide a 2025 summary income statement (compared with 2024) by activities below:

	Royalties	Service Fees	Rental income/ Other Income	Finance/ Corporate Fees and Costs	2025	2024
Revenues from sales and services	30,971	36,829	-	-	67,800	65,305
Rental income and other revenues	-	-	4,823	746	5,569	5,565
Financial income and dividends	-	-	-	28,099	28,099	29,530
Gain on asset disposals	-	4	-	-	4	8
Gains on sale of equity investments	-	-	-	-	-	-
Total Revenues (A)	30,971	36,833	4,823	28,845	101,472	100,408
Raw materials, consumables and goods	(636)	(758)	-	-	(1,394)	(1,367)
Services and rent, leases and similar costs	(7,508)	(8,929)	(1,169)	(6,993)	(24,599)	(25,119)
Personnel expenses	(8,597)	(22,948)	-	(1,094)	(32,639)	(29,096)
Other costs and provisions	(113)	(876)	-	-	(989)	(774)
Costs capitalized for internal construction	9,216	-	-	-	9,216	8,405
Financial expenses	(2,674)	-	-	(6,086)	(8,760)	(4,241)
Total Operating Costs (B)	(10,312)	(33,511)	(1,169)	(14,172)	(59,164)	(52,193)
Operating profit (EBIT) (A-B)	20,659	3,322	3,654	14,672	42,308	48,215
% of revenue	67%	9%	76%	51%	42%	48%
Non-recurring income and charges	(1,945)	-	-	985	(960)	(2,433)
Amortization, depreciation, and write-downs	(7,125)	(5,150)	(258)	(1,798)	(14,331)	(10,544)
Income taxes	-	-	-	(2,145)	(2,145)	(4,380)
Profit for the year	11,589	(1,827)	3,396	11,714	24,872	30,858





The Company, in its management and coordination role as Parent Company, has recharged **Service Fees** to its subsidiaries totaling Euro 36,829 thousand. These fees have been determined on the basis of the “**Service agreements**”. In 2024, revenues from Service Fees amounted to Euro 35,953 thousand. This increase of Euro 876 thousand is attributable to the higher costs incurred by the Company for the services covered by these contracts. The increased costs are particularly concentrated i) in the Information Technology area in order to ensure the centralized management of all group systems, and ii) in the Strategic Marketing area to ensure the update at Group level of strategic core market information.

“**Royalties**” (totaling Euro 30,971 thousand) includes the amounts determined on the basis of the “License agreement” contracts, which specifically govern the method to reallocate license costs for the use of formula libraries by subsidiaries. Royalties in 2024 amounted to Euro 29,361 thousand.

Royalties are calculated, as set out in the relative contracts, on the “Net sales” of the beneficiary company and also take into account the type of products sold.

“Net sales” on which royalties are calculated are determined by excluding:

- transport costs and indirect taxes recharged to the customer in the price of the product;
- products sold on the basis of formulas developed by the customer;
- packaging, excluding the “delivery system” segment.

Rental income and other revenues of Euro 5,569 thousand mainly refer: i) for Euro 1,815 thousand to recharges for rents to Group companies, ii) for Euro 1,086 thousand to services rendered to third party customers, iii) for Euro 1,921 thousand recharges for various costs incurred on behalf of subsidiaries, and iv) for Euro 746 thousand contributions from the research and development tax credit.

Financial income of Euro 28,099 thousand includes, among others, dividends received from the subsidiaries of Euro 25,647 thousand and interest income from Group companies of Euro 1,831 thousand. In fact, as part of its role as coordinator of the Group’s financial resources, the company provides, as necessary, interest-bearing loans to subsidiaries in order to optimize their resources.

The Dividends received in 2025 as the Group holding company are broken down as follows:

(Euro thousands)	2025	2024
C.r.b SA	-	1,021
Intercos Paris	100	150
Intercos Europe S.p.A.	10,000	15,000
Arterra Bioscience S.p.A.	75	58
Intercos Asia Pacific	8,072	9,120
Intercos Concept S.r.l.	400	1,000
Cosmint S.p.A.	7,000	-
Total	25,647	26,349

Financial expenses amounted to Euro 8,690 thousand, increasing Euro 4,449 thousand. This increase was mainly due to i) lower interest income on derivatives of Euro 5,813 thousand following the closure of the derivative asset; and (ii) higher “Financial expenses on medium-long term debt” of Euro 1,325 thousand related to the medium-long term debt.

In relation to the **net financial (debt) position** of the Company, the net debt in 2025 was Euro (120,411) thousand, compared to Euro (130,033) thousand in 2024, decreasing by Euro 9,622 thousand on the previous year (7.4%).

The main financial transactions during the year were as follows:

- i) Repayment of the capital portions on credit lines for Euro 10,000 thousand regarding the Line A loan and the Cassa Depositi e Prestiti loan (“CDP Loan Contract”) of Euro 25,000 thousand was settled early.

- ii) Payment of dividends to shareholders of Euro 19,000 thousand;
- iii) Two new loans were granted to the subsidiary Intercos Do Brasil during the year: i) one for a total of Euro 300 thousand at the LIBOR 3M rate + Spread 2%, ii) one for a total of Euro 1,400 thousand, at the LIBOR 3M rate + Spread 2%. These loans have a one-year term and will expire during 2026.
- iv) The subsidiary Intercos America during the year was granted 2 new loans totaling Euro 17,300 thousand, at the rate at EURIBOR 6M + 2.52% spread. These loans will expire during 2028.

For further details, reference should be made to the Explanatory Notes.





Economic overview

The global economy in 2025 continued to gradually normalize following the fluctuations of the preceding years, although continuing to feature a significant degree of structural uncertainty. Macroeconomic dynamics have been impacted by inflation trends, prudent monetary policy stances and geopolitical tensions, in addition to trade tensions and the implications of the tariffs adopted by a number of major economies.

According to the International Monetary Fund (IMF), global GDP in 2025 grew 3.2%, amid moderate global growth compared to the immediately preceding years and weaker than the pre-pandemic historic average. The outlook for 2026 is also contained, with global growth of approximately +3.1% expected. The advanced economies report more moderate growth, while many of the emerging economies continue to grow at above-average rates.

Global inflation continued on its gradual downward trend in 2025. The projections indicate the further decline of global inflation for the coming year. In the eurozone and the United States, price trends in 2025 were affected by sector dynamics and the impact of trade tensions.

The major central banks, particularly the U.S. Federal Reserve and the European Central Bank, have adopted a cautious approach to managing interest rates, balancing the need to support price stability with that not to unduly compress economic growth. In this context, a number of rate reductions have been assessed or implemented in response to falling core inflation, while remaining largely near historically-high real levels, particularly in the United States.

Interest rates globally remained relatively high through much of 2025, affecting borrowing costs for businesses and households and, to a certain extent, curbing investment appetite. The labor markets in the major advanced economies however showed remarkable resilience, with low unemployment rates, although persistent cost-of-living pressures continued to erode household purchasing power and affect consumption and particularly in the discretionary sectors.

A major factor impacting the global economy has been the increasing role of protectionist trade policies and the introduction of tariff measures in various geographical areas, primarily in the United States. Increased tariffs have resulted in direct and indirect costs, affecting trade flows, commodity prices and the global value chain, with impacts across businesses and consumers and upon financial market stability. Uncertainties associated with tariff dynamics have contributed to increased volatility in trade and investment plans, generating downside risks in sectors particularly exposed to international trade.

Despite these elements of uncertainty, 2025 overall represented a year of gradual stabilization for the global economy, marked by moderate growth and a gradual rebalancing of the key macroeconomic aggregates. However, it remains essential to closely monitor developments in trade policies, international financial conditions and geopolitical risks, factors that will continue to significantly determine the direction of economic activity over the medium-term.

Market overview

The Beauty market saw opposing trends in 2025. Growth rates, as expected, were substantially low in Europe, while the U.S. Beauty market continued to see growth, mainly thanks to the increase in the prices applied by sector Brands, with volumes however mostly decreasing in many categories. China however saw more encouraging results, with the second half recovering strongly on 2024 and the first half of 2025.

The Group expects growth to pick up in 2026, particularly in the second half of the year, thanks to a recovering U.S. market and continued Chinese growth from the second half of the previous year.

The Intercos Group continues to benefit from the diversification of the countries in which it operates, offsetting any unexpected market developments. Intercos is a Group which over time has increased its presence across global markets in order to understand them, anticipate trends, and make products that are highly innovative. All the while remaining close to the end consumers of our long-term clients and partners, minimizing time-to-market. With fifteen production plants, twelve research centers and sixteen sales offices across the world, the Group is unique in the industry for its geographic, product and customer diversification and is well positioned to benefit from the resilience of the market in which it operates.





Significant transactions in 2025

The following significant transactions took place during 2025:

- **February 25, 2025** – The Board of Directors, having consulted with the CRC, approved the *Group's Anti-Corruption Policy*, with the aim of strengthening governance, the internal control system, regulatory compliance and a corporate culture centered on ethics and transparency.
- **March 4, 2025** – The Board of Directors, having consulted with the ARC and the RPT Committee, appointed two new Organizational SE's: Ms. Maria D'Agata (Group Chief HRO, Legal, Regulatory & Sustainability Officer) and Mr. Stephan Tsassis (Group CEO Asia Pacific Region).
- **March 5, 2025** – Execution of capital increases to service the "2022-2024 Performance Shares Plan" by issuing a total of 106,070 ordinary shares and subsequent announcement of the new composition of the share capital.
- **March 7, 2025** – Shareholder Dafe 4000 S.r.l. attained multi-voting rights on 192,488 shares pursuant to Article 127-*quinquies* CFA.
- **March 31, 2025** – Announcement of new significant shareholders belonging to Gruppo NN for a total of 4,089,173 shares (4.243% of share capital).
- **Criminal Proceedings No. 811/2023** - With reference to the investigation initiated by the Lodi Public Prosecutor's Office concerning the use of substances and the disposal of waste by a Group contractor, the proceedings concluded with a dismissal by the Preliminary Hearing Judge as "there is no case to answer" for the Company, the subsidiary Intercos Europe S.p.A. and the individuals involved.
- **April 16, 2025** (Shareholders' Meeting) – Approval of the "2025-2027 Performance Shares Plan", the third cycle of the equity-based long-term incentive. The use of treasury shares or capital increases under Article 2349 of the Civil Code for employee beneficiaries was authorized.
- **April 16, 2025** (Extraordinary Shareholders' Meeting) – Renewal of authorization to purchase and dispose of treasury shares up to 5% of the share capital, for market purposes, securities reserves, corporate transactions and incentive plans (duration 18 months).
- **April 16, 2025** (Extraordinary Shareholders' Meeting) - Approval of the free capital increase pursuant to Article 2349 of the Civil Code up to Euro 43,350 (maximum 346,800 shares) to service the "2025-2027 Performance Shares Plan".
- **April 22-29, 2025** - Early repayment and cancellation of the CDP loan (Facility A Euro 25 million remaining) and cancellation of Facility B, with settlement of accrued interest, break costs and the commitment fee.
- **June 30, 2025**, - The employment contract with Ms. Morena Maurizia Genziana, former Group Chief Commercial Officer and Organizational SE, was terminated by mutual consent, following her announcement that she intended to take up retirement benefits.
- **July 1, 2025** - Dissolution and commencement of voluntary liquidation of the wholly-owned subsidiary Intercos Concept S.r.l.
- **September 29 – October 30, 2025** - Approval of the final liquidation financial statements and removal from the Register of Companies of the subsidiary company Intercos Concept S.r.l..

- **August 4, 2025** - Resignation of Group CFO and Executive Officer for Financial Reporting Mr. Stefano Zanelli (effective August 31, 2025).
- **September 12, 2025** - Launch of the Buy-Back Program of up to 3.9 million shares (maximum Euro 56 million), to be carried out within 18 months and subject to the limits set by the Market Abuse Regulation.
- **September 12, 2025** - Interim appointment of Mr. Vittorio Brenna as Group CFO and Executive Officer for Financial Reporting.
- **November 6, 2025** - Appointment of Ms. Paola Agasso as the new Group CFO and Executive Officer for Financial Reporting (effective December 1, 2025).
- **December 17, 2025** - Approval of the 2026 corporate events calendar.





Related party transactions

The related party transactions do not qualify as atypical or unusual, as falling within the scope of the Group companies' normal operations. These transactions, where not concluded at standard or specific regulatory conditions, are however undertaken on an arm's length basis.

For a breakdown of the income statement and balance sheet impacts of the related party transactions in 2025, reference should be made to the Explanatory Notes.

Investments in tangible and intangible assets

Capital expenditure in 2025 totaled Euro 1,274 thousand and mainly related to purchases of office machines to upgrade and renew company hardware, in addition to the purchase of machinery for the industrialization of products, generic and specific plants, various laboratory equipment and the completion of renovation work on part of the office buildings.

Intangible Investments in 2025 mainly concerned research and development and software development to optimize operational, administrative and management processes and flows. Specifically, actions focused on the SAP and DEVEX systems used by the company and on the new economic and financial planning reporting systems (One Stream), with investments totaling Euro 15,808 thousand.

For further information, reference should be made to the Explanatory Notes in the "*Property, plant and equipment*" and "*Intangible assets*" paragraphs.

The company invests heavily in research and development in order to identify and create innovative products and efficient and competitive production processes. The search for innovation, both in terms of processes and the final product, begins with knowledge of the make-up market and the relative distribution channels. This know-how allows the company to adapt to changing consumer trends, anticipating them and playing an active role in influencing them.

Research and Development

The Company in 2025 continued to invest in new products and technologies, confirming its international leadership in terms of innovation. Innovation has clearly been a key success factor for many years, enabling the Company to grow and establish itself internationally as a recognized example of “Made in Italy” production and particularly in the *Make-up* sector.

With regards to the “Development costs” item on the Intercos balance sheet, an investment project has been rolled out focused on the following:

- Development costs on projects to create entirely original products on the cosmetics market, particularly in terms of families of New eco-sustainable cosmetic raw materials and dyes, while also for the application of alternative materials to plastics from fossil-origin and toward recovered plastics;
- Development costs on projects to build New Production Technologies, including the creation of innovative automatic packaging lines capable of significantly cutting

production costs, as well as the development of new production techniques to be used in the cosmetics lines and the creation of new compounding platforms capable of performing specific analyses to satisfy market demands.

At December 31, 2025, the Company made investments of Euro 10,188 thousand, Euro 3,593 thousand related to increases for the year and Euro 6,595 thousand for transfers from assets in progress. Assets in progress include research and development projects still being finalized at year-end for Euro 5,216 thousand.

In order to capitalize the aforementioned projects, management carefully assesses the economic benefits expected from them and, during their useful life, checks for any impairment.

For further information, reference should be made to the Explanatory Notes in the “*Property, plant and equipment*” and “*Intangible assets*” paragraphs.





Personnel and Organization

In order to better meet the challenges of the coming years, the company is investing in the strengthening of its various departments.

The workforce at year-end increased by 24 units from 285 employees in 2024 to 309 in 2025.

The following table details the workforce at December 31, 2025 and 2024.

	Workforce at Dec 31, 25	Workforce at Dec 31, 24
Executives	41	41
White collar and managers	242	221
Blue-collar	26	23
Total	309	285

Further details are provided below:

	Workforce at Dec 31, 25	Workforce at Dec 31, 24
Employees as of January 1	285	263
Employees at December 31	309	285
<i>Of which</i>		
Open-ended	291	273
Fixed-term	18	12
Total	309	285

Personnel expenses increased by Euro 3,543 thousand, from Euro 29,096 thousand in 2024 to Euro 32,639 thousand in 2025 (+12%).

The increase in personnel expenses is mainly due to the increase in the number of employees hired during the year for the expansion of the workforce, salary adjustments under collective labor agreements and merit-based increases for employees.

Issues related to work safety, the environment and its protection have always been a focus for the company. The activities carried out by the company in these areas have therefore ensured that during the year there were no cases of accidents at work involving serious injuries to personnel, nor was the company responsible for any damage to the environment.

Financial risk and opportunities management

Every business activity involves opportunities and risks that must be managed. The competence with which this is done is a decisive factor for success in determining the development of a company's shareholder value. The goal in risk management is not to always eliminate every existing risk, but rather to consciously and within set and manageable limits, assume certain risks as part of business activities so as to be able to successfully exploit any arising opportunities. To this end, it is important to keep risks within acceptable limits, as well as to monitor and manage them systematically and on an ongoing basis, taking the issue of risk management into consideration from the initial stages of various decision-making processes.

Overall responsibility for an effective risk management system lies with the Board of Directors, which ensures, among other matters, overall consistency between financial reporting, sustainability reporting and the notes to the financial statements. The coordination and development of this system and the gathering of risk reports are the responsibility of management and the relative functions, with coordination by the function in charge of risk management, while the respective functional areas are responsible for the identification and reporting of individual risks, as well as the assessment and, if necessary, the implementation of counter-measures. Finally, the Internal Audit Department regularly reviews the effectiveness of the overall risk management system, taking measures based on a risk-based plan approved by the Board of Directors. The main results of these reviews are discussed at meetings of the Board of Directors and any internal committees thereto involved. Any adjustments to the risk management system

are then implemented by the Management responsible.

Over the years, the Company has developed a structured Enterprise Risk Management process which seeks to identify, assess and manage the main risks to which it is exposed. These risks consider, on the one hand, the specifics of the business in which the Company operates, and on the other hand the complexities of the cultural, regulatory and normative environment that an international Group must necessarily tackle.

During fiscal years 2024 and 2025, the Enterprise Risk Management methodology was progressively revised and updated, as follows. Firstly, from FY 2024, the Company has supplemented its analyses of major risks with considerations of the short-, medium-, and long-term impacts, risks, and opportunities of material sustainability issues, in line with the double materiality analysis conducted.

The Company's ERM system, consistent with the activities carried out by the Sustainability team, therefore integrates the findings of the double materiality analysis (CSRD/ESRS) and maps the main IROs (impacts, risks and opportunities) along the value chain. Pursuant to ESRS 1 §9.2 and ESRS 2 IRO-1, this section outlines the connectivity between the material risks and financial disclosure, indicating for each risk, where applicable, the financial statement items affected, the 2025 findings already reflected, and the related ESG policies/targets/metrics.

These additions to the Enterprise Risk Management system are functional to complying with the regulatory requirements outlined in





the European Directive 2464/2022/EU, known as the Corporate Sustainability Reporting Directive (CSRD), and subsequent recommendations by the relevant European bodies (i.e., EFRAG) in this area. For more details, see the Consolidated Sustainability Report at December 31, 2025. In addition, in order to improve the process of identifying, assessing and managing major risks, the Enterprise Risk Management (ERM) procedure was updated in the first half of 2025 with the new methodology to assess and respond to risks set by the Company, in line with best practices and key guidelines dictated by regulations that are constantly evolving. The revised ERM procedure was formally approved by the Board of Directors in May 2025, and helps strengthen risk management capacity and the integration of risk and uncertainty awareness at every organizational level, and also forms the basis for the risk management activities carried out in the second half of the year, as well as planned for subsequent years.

For a better understanding of the impact of the risks on the Group's statement of financial position, earnings and cash flows, considerations are provided below for clarity on the Group's exposure to the various types of risk, their likelihood of occurrence, and the measures taken or to be taken to eliminate these risks or mitigate their impact. In line with market best practices and taking into account the size of the Group, the Company has taken out insurance policies to cover a wide range of risks. Among others, these policies cover risks related to product liability, property damage, business interruption, cybersecurity, transportation, and financial loss, and provide adequate coverage for the directors and officers who may be involved. An independent department, working in cooperation with an outside insurance broker, regularly reviews and adjusts the type and extent of insurance coverage. When choosing insurers, the company places special emphasis on the

creditworthiness of contract partners and on achieving maximum diversification in order to minimize the associated risks.

The Company's operations are exposed to various types of risk including, in addition to financial risks such as foreign exchange, interest rate, credit, and liquidity risks, the business risks discussed in more detail below.

As part of the sensitivity analyses outlined below, the impact on the net result and on the shareholders' equity was calculated without considering the tax effect.

CURRENCY RISK

Intercos S.p.A is exposed to the currency risk generated by fluctuations in the value of trade and financial movements denominated in currencies other than the reporting currency.

The principal exchange rates affecting Intercos S.p.A. are mainly the Euro/US Dollar rate, in connection with financial transactions carried out by the company on the North American market and vice versa.

Hedging of these rates is mainly by means of a positioning of the Group's foreign currency balance or by entering into derivative contracts.

A sensitivity analysis is illustrated below which shows the effects on the net result and on shareholders' equity, deriving from an increase/decrease in the exchange rates of 7.5% compared to the actual exchange rates at December 31, 2025 and at December 31, 2024.

In Euro thousands	December 31, 2025		December 31, 2024	
	(7.50%)	7.50%	(7.50%)	7.50%
US Dollar	(8)	7	19	(16)
UK Sterling	-	-	19	(17)
Other currencies	17	(15)	214	(184)
Total	9	(8)	252	(217)

INTEREST RATE RISK

The Company has in place a 5-year senior loan agreement with a syndicate of banks consisting of “Intesa Sanpaolo S.p.A.”, “BNP Paribas, Italian Branch”, and “UniCredit S.p.A.”, which was signed on July 31, 2024.

With regard to Tranche A, on June 30, 2025 the Company repaid the first installment of Euro 5,000 thousand and on December 31, 2025 the second installment of Euro 5,000 thousand (for an overall annual total of Euro 10,000 thousand).

With reference to the Senior Loan Agreement, the Company has not entered into any interest rate risk hedging contracts.

As regards the loan contract with Cassa Depositi e Prestiti S.p.A. (the “CDP Loan Contract”), entered into by the Company on February 20, 2024 (and amended on October 28, 2024 with the signing of an “Amendment & Restatement Agreement”), to support a portion of the Group’s financial needs related to the investments under the 2023-2027 business

plan, on April 22, 2025 the Company sent Cassa Depositi e Prestiti S.p.A. the “pre-payment and cancellation notice letter” (“Notice Letter”), in which it expressed its desire to make early repayment and cancel the Loan.

Following the issuance of the Notice Letter, on April 29, 2025 (the “Repayment and Cancellation Date”), the Outstanding Loan under Facility A (the outstanding principal amount of which was Euro 25,000 thousand) was repaid in full, together with (i) any interest accrued up to and including the Repayment and Cancellation Date; (ii) any break costs applicable on the Repayment and Cancellation Date; and (iii) the agreed commitment fee. In addition, as of the Repayment and Cancellation Date, the available line of credit related to Facility B was also cancelled.

A sensitivity analysis representing the impacts on the net result from an increase/decrease in interest rates of 50 basis points over the interest rates at December 31, 2024 and December 31, 2025 and amid constant other variables is reported below.

In Euro thousands	2025		2024	
	(0.50%)	0.50%	(0.50%)	0.50%
Euro	875	(875)	1,025	(1,025)
Total	875	(875)	1,025	(1,025)

The potential impacts described above are calculated by taking into account the liabilities representing the most significant portion of the debt at the reporting date and calculating, on this amount, the potential effect of the change in interest rates on an annual basis.





The liabilities subject to this analysis include variable rate financial payables and receivables, cash and cash equivalents and derivative financial instruments whose value is influenced by interest rate changes.

For further details, reference should be made to Note 18 “Bank borrowings and other lenders” in the Explanatory Notes.

CREDIT RISK

Given the nature of the Company as a holding company, the financial statements at December 31, 2025 include receivables from group companies for corporate services provided to subsidiaries. Therefore, credit risk is not a significant risk and is managed jointly with liquidity risk as the administrative department puts in place procedures to ensure the timely payment of receivables between group companies in order to improve the management of the group’s liquidity.

LIQUIDITY RISK

Prudent management of the liquidity risk from normal operations of the company implies the holding of an adequate level of liquidity, in addition to adequate funding from committed credit lines.

For further details, please refer to Section 2 “Basis of Preparation of the Financial Statements” of the explanatory notes relating to “Supplier Finance Arrangements”.

In addition, the company - in its centralized treasury management role - and so as to maintain adequate cash flows to support business needs, following a prudent analysis of the liquidity of the subsidiaries, has the following available instruments: i) Dividend collection; ii) Receipt of short-term inter-company loans.

The Finance Department monitors the forecast uses of liquidity reserves on the basis of expected cash flows.

The following table reports the cash reserves at December 31, 2025, compared with the previous year:

In Euro thousands	2025	2024
Cash	11,126	41,696
Total	11,126	41,696

The following table includes a maturity analysis of payables, other liabilities and derivatives settled on a net basis.

	Within 1 year	From 1 to 5 years	Beyond 5 years	At December 31, 2025
Line A	10,000	59,624	-	69,624
Line B	-	99,472	-	99,472
Acquisition Line*	(202)	-	-	(202)
Revolving Line**	(247)	-	-	(247)
Payables for financial leases and IFRS 16	270	346	-	616
Medium/long-term debt	9,821	159,442	-	169,263
Payables to Group companies	2,150	-	-	2,150
Short-term debt	2,150	-	-	2,150

In completion of the disclosure on financial risks, a reconciliation is provided below between classes of financial assets and liabilities, as identified in the statement of financial position of Intercos S.p.A. and the types of assets and liabilities identified on the basis of the requirements of IFRS 7:

In Euro thousands at December 31, 2025	Financial assets at fair value through P&L	Loans and receivables	Available-for- sale financial assets	Assets held to maturity	Financial liabilities at fair value through P&L	Other liabilities at amortized cost
Available-for-sale financial assets	-	-	-	-	-	-
Derivatives (assets)	-	-	-	-	-	-
Loans receivable	-	39,663	-	-	-	-
Trade receivables	-	37,030	-	-	-	-
Other assets	-	16,778	-	-	-	-
Loans payable	-	-	-	-	-	2,150
Bank borrowings and other lenders	-	-	-	-	-	168,993
Trade payables	-	-	-	-	-	12,227
Other payables	-	-	-	-	-	14,795
Derivatives (liabilities)	-	-	-	-	-	-
Total	-	93,472	-	-	-	198,165

With regard to the assets and liabilities presented in the table above, we point out that their fair value is substantially the same as their book value.

For further details, reference should be made to Note 18 “*Bank borrowings and other lenders*” in the Explanatory Notes.

RISKS ASSOCIATED WITH EXISTING DEBT AND ANY COVENANT BREACHES

The Senior Loan Agreement signed with the bank syndicate on July 31, 2024 includes certain mandatory early repayment clauses, in addition to restrictions on the operations of the Company and its main subsidiaries. In particular, among other matters, the Company’s ability to take on further debt and pay dividends is linked, subject to certain exceptions, to compliance with a given financial covenant (Leverage Ratio). These limitations could affect the Company’s ability to pay dividends, conduct its

business, in addition to its ability to respond to market conditions and benefit from any business opportunities.

Where the Group is unable to manage its level of indebtedness and other obligations and commitments, it may need to refinance its debt or dispose of assets in order to obtain the necessary resources. However, the Group cannot guarantee that such refinancings or disposals can be made on a timely basis or on satisfactory terms, or may be made at all, or are permitted under the existing debt terms.

The Senior loan agreement provide for certain restrictions on the Group’s operations, including, by way of example, limitations on the possibility of creating liens or guarantee instruments on all or part of the assets in order to guarantee any form of indebtedness (“negative pledge”).

The financial constraint Leverage Ratio (Net Financial Position / Adjusted EBITDA) is calculated on the items of the consolidated financial statements and from the calculations carried





out, for the year ending December 31, 2025, this parameter, at 0.64, has been complied with.

For further details, reference should be made to paragraph “*Bank borrowings and other lenders*” in the Explanatory Notes.

RELATIONS WITH SUPPLIERS AND SUB-SUPPLIERS

The Company is exposed to the risk over the short-term that the replacement of specific suppliers or sub-suppliers or non-fulfillment by them may interrupt or compromise production. The Company's capacity to discharge its obligations to clients is reliant also on the fulfilment of contractual obligations by suppliers and sub-contractors. Where the Company is unable to reclaim the entire compensation paid and/or greater costs incurred from suppliers and/or sub-contractors through its right to regress, the occurrence of these risks could negatively impact the Company's financial position, results of operations and cash flows. Relations with suppliers may also be subject to audits and verifications by the authorities with regard to legislative and regulatory compliance.

In terms of supply chain risks, there is a reputational and/or compliance risk of working with suppliers, including suppliers of production-related services, who do not comply with applicable regulations on, but not limited to, the environment, health and safety, tax and contributions, social issues, including respect for human rights, etc. In applying these assessments, the Company has taken into account in its long-term plan the forecast of higher costs both internally, for carrying out verification activities on third parties directly by its own employees, and externally through specialized consulting companies.

The Company has in addition adopted a Sustainability Policy that addresses responsi-

ble purchasing, and a Policy for Sustainable Sourcing that outlines Intercos' commitment to qualifying suppliers according to environmental and social criteria, including respect for human rights, health and safety and tax and contributions. It has in addition adopted procedures regarding the qualification of new suppliers and the monitoring of existing suppliers, including, where deemed appropriate, the use of specialized external companies of primary standing.

Considering the numerous mitigation measures in place, and with the goal of maintaining a constant focus on monitoring the third parties with which the Company does business, this risk is considered to be medium-high.

Based on this, it is reported that no particular issues are highlighted that would influence the reader of the financial statements or shareholder decisions.

RISKS RELATED TO ESG REQUIREMENTS IN THE SUPPLY CHAIN

The Company is exposed to possible non-compliance with current environmental and social laws and regulations that affect the entire supply chain, as well as possible difficulties for suppliers in adapting to new legislative scenarios that impact the relevant business (e.g., EUDR). The risk is considered in the medium term.

In this context, the Company has introduced a Sustainable Procurement Policy, committing to develop a sustainable supply chain based on the principles of international standards, such as SA 8000, ISO 14001 and ISO 45001, for supplier qualification.

In this regard, the Company's constant search for supply collaborations with players that comply with current ESG regulations, as well

as those that are able to adapt to any new regulations, may result in a general increase in supply costs due, on the one hand, to the need to select suppliers with specific characteristics, including in terms of size, resulting in greater bargaining power, and, on the other hand, to the effective higher charges that suppliers incur, reflected in the cost of raw materials purchased, in order to comply with ESG requirements, and in general and administrative expenses.

The Company considers the impacts that such cost increases could have in terms of price revisions, with consequent impact on its relationships with its customers. This is considered within long-term plans, both in terms of foreseeable increases in raw material costs and inevitable price increases to end customers.

In view of the above, the risk is considered to be of medium-low significance.

RAPID INNOVATION AND NEW PRODUCT LAUNCHES

The Company is exposed to the risk that it may not be able to maintain its current market position due to its inability to develop innovative solutions in a timely manner to meet the needs of all customers. Therefore, the expected results in terms of the number of products developed and/or the revenues obtained from those products may not materialize over the medium-term.

It may not be excluded that, due to changes in market conditions or other factors (including the complexity of customer requests received), the Company may not be able to design and produce cosmetic, hair-care, skin-care and body-care products with aesthetic, technical and technological characteristics that ensure that they are innovative on the market and/or appreciated by consumers. The occurrence of such risks could have very significant adverse effects on the Company's financial position, results of

operations and cash flows. Based on the above, the risk in this paragraph is considered to be of low significance given also the Company's drive in terms of investment in research and the development of new products.

From a financial connectivity perspective, any delays in launches or lower innovative efficacy could be reflected in revenues, the product mix and margins, as well as in R&D investment and inventory turnover.

RISKS RELATED TO CLIMATE CHANGE

With reference to climate change, it should be noted that Intercos does not fall within the scope of Directive 2003/87/EU (as latterly amended by EU Directive 2018/410), which introduced and regulated the European Union Emissions Trading System (EU ETS), which is the main tool adopted by the European Union to achieve the CO₂ reduction targets for the major industrial sectors and the aviation industry. Though Intercos is not among the industries covered by the ETS, the Company considers combating climate change a priority of strategic importance for medium-long-term business continuity. The commitment to this topic began in 2019, when, as part of the 2019-2025 Sustainability Plan, the Company set a target to reduce Scope 1 and 2 greenhouse gas emission intensity, according to a market-based approach.

In 2025, the Company embarked on an update of its sustainability strategy beyond 2025, undertaking a more in-depth analysis of the climate impacts associated with its operations, extending the scope of the assessment not only to direct and indirect emissions (Scope 1 and Scope 2), but also to those generated along the upstream and downstream value chain (Scope 3).

In this context, within the "Beyond 2025" Sustainability Plan, starting in 2026 the Company will introduce Scope 1, Scope 2 and Scope





3 emission reduction targets for all operating locations expressed in absolute values, overcoming the previous approach based solely on intensity indicators.

In order to further the achievement of its decarbonization objectives, the Board of Directors and the Shareholders' Meeting approved the Performance Share Plan, which includes the following targets for its management team:

- In the 2023-2025 Plan a target has been included for a 20% reduction in greenhouse gas emissions by 2025, compared to 2019 values, the performance indicator of which is the percentage reduction in Scope 1 and 2 emissions (according to the market-based approach) per million pieces produced at Group production sites in the year 2025, compared to the year 2019, based on the data published in the Sustainability Statement for the year 2025;
- The 2024-2026 Plan includes, in continuity with the 2023-2025 Plan, a target goal of a 26% reduction by 2026 in Scope 1 and Scope 2 emissions (according to the market-based approach) per million pieces produced internally by the Group's production sites, compared with 2019 values;
- The 2025-2027 Plan includes, in continuity with the previous plans, a target goal of a 34% reduction by 2027 in Scope 1 and Scope 2 emissions (according to the market-based approach) per million pieces produced internally by the Group's production sites, compared with 2019 values;

These plans involve costs associated with increasing the Company's reserves, in compliance with the IFRS 2 accounting standard, and reflecting the expected payout underlying the achievement of the projected targets. These costs, although not having a financial impact, are adequately considered in the Company's long-term plans.

For further information, reference should be made to paragraph "Equity" of the Explanatory Notes.

The issue of climate change is one of the subjects reported on annually through the Sustainability Report, pursuant to Legislative Decree No. 125 of September 6, 2024, which in turn transposes Directive 2022/2464/EU, known as the Corporate Sustainability Reporting Directive (CSRD). At the Group level, Intercos describes in detail the main risks and opportunities related to sustainability reporting that are generated and/or suffered throughout the value chain, the policies adopted and related objectives, key ESG performance indicators, and the Company's management, governance and organizational model. In addition, in accordance with Regulation (EU) No. 2020/852 (EU Taxonomy Regulation) and the CSRD, from the 2021 reporting year the Company outlines in its Sustainability Report the portion of revenues, capital expenditures (capex) and operating expenditures (opex) identified as eligible and aligned, as per the EU's Taxonomy, in terms of the climate change related objectives, or rather climate change mitigation and adaptation. As of 2025, for the purposes of applying the EU Taxonomy, the Company makes use of the simplifications and proportionality measures provided for in the "Omnibus Package", as transposed into applicable legislation and the delegated regulations.

On March 4, 2026, the Board of Directors of Intercos S.p.A. resolved to approve the Internal Audit Plan 2026, which also includes activities to audit the main sustainability reporting processes. The main Enterprise Risk Management activities were also presented on the same date, which will include analysis and insights in the area of ESG risks. We note that the Group's ERM model considers several ESG scope risks, among which climate change risk is of particular relevance. This particularly refers to potential extreme physical risks (which can cause damage to Company assets, leading to financial losses and/or operational disruptions) and transitional risks (such as regulatory or market changes, which can lead to sanctions and higher operational costs) in the short, medium and/or long term. The Risk Policy, prepared in col-

laboration with the ERM Committee – which defined key points in consultation with the Internal Audit function – provides guidance on risk management, supports the achievement of business objectives, protects personnel and company assets, and ensures financial sustainability. The Policy also covers sustainability risks, mapped in the Risk Register, identified and assessed also through the double materiality assessment conducted in 2024 and confirmed in 2025, in accordance with the regulatory requirements dictated by CSRD and the related Italian Legislative Decree. The assessments carried out as part of the periodic updates to the Risk Register considered the cross-cutting influences of sustainability risks and opportunities on the macro risk categories identified under the ERM model, which include several risk categories, including strategic, operational, financial, and compliance risks. These, in turn, include several sub-categories of risk, including “ESG drivers”. By way of example, these include damage to physical assets (e.g., Operational risk due to physical damage resulting from climate change which can impact the Group’s assets), the environment (e.g., Operational risk due to water scarcity), health and safety (e.g., Operational and reputational risk associated with failure to protect employees’ health and safety), human resources (e.g., Operational and reputational risk associated with failure to protect employees’ human rights), and legal aspects (e.g., Operational and reputational risk due to unfair business practices conducted by employees). During 2025, the Company also initiated some specific qualitative analyses of physical risks, with the support of a specialized external company, so as to determine the company’s risk profile, identifying the most exposed production sites, as well as the related mitigation actions. Taking into consideration the risks defined in Appendix A of Delegated Regulation 2021/2139, a preliminary screening was conducted in order to identify the material risks, based on the location of production plants and interviews with management. For risks considered to be applicable, an analysis was conducted using a specialized climate

analysis tool, which assessed the future evolution of risk (hazard) levels on each of the 15 plants. Extreme events such as droughts, heat waves, heavy rainfall and floods were considered, analyzing potential effects on structures, machinery and production continuity. Relevant climate hazards were grouped into four clusters: i) Temperature (heat waves, heat stress, thermal variability); ii) Wind (cyclones, hurricanes, storms); iii) Water - acute events (heavy rains, floods); iv) Water - chronic phenomena (droughts, water stress, precipitation changes). Finally, some mitigation measures already in place to reduce the effects of adverse climate events on production sites were mapped. For the purpose of risk assessment, the analysis considered the climatic evolution of the geographical areas where the plants are located, using two time horizons (short-to-medium term to 2030 and long term to 2050) and referring to the most severe climate scenario (RCP 8.5 - Worst-case emission scenario). Applicable physical risks were evaluated according to the ERM materiality scale already adopted by the Group, at the aggregate level for the different plants, based on their materiality. The likelihood was also estimated based on the output of the tool used in the initial screening, while the impact was assessed, through interviews with the relevant management, considering potential operational impacts. The assessment carried out showed, both in the short to medium and in the long term, low to medium significance for all risk clusters, except for the Water - critical events cluster, whose long-term significance is medium to high. The results were shared with internal stakeholders to check their robustness and refine values and considerations. The assessment was carried out at the aggregate level (not by individual plant), including the mitigation measures already in place.

In terms of financial reporting, although the IAS/IFRS standards do not make explicit reference to climate-related issues, these impacts are taken into account by the Group in the application of the international accounting standards where





significant, by assessing their effects, both in the application of the individual accounting standards and on the going concern. Within this context of analysis, and the management of the risks and procedures above, it should be noted that the Company has not currently identified any significant risks, nor have any doubts or uncertainties arisen regarding events or conditions that might affect the application of international accounting standards beyond the information already reported.

On the climate transition front, the Group has initiated a plan, whose drafting began in 2025, and which to date has not yet been finalized. The goal is to progressively align its strategy with the climate change mitigation goals. The initiative is part of the path embarked on with the 2019-2025 Sustainability Plan, which targeted a 20% reduction in Scope 1 and 2 emissions intensity compared to the base year. The update of the sustainability strategy beyond 2025 therefore included a more in-depth analysis of Scope 1-2-3 emissions, preparatory to setting absolute reduction targets covering all three Scopes under analysis.

RISKS ASSOCIATED WITH RECRUITING AND RETENTION STRATEGIES

The Company is exposed to the risk of losing key figures critical to business development and the achievement of the business plan's goals, with costs to the organization that are difficult to quantify given the pervasive impact of the risk. The industry in which it operates requires the use of highly specialized personnel, which is a crucial element in maintaining a high level of competitiveness.

For the effective mitigation of this risk, which may materialize over the short-term, the Company is actively involved in employer branding activities aimed at strengthening

its visibility in the market, including through initiatives and collaborations with leading schools and universities nationally and internationally. Market scouting activities for relevant positions are carried out not only reactively, but also proactively, in order to anticipate possible future needs. Succession plans and programs aimed at developing talent internally are also in place, and the internal learning program has been steadily strengthened over the years.

In addition, the Company promotes people's safety and well-being by ensuring a healthy, diverse and inclusive work environment. Internal policies and procedures support work-life balance, social protection, equal opportunity, wages that are fair internally and competitive in the reference market, and the protection of universal rights of individuals and communities. Forced labor, child labor, harassment and discrimination are prevented, with a strong commitment to the inclusion and empowerment of local communities. These principles are reiterated in the Company's Code of Conduct.

All of the above risk management initiatives entail a higher cost of personnel selection, as well as training and maintaining a corporate welfare system, which are adequately considered in the long-term plans. In addition, maintaining high standards in terms of well-being, inclusiveness, and lack of misconduct within the organization entails increased administrative expenses to implement procedural frameworks and provide for dedicated verification and/or training activities.

In view of the above, the risk is considered to be of medium-low significance.

OPERATION OF IT SYSTEMS AND INFORMATION SECURITY

The Company is exposed, in the short term, to the risk that its information systems may be infected by viruses or subject to unauthorized access aimed at hindering their normal operation or at extracting or corrupting Company data, as well as the risk that malfunctions, errors and/or unwanted access to Company software connected with the systems of suppliers and/or customers could harm the Company's suppliers and/or customers. The occurrence of such risks could have significant adverse effects on the Company's financial performance and standing.

Normal Company operations also depend on the appropriacy and efficiency of its own information systems and those of its consultants and other collaborators. These systems may be exposed to risks of viruses, unauthorized access by third parties intending to deliberately extract or corrupt information, and/or disrupt computer systems, which could lead to errors or delays in the execution of operations, inefficiencies in administrative processes, partial or total production stoppages, and other interruptions in the Company's operations.

With specific reference to protecting intellectual property, this could be lost or damaged as a result of potential IT security violations.

Finally, we note that any unauthorized access has a potential impact in terms of privacy protection and compliance with the provisions of the GDPR and other regulations that may apply, considering that the risk is generally limited to personal information of company employees.

In this regard, through workshop sessions and interviews with relevant managers, a number of ESG Risk Drivers were identified,

assessed and mapped as part of the Risk Register updated in 2024 (i.e., Operational and reputational risk due to violation of employees' privacy and sensitive data).

In recent years, the Company has made numerous investments to upgrade and digitize internal systems and documentation, launching projects to optimize processes and automate many activities. The Company has begun implementing Robotic Process Automation solutions and has adopted data analytics solutions to analyze market trends using a platform that gathers internal data and data from externally managed servers, as well as to create tools for the KPI analysis of operations and innovation. Given the growing exposure to cyber risk worldwide, the Company constantly monitors its IT infrastructure. Specifically, the internal IT function guides the Company's digital transformation, the key element of which is cyber security and in whose regard it has raised awareness among the company population, including through specific training plans.

The Company also conducts annual disaster recovery tests to check the timing and functionality of business systems that are critical to business continuity.

Following the cyber attack suffered in 2024, the Company further stepped up certain investments and the existing cyber security program, with a number of projects completed by the end of 2025 or very early in 2026. Specifically, a contract was signed for an EDR (End Point, Detection and Response), an artificial intelligence system which, in addition to being an antivirus system, performs behavioral analysis of PCs and servers. Work was carried out to upgrade corporate networks, strengthening security through the installation of new Firewalls, sub-network segregation, bolstering the existing VPN system and monitoring systems. The DLP (Data Loss Prevention) process was accelerated. The Company





also completed, with the support of external expert consultants, a project focused on compliance with the “NIS2” EU Directive which aims to strengthen EU cybersecurity. Finally, Intercos obtained “SOC2 Type 1 - for Cyber-Security” and “SOC2 Type2 for CyberSecurity” certification. For further details regarding the insurance reimbursement obtained as a result of the Cyber Attack of 2024, please refer to paragraph “*Other Income and Expenses*” of the notes to the financial statements.

In view of the elevated level of inherent risk within cybersecurity, but also the numerous risk management and mitigation actions that the Company has put in place, this risk is considered to be of medium significance. In this regard, the Company has taken into account in its future forecasts the ongoing costs related to the management of activities related to cyber security, which is detailed in the annually approved budget.

DISPUTES AND OTHER LEGAL OR ADMINISTRATIVE PROCEEDINGS

The Company is currently involved in (and could in the future become involved in further) lawsuits, litigation, or administrative proceedings in a wide range of matters, including those related to product liability issues.

By way of non-exhaustive example, a number of claims (some of which have already been dismissed) have been filed against the subsidiary company Intercos America for asbestos-related personal harm. Generally speaking, the compensation claims (including indemnification requests) brought against the Group or advanced against the Group as part of claims, disputes or other procedures could be costly and time-consuming and may lead to settlements, injunctions, or damages payments. These outcomes could significantly impact the Group’s business, its prospects, financial conditions, liquidity, operat-

ing results, and cashflow. As litigation is inherently uncertain, it is not possible to predict the final outcome of lawsuits, disputes, or proceedings (particularly when they are at an early stage) to which the Group is currently or may become a part, and the impact of a number of these cases could have a material adverse effect on the Group’s business, in addition to its prospects, financial condition, liquidity, operating results, and cash flows.

It should be noted that the foreseeable legal costs associated with this risk were taken into account when establishing the long-term plans. This risk is considered to be of medium-high significance. For further information, reference should be made to paragraph “*Other income/expenses*” of the Explanatory Notes.

GROUP INTERNATIONAL OPERATIONS

At December 31, 2025, the Company operates through 15 production plants worldwide, and 20 companies. The Company’s presence and operations in various international markets, in addition to being a source of competitive advantage in terms of its ability to reach different geographic areas, diversify and stimulate constant innovation, expose it to risks connected with the geo-political and macroeconomic conditions of the countries in which it operates and possible changes in regulations and taxation, among others. Such developments may occur over the short-term.

Given the international scope of the Company’s activities, it is exposed to risks arising from relations between countries, the different regulations applicable to the Company’s products, credit and tax regulations and, in general, the macroeconomic, political and social situation of each of the countries in which the Company operates. In this regard, it should be borne in mind that the Company does not have production plant in Russia, Ukraine and the areas of

the Middle-East recently affected by conflicts, nor research centers or representative offices, and it should be noted that at the closing date of the financial statements there were no business volumes with customers based in Russia. However, the various conflict or potential conflict situations continue to generate uncertainty, whose impacts may not be fully assessed in the short term.

Changes in legislation or amendments to current regulations, including at international level, could require the Group to incur additional costs to adapt its production facilities or the characteristics of its products to the new provisions, including those regarding the ingredients to be indicated on the product label. In particular, the possibility cannot be ruled out that restrictions may be introduced at international level on the circulation of products, the recognition and enforcement of judgments, the management of distribution and supply channels and the collection of receivables, with the provision of longer payment periods by the Company's debtors, or the introduction of customs charges and duties in general that might prejudice, even to a significant extent, the Company's ability to offer its products on economically competitive terms in the countries in which it currently operates or in which it might decide to operate in the future.

With reference to the introduction of duties by the U.S. government and the possible consequences that this has generated or could generate, it should be noted that the Company, through its U.S. subsidiary, has established a structured process for monitoring cost increases, particularly with reference to packaging, in order to pass them on to the end customer.

It should be recalled that the Group is not a packaging manufacturer and therefore the duties were applied to end customers without any mark-up, and therefore without any impact on margins.

The risk cannot be excluded that, in the future, products marketed by the Group in territories outside the EU may be subject to further duties by the relevant importing countries.

In addition, the Company conducts its business on the basis of permits and authorizations granted by administrative authorities, whose holding is essential in order to carry out production activities. Should these permits or authorizations be suspended, revoked or not renewed, the Company could be restricted in the performance of its activities and this would lead to a reduction in production, with a consequent reduction in revenue volumes and possible impacts on the activities and prospects, as well as on the Issuer's and Company's financial position, results of operations and cash flows. The countries in which the Company distributes its products include emerging or developing countries, such as the Philippines, India, Brazil, Chile and Mexico.

Demand for the products offered by the Group is therefore influenced by the general economy, economic trends and the business environment of the countries and markets in which the Company operates. Consequently, the high degree of geopolitical uncertainty that continues to characterize certain emerging countries of interest to the Company, as well as potentially significant recessions, inflation and weakening of the local currency, may lead to a reduction in investment and demand, with potential negative impacts on the Company's sales volumes. Finally, the above may lead - by way of example but not limited to - to investments that are not in line with the strategy adopted by the Issuer, to a reduced protection of the Company's intellectual property rights, to an increase in fixed costs connected with the opening and management of new production and/or distribution sites and to the uncertainty of the economic and financial outcome of the new initiatives undertaken, with impacts on the demand for the products





offered by the Group, as well as on the financial position, results of operations and cash flows and prospects of the Issuer and the Company. The Company also benefits from certain tax and customs advantages, with particular reference to the Suzhou plant (Intercos Cosmetics) located in the “EPZ zone”, which cannot be excluded that they may be modified or revoked by the respective local authorities, with possible negative effects on the activities and prospects as well as on the Company’s and Issuer’s financial position, results of operations and cash flows.

With reference to the assessment of this risk, the Company has carried out, with the support of a specialized external company, certain qualitative analyses on “country-risk” with reference to its own activities, confirming how the strong territorial segregation, also related to the number of customers served, constitutes a fundamental element of mitigation of the possible impacts, while concluding that, in view of the highlighted complexities and the mainly “external” nature of the described risk, it is considered of medium significance.

WORKERS’ HUMAN RIGHTS

The Company is exposed to the risk over the short-term of the inadequate management of workers’ human rights, including workplace discrimination, as well as health and safety aspects, as some specific manufacturing activities (e.g., the manual handling of heavy loads, exposure to potentially hazardous chemicals)

could impact people’s fitness for work. The Company has adopted a Sustainability Policy that seeks to promote the safety and well-being of people by ensuring a healthy, diverse and inclusive work environment, promoting work-life balance, social protection, equal opportunities and fair wages, while at the same time protecting the universal rights of people and communities, preventing forced labor, child labor, harassment and discrimination, and promoting the inclusion and empowerment of local communities. This commitment is reiterated within the Company’s Code of Conduct.

With particular reference to occupational health and safety management, the Company has also adopted a Health and Safety Policy, and specific procedures in this area have been adopted locally. Finally, the Global Safety Network is operational, which is a working group comprising HSE managers from all companies. With reference to workers’ human rights, through workshop sessions and interviews with relevant Management, a number of ESG Risk Drivers were identified, assessed and mapped within the Risk Register (i.e., Operational and reputational risk associated with failure to protect employees’ human rights; Operational and reputational risk associated with failure to protect employees’ health and safety; Operational and reputational risk due to cases of discrimination in the workplace). In view of the management methods adopted by the Company and the significance of the issues involved, the risk is considered to be of medium significance.

Tax consolidation

It is recalled that the Company Intercos S.p.A., jointly with all its subsidiaries resident in Italy participates, as a Consolidating Company, in the consolidated taxation, pursuant to Article 117 and subsequent of the Income Tax Law, with intercompany relations arising from participation in the Italian Group Consolidation governed by special Regulations and an agreement between the participating companies, which establishes a common procedure for the application of the statutory and regulatory provisions.

The Companies participating in the domestic tax consolidation are, in addition to the Parent Company:

- Intercos Europe S.p.A.,
- Ager S.r.l.,
- Vitalab S.r.l.,
- Kit Productions S.r.l.,
- Cosmint S.p.A..

Each company participating in the tax consolidation transfers its assessable income or tax loss to Intercos S.p.A., which recognizes a

credit (equal to the IRES to be paid) to the companies that contribute assessable income, or a debit to the companies that transfer a tax loss.

Intercos S.p.A., as the consolidating company, is responsible for, in addition to any higher taxes declared and the relative penalties and interest relating to its own individual overall income, for the amounts that may be due, with reference to the consolidated tax return, also following the “formal control” as per Article 36-ter of Presidential Decree 600/73, in addition to, jointly and severally, for the amounts due relating to the penalties issued to the companies taking part in the consolidation who have committed violations in calculating their individual position. Similarly, the consolidated companies are jointly and severally liable to Intercos S.p.A., as the consolidating company, for any higher taxes assessed in relation to the consolidated company’s tax return, referring to adjustments to the income presented in its own tax return, including those resulting from “formal controls” as per Article 36-ter of Presidential Decree No. 600/1973. All of the above, as governed by the Tax Consolidation Agreement originally entered into on June 5, 2008 and subsequent updates.





Corporate governance and ownership structure report of the company as per Article 123-bis of Legislative Decree No. 58 of February 24, 1998 and subsequent amendments and supplements (CFA)

Intercos S.p.A. is a company whose shares have been traded since November 2, 2021 on the Euronext - Milan Italian Stock Exchange.

As the Company's shares were not previously traded on any regulated market, the company had adopted corporate governance measures which were appropriate to its characteristics at the time.

From the trading commencement date, Intercos S.p.A. has implemented the corporate governance structure outlined in the "Corporate Governance and Ownership Structure Report" ("Corporate Governance Report") prepared with reference to the "Format for the corporate governance and ownership structure report" issued by Borsa Italiana in December 2024.

Intercos S.p.A. adopts, as a reference model for its corporate governance, the provisions of the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee ("**Corporate Governance Code**" or "**GC Code**").

The 2025 Corporate Governance Report is available on the Company's website at www.intercos-investor.com, in the "Governance" section.

The corporate boards comprising the Intercos S.p.A. governance system are the Board of Directors, the Board of Statutory Auditors and the Shareholders' Meeting. For completeness, we also indicate that the Board of Directors has appointed a company Supervisory Board, which supervises and controls the observance, effectiveness, implementation and updating, where necessary, of the Organization, Management and Control Model pursuant to Legislative Decree No. 231.

The Board of Directors is granted the broadest range of powers for the management of the company and defines the Group's strategic objectives and guidelines, undertaking all actions considered beneficial to achieve the corporate scope, excluding only those reserved by law to the Shareholders' Meeting.

On April 11, 2024, the Intercos S.p.A. Ordinary Shareholders' Meeting appointed the Company's new Board of Directors, using the slate voting method in accordance with the applicable statutory and regulatory provisions. The new Board will remain in office until the approval of the financial statements at December 31, 2026 and comprises 11 (eleven) Directors, four of whom are independent, as specified in the table below:

Name	Office	Gender
Dario Gianandrea Ferrari	Executive Chairperson	M
Renato Semerari	Chief Executive Officer	M
Ludovica Arabella Ferrari	Executive Director	F
Gianandrea Ferrari	Executive Director	M
Nikhil Kumar Thukral	Non-Executive Director	M
Ciro Piero Giuseppe Cornelli	Non-Executive Director	M
Maria D'Agata	Non-Executive Director	F
Vincenzo Giannelli	Independent Director pursuant to the CFA and the CG Code	M
Michele Scannavini	Independent Director pursuant to the CFA and the CG Code	M
Paola Boromei	Independent Director pursuant to the CFA and the CG Code	F
Patrizia De Marchi	Independent Director pursuant to the CFA and the CG Code	F

The Directors Ms. Patrizia De Marchi, Mr. Michele Scannavini, Mr. Dario Gianandrea Ferrari, Mr. Renato Semerari, Mr. Nikhil Kumar Thukral, Ms. Maria D'Agata, Mr. Vincenzo Giannelli, Mr. Gianandrea Ferrari, Ms. Ludovica Arabella Ferrari and Mr. Ciro Piero Giuseppe Cornelli were drawn from the majority slate submitted by the shareholders Dafe 4000 S.r.l. and Dafe 5000 S.r.l. (jointly, the "**Dafe Companies**"), holders of a total of 32.205% of the share capital (which obtained 82.162% of the votes at the meeting), while the Director Ms. Paola Boromei was drawn from the minority slate presented by institutional investors collectively representing 2.368% of the share capital (which obtained 17.837% of the votes at the meeting).

The Directors Ms. Patrizia De Marchi, Mr. Michele Scannavini, Mr. Vincenzo Giannelli and Ms. Paola Boromei have also declared that they meet the independence requirements pursuant to the law, the By-Laws and the Corporate Governance Code, also considering the quantitative and qualitative criteria for assessing the significance of re-

lationships, including economic ones, that could compromise the independence of Board members, as approved by the Company's Board of Directors.

The Shareholders' Meeting also confirmed Mr. Dario Gianandrea Ferrari as Chairperson of the Board of Directors.

At the end of the reporting period, the composition of the Board of Directors of Intercos complies with the provisions of the law and the By-Laws, and it should be noted that four of the eleven members are of the under-represented gender.

Directors shall hold office for 3 financial years, unless a different, shorter period is established by the Shareholders' Meeting at the time of their appointment, and may be re-elected. The current members of the Company's Board of Directors shall remain in office for the three-year period 2024-2026, and therefore until the Shareholders' Meeting called to approve the 2026 Annual Accounts.





On April 15, 2024, the Board of Directors resolved to establish the following internal committees with investigative, proposal and advisory functions, with a term of office equal to that of the Board of Directors and, therefore, until the approval of the financial statements for the year ended December 31, 2026:

- (i) the **Appointments and Remuneration Committee** (“**ARC**”), composed of three Directors, the majority of whom are independent, in the persons of the Directors Ms. Patrizia De Marchi (as Chairperson), Mr. Ciro Piero Giuseppe Cornelli and Mr. Michele Scannavini;
- (ii) the **Control and Risks Committee** (“**CRC**”), consisting of three Non-Executive Directors, the majority of whom are independent, in the persons of the Directors Mr. Vincenzo Giannelli (as Chairperson), Ms. Paola Boromei and Mr. Ciro Piero Giuseppe Cornelli;
- (iii) the **Related Party Transactions Committee** (“**RPT Committee**”), consisting of three Independent Directors, in the

persons of: Mr. Michele Scannavini (as Chairperson), Ms. Patrizia De Marchi and Ms. Paola Boromei.

The Board of Statutory Auditors comprises, according to the By-Laws, three Statutory Auditors and two Alternate Auditors, appointed by the Shareholders' Meeting to ensure compliance with law and the By-Laws, and is supported by an independent audit firm. The Statutory Auditors remain in office for three years and may be re-elected.

On April 11, 2024, the Company's Ordinary Shareholders' Meeting appointed the Company's new Board of Statutory Auditors, using the slate voting method in accordance with the applicable statutory and regulatory provisions. The new Board will remain in office until the approval of the financial statements at December 31, 2026 and comprises three Statutory Auditors and two Alternate Auditors, as specified in the table below:

Name	Office	Gender
Paolo Prandi	Statutory Auditor and Chairperson of the Board of Statutory Auditors	M
Monica Manzini	Statutory Auditor	F
Giovanni Rossi	Statutory Auditor	M
Daniela Savi	Alternate Auditor	F
Maurizio Nastri	Alternate Auditor	M

We note that the Chairperson of the Board of Statutory Auditors, Mr. Paolo Prandi, was drawn from the minority slate presented by institutional investors collectively representing 2.368% of the share capital (which obtained 17.419% of the votes at the Meeting), while the Statutory Auditors Giovanni Rossi and Monica Manzini were both drawn from the majority slate presented by the Dafe Companies, which hold a total stake of 32.205% of the share capital (which obtained 82.580% of the votes at the Meeting).

Alternate Auditor Maurizio Nastri was drawn from the majority slate submitted by the Dafe Companies, while Alternate Auditor Daniela Savi was drawn from the aforementioned minority slate.

The Shareholders' Meeting shall be called whenever the Board of Directors deems it appropriate or when it is required by law. The Ordinary Shareholders' Meeting for the approval of the financial statements shall be called at least once a year, within 120 days from financial year-end, or within 180 days where the Company is required to draw up the consolidated financial statements, or when specific needs related to the structure and purpose of the Company so require, subject to the provisions of Article 154-bis of the Consolidated Finance Act and, in any case, any applicable regulatory provision.

The Supervisory Board oversees the observance, efficacy, implementation and updating, where necessary, of the Organization, Management and Control Model, as per Legislative Decree No. 231/2001, in order to prevent the commission of the offenses set out in the Decree. For the performance of such tasks, the Supervisory Board is invested with all powers of initiative and control of all company activities and personnel, and reports exclusively to the Board of Directors through its Chairperson.

The Intercos S.p.A. Supervisory Board was appointed by the Board of Directors on April 15, 2024. It shall remain in office until the approval of the annual financial statements at December 31, 2026 and is composed as detailed in the following table.

Noma	Office	Gender
Giuseppe Schiuma	Chairperson SB	M
Francesco Cimatti	External SB member	M
Maria D'Agata	Internal SB member	F





THE ETHICS CODE AND CODE OF CONDUCT

The Company has updated the Intercos Group Code of Conduct last approved in May 2024. We note that, in order to adapt the document to the medium-term regulatory changes that have occurred and also to ensure the highest ethical standards, the provisions of the Ethics Code - also last approved in May 2024 - have been integrated into the new text of the “Code of Conduct”. This defines the ethical principles and behavioral norms adopted by Intercos Group companies both in Italy and abroad.

The new text of the Code of Conduct, which was submitted for Board of Directors approval on May 7, 2024, was prepared by the Sustainability Team and the Intercos Legal Department. It was reviewed by the Group Chief Quality Officer, the Group Chief Executive Officer, and the Company’s Supervisory Board.

The updated Code of Conduct can be consulted on the Company’s website www.intercos.com in both Italian and English, so that it is accessible to all company stakeholders.

SHARE CAPITAL (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, LETTER A), CFA)

As at December 31, 2025, the share capital of Intercos S.p.A., fully subscribed and paid-in, amounts to Euro 11,313,514.75 and is divided into 96,364,020 ordinary shares, without par value, corresponding, pursuant to Article 120, paragraph 1 of the CFA and Article 6 of the By-Laws, to 127,363,621 voting rights (each ordinary share grants the right to one vote, except for the 30,999,601 shares for which the multi-voting right has been achieved, in the ratio of two voting rights for each share). It should be noted that Intercos' By-Laws provide for the mechanism of multi-voting rights (Article 6 of the By-Laws). The issue and circulation of ordinary shares is regulated by current legislation. Intercos' share capital structure is detailed in the table below.

SHARE CAPITAL STRUCTURE				
	No. of shares	No. of voting rights	Listed	Rights and obligations
Ordinary shares	96,364,020	127,363,621	Euronext - Milan	Rights and obligations as per law and By-Laws

SIGNIFICANT HOLDINGS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, LETTER C), CFA)

At December 31, 2025, on the basis of the information received pursuant to the applicable legislation (in particular, pursuant to Article 120 of the CFA) and the entries in the shareholders' register, shareholders who directly or indirectly hold more than 3% of the voting rights in Intercos are as follows:

Declarant	Direct shareholder	No. shares	% ordinary share capital (*)	Number of votes (**)	% voting rights
Dario Gianandrea Ferrari	Dafe 4000 S.r.l. (***)	23,000,940	23.869%	46,001,880	36.119%
	Dafe 5000 S.r.l. (***)	7,998,661	8.300%	15,997,322	12.560%
	Total	30,999,601	32.169%	61,999,202	48.679%
CP7 Caledonia AIV GP, LLP	CP7 BEAUTY LUXCO SARL	12,848,518	13.333%	12,848,518	10.088%
GIC Private Limited	RAFFLES BLUE HOLDINGS LIMITED	5,713,292	5.929%	5,713,292	4.486%
	GIC PRIVATE LIMITED	108,074	0.112%	108,074	0.085%
	Total	5,821,366	6.041%	5,821,366	4.571%
NN GROUP NV	NATIONALE NEDERLANDEN LEVENSVERZEKERING MAATSCHAPPIJ NV	3,695,673	3.835%	3,695,673	2.902%
	NN RE (NETHERLANDS) NV	52,478	0.054%	52,478	0.041%
	NATIONALE NEDERLANDEN SCHADEVERZEKERING MAATSCHAPPIJ NV	341,022	0.354%	341,022	0.268%
	Total	4,089,173	4.243%	4,089,173	3.211%

(*) The share capital consists of 96,364,020 ordinary shares, with no indication of nominal value.

(**) The total amount of voting rights is 127,363,621.

(***) The Shareholder Dafe 4000 S.r.l. has received increased voting rights on 192,488 and, therefore, all 23,000,940 shares it owns.

(****) The Shareholder Dafe 5000 S.r.l. has received increased voting rights on all 7,998,661 shares it owns.

As of December 31, 2025, the Company held 1,143,559 treasury shares (equal to 1.1867% of the share capital), purchased on regulated markets in implementation of the Buy-Back Program approved by the Board of Directors on September 12, 2025.





Subsequent events

- On January 28, 2026, the Company submitted a request to the Banking Syndicate for partial use of the Capex Facility Senior Financing Line (Tranche C) for Euro 25,000 thousand, as part of the total stipulated availability of Euro 100,000 thousand. The transaction provides greater financial flexibility to support tangible and intangible investment. For further details, reference should be made to Note 18 “Bank borrowings and other lenders”.
- The Board of Directors of the Company on March 4, 2026 noted Chief Executive Officer Mr. Renato Semerari’s decision to complete his tenure at the natural conclusion of office in March 2027, ensuring an orderly succession process consistent with the principles of management continuity. Mr. Renato Semerari has expressed his willingness to continue as a member of the Company’s Board of Directors and to serve as a consultant to the Company and the Group, in a manner to be defined over the coming months and that includes, in any case, a periodic operational presence at the company. His involvement is intended to ensure strategic continuity and an effective transfer of the leadership of the company to the next Chief Executive Officer. The Board of Directors also agreed with the indication to identify Mr. Gianandrea Ferrari as the Company’s next Chief Executive Officer, whose appointment will be considered by the newly-appointed Board of Directors within the scope of defining the future governance structure. This choice, together with the retention by the Founder, Mr. Dario Gianandrea Ferrari, of the position of Chairperson of the Board of Directors with powers in the area of “innovation”, confirms the Ferrari family’s commitment to the Company and the Intercos Group, with the goal of ensuring the continuity of strategic direction and of encouraging generational transition. In the meantime, Mr. Renato Semerari will continue to perform his duties with full powers until the conclusion of the present term.

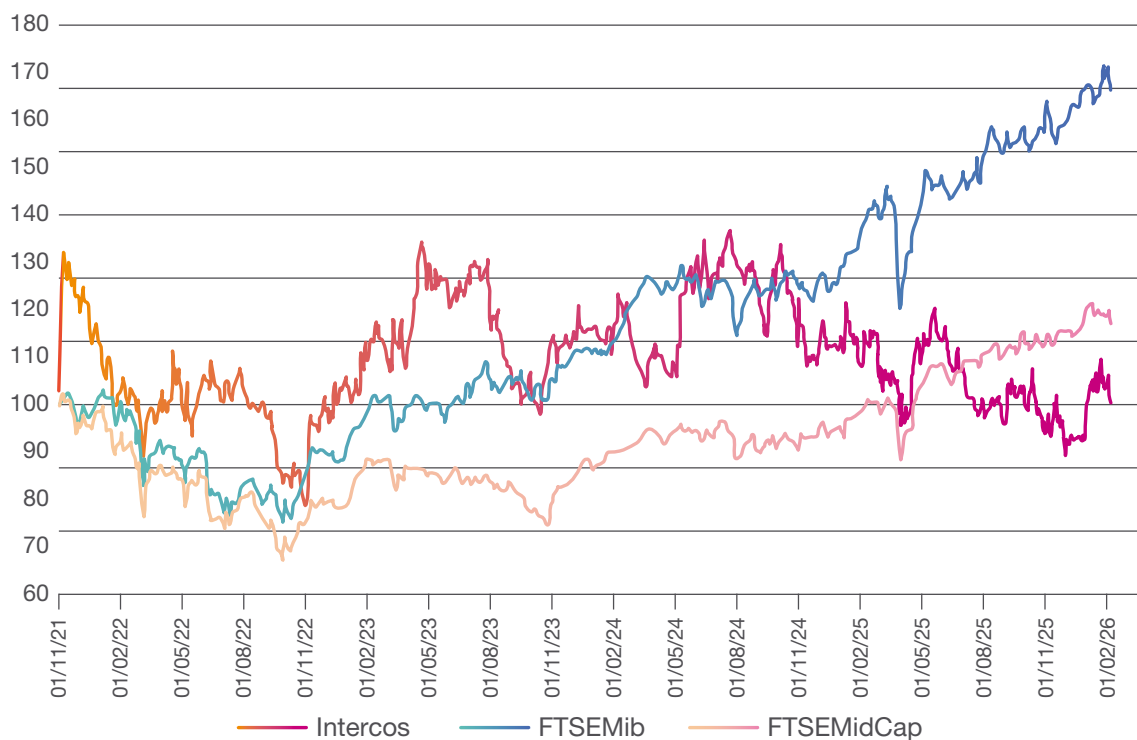
Policies or governmental, economic, fiscal, monetary or political factors which have had, or which could have directly or indirectly, significant repercussions on Company activities

The previously reported financial results were not materially affected during the period by governmental, economic, fiscal, monetary or political policies or factors.

Intercos' share performance

Intercos was listed on the Euronext Milan on November 2, 2021 at a placement price of Euro 12.50 and closed on December 30, 2025, the final trading day of the year, at a price of Euro 11.06, decreasing 20.5% on the end of 2024 (Euro 13.92). The performance in the period was weaker than the overall FTSEMib index, which continued to be driven by excellent results mainly within the banking sector, ending the year up 31.5%. The FTSEMidCap also performed very well in the period (+23.2%), supported mainly by finance and defense sector shares. The market capitalization at December, 31 2025 is Euro 1,065,786,061.

Intercos vs. Equity Market Share price performance (base100)



The FTSEMib in 2025 saw a steady upward trend, supported by banking stocks and the finance sector in general, which continued to report very strong results throughout the year, with profits often in excess of market expectations. The performance of the FTSEMidCap was driven by the defense, IT services and financial sector stocks. The segment, on the other hand, in which Intercos operates (Consumer Staples) has undergone a significant de-rating, caused substantially by expectations regarding the ero-

sion of the purchasing power of end consumers, particularly in the discretionary world - both in the west and the east. As at February 16, 2025, it should be noted that of the ten brokers who follow Intercos S.p.A., nine have a "Buy" recommendation, with one having a "Hold". For further information and updates on the share performance and for the latest company information, please visit the website www.intercos-investor.com - Investor Relations section.





Outlook

We look to 2026 with optimism. Following a 2025 that saw, on the one hand, very weak markets in the western hemisphere - mainly the US - and on the other a recovering Asian market (particularly China in the second half of the year), we expect the U.S. market to gradually recover also in 2026.

We therefore are faced with an opposing situation to that of a year ago, with the Beauty market in early 2025 showing tangible signs of slowing down, as highlighted by the growth seen in the year (well under 4%).

This expectation for 2026 is also confirmed by our Group's order intake in late 2025, with December seeing Intercos' highest-ever order intake.

We therefore expect the short and medium-term to see a return of the normal growth rates typical of our market. We consider the Group to be perfectly positioned to benefit from this.

Sales in 2025 consolidated on the strong growth over the 2021-2024 period, which beat expectations. We have meanwhile increased their quality, rebalancing the overall mix with Make-up - our main asset - again accounting for more than 60% of total sales, a free-issue sales weight more in keeping with our business model, and a multinational customer base again accounting for nearly 50% of total Group sales.

The significant increase in profitability has allowed us to fully recover that lost in previous years, putting in place a new foundation for building the Group's growth over the medium-term.

Intercos' central position in the Beauty industry continues to strengthen, as highlighted also by Make-up business growth which far outstripped the general market. The Group is increasingly influencing Beauty trends, across all continents. We consider this position to be unique and represents a key asset for future growth.

The fact that, within a globally weak market, Intercos has seen sales growth from new projects is proof that our business model, focused on innovation, is a winning one.

In view of all this, we expect the Beauty market to recover in 2026 and particularly from the second quarter. As for Intercos, we expect a return to top line growth in the year, of approximately +5% to +6%, despite the still unfavorable exchange rate trends. Looking to the order intake, which mainly increased towards the end of the year, and in view of the comparable basis, growth is expected to emerge particularly from the second quarter.

Other information

It is communicated that Intercos S.p.A. has complied with the simplified regime as per Articles 70, paragraph 8 and 71, paragraph 1-*bis*, of CONSOB Regulation on Issuers No. 11971/1999, as subsequently amended, thereby availing of the right to waive the disclosure requirements provided for in Articles 70, paragraph 6 and 71, paragraph 1, of the aforementioned Regulation for significant mergers, spin-offs, share capital increases by contributions in kind, acquisitions and disposals.

MARKETS REGULATION ARTICLE 15 (PREVIOUSLY ARTICLE 36) OF CONSOB MARKETS REGULATION (ADOPTED WITH CONSOB MOTION NO. 20249)

In relation to the regulations concerning the conditions for the listing of companies that control companies constituted and regulated according to laws outside of the European Union and of significant importance for the purposes of the consolidated financial statements, the Intercos Group has identified 4 subsidiaries, with headquarters in 4 countries not belonging to the European Union, which are considered significant in accordance with the regulation.

With regards to that outlined above, the current administrative-accounting and reporting systems of the Intercos Group are considered appropriate to provide regular reporting to management and the Auditor of the Parent Company of the income statement, balance sheet and financial data necessary for the preparation of the Consolidated Financial Statements and to ensure compliance with the above regulation.





Secondary offices

As per Article 2428 of the Civil Code, we point out that the activity is carried out at the operating headquarters located in Agrate Brianza, via Marconi 84 and that there are no other secondary offices.

Allocation of the result

Dear Shareholders,

We invite you to approve the 2025 Directors' Report and the financial statements at December 31, 2025, as presented, proposing to allocate the net profit for Euro 2,652 to the legal reserve and for Euro 24,869,708 to retained earnings, of which Euro 124.253 not distributable, and simultaneously proposing to distribute Euro 19,000,000 to shareholders as dividend.

Milan, March 4, 2026

INTERCOS S.p.A.
for the Board of Directors



NOTES TO THE FINANCIAL STATEMENTS

**DRAWN UP AS PER THE IFRS
ADOPTED BY THE EUROPEAN UNION**

(*) this document constitutes a copy, in PDF format, of the Annual Report of Intercos S.p.A. at December 31, 2025 and does not constitute the document in ESEF format required by the ESEF Technical Standards as per Delegated Regulation (EU) 2019/815 (the "ESEF Regulation").

The financial statements of Intercos S.p.A. at December 31, 2025, presented in the Annual Financial Report for the year ended December 31, 2025, including the ESEF version required by ESEF Regulations, is available on the Company's website www.intercos-investor.com/investors ("Financial Documents-Financial Statements and Reports-Consolidated Financial Statements" section) and on the authorized storage mechanism SDIR/1INFO.

General information

BOARD OF DIRECTORS

Name	Office
Dario Gianandrea Ferrari	Executive Chairperson
Renato Semerari	Chief Executive Officer
Ludovica Arabella Ferrari	Executive Director
Gianandrea Ferrari	Executive Director
Nikhil Kumar Thukral	Non-Executive Director
Ciro Piero Giuseppe Cornelli	Non-Executive Director
Maria D'Agata	Non-Executive Director
Vincenzo Giannelli	Independent Director pursuant to the CFA and the CG Code
Michele Scannavini ^(*)	Independent Director pursuant to the CFA and the CG Code
Paola Boromei	Independent Director pursuant to the CFA and the CG Code
Patrizia De Marchi	Independent Director pursuant to the CFA and the CG Code

^(*) Lead independent Director

The Board of Directors was appointed by the Intercos S.p.A. Ordinary Shareholders' Meeting on April 11, 2024, using the slate voting method, in accordance with the applicable regulatory and statutory provisions. It shall remain in office for three fiscal years and, therefore, until the approval of the financial statements at December 31, 2026.





BOARD OF STATUTORY AUDITORS

Name	Office
Paolo Prandi	Statutory Auditor and Chairperson of the Board of Statutory Auditors
Monica Manzini	Statutory Auditor
Giovanni Rossi	Statutory Auditor
Daniela Savi	Alternate Auditor
Maurizio Nastri	Alternate Auditor

The Board of Statutory Auditors was appointed by the Intercos S.p.A. Ordinary Shareholders' Meeting on April 11, 2024, using the slate voting method, in accordance with the applicable regulatory and statutory provisions. It shall remain in office for three fiscal years and, therefore, until the approval of the financial statements at December 31, 2026.

INTERNAL COMMITTEES TO THE BOARD (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER D) CFA)

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Office
Patrizia De Marchi	Chairperson
Ciro Piero Giuseppe Cornelli	Member
Michele Scannavini	Member

CONTROL AND RISKS COMMITTEE

Name	Office
Vincenzo Giannelli	Chairperson
Ciro Piero Giuseppe Cornelli	Member
Paola Boromei	Member

RELATED PARTY TRANSACTIONS COMMITTEE

Name	Office
Michele Scannavini	Chairperson
Patrizia De Marchi	Member
Paola Boromei	Member

On April 15, 2024, the Intercos S.p.A. Board of Directors resolved to establish the internal committees described above, granting them investigative, proposal and advisory functions. Their term of office is the same as that of the Board of Directors and, therefore, shall last until the approval of the financial statements for the year ended December 31, 2026.

For further information on the Committees, reference should be made to the Corporate Governance Report available on the Company's website at www.intercos-investor.com.





SUPERVISORY BOARD

Name	Office
Giuseppe Schiuma	Chairperson
Francesco Cimatti	Member
Maria D'Agata	Member

The Supervisory Board was appointed on April 15, 2024 by Board of Directors' motion of Intercos S.p.A. and will remain in office for three financial years and, therefore, until the Shareholders' Meeting called to approve the financial statements at December 31, 2026.

INDEPENDENT AUDIT FIRM

EY S.p.A.

The Ordinary Shareholders' Meeting of Intercos S.p.A. on August 25, 2021 appointed the Independent Audit Firm EY S.p.A. for the legal audit of the accounts for nine years (2021-2029), until the approval of the financial statements at December 31, 2029

EXECUTIVE OFFICER FOR FINANCIAL REPORTING

Following the resignation of Executive Officer for Financial Reporting Stefano Zanelli, the Company's Board of Directors, on November 6, 2025, having heard the favorable opinion of the CRC and of the ARC, effective December 1, 2025, appointed Ms. Paola Agasso as the Company's new Group CFO and Executive Officer for Financial Reporting.

Financial Statements

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2025, AND DECEMBER 31, 2024

(in Euro)	31 December 2025	31 December 2024
ASSETS		
NON-CURRENT ASSETS		
5 Property, plant and equipment	17,816,958	17,954,654
6 Intangible assets	50,558,473	45,932,896
7 Goodwill	33,653,547	33,653,547
8 Investments in subsidiaries and other companies	231,964,553	211,063,464
14 Medium/long-term loans to Group companies	37,300,000	-
9 Deferred tax assets	3,110,463	3,343,811
10 Other non-current assets	196,502	196,502
11 Non-current financial receivables	212,259	237,857
Non-current assets	374,812,755	312,382,731
CURRENT ASSETS		
12 Trade receivables	37,030,424	68,387,598
13 Other current assets	16,777,835	29,421,083
14 Short-term loans to Group companies	1,700,000	39,210,707
15 Current financial assets	663,423	-
16 Cash	11,126,305	41,695,742
Current assets	67,297,987	178,715,130
TOTAL ASSETS	442,110,742	491,097,861





(in Euro)	31 December 2025	31 December 2024
LIABILITIES		
EQUITY		
Share Capital	11,313,515	11,300,256
Legal Reserve	2,260,051	2,260,051
Other reserves	102,388,519	114,733,204
Retained earnings	122,630,686	116,727,191
17 TOTAL EQUITY	238,592,771	245,020,702
NON-CURRENT LIABILITIES		
18 Bank borrowings and other lenders (short-term)	159,442,082	194,038,435
19 Provisions for risks and charges	7,000	7,000
20 Deferred tax liabilities	2,297,204	2,297,204
21 Employee benefits	2,778,067	2,978,906
Non-current liabilities	164,524,353	199,321,545
CURRENT LIABILITIES		
18 Current bank borrowings and other lenders	9,551,140	11,484,546
22 Short-term loans from Group companies	2,150,000	5,387,374
18 Other financial liabilities	270,176	267,365
23 Trade payables	12,227,160	14,415,240
24 Other payables	14,795,142	15,201,089
Current liabilities	38,993,618	46,755,614
TOTAL LIABILITIES AND EQUITY	442,110,742	491,097,861

COMPREHENSIVE INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(in Euro)	31.12.2025	31.12.2024
27 Revenues from sales and services	67,799,709	65,305,331
28 Other income	5,572,122	5,572,884
29 Raw materials, semi-finished products and consumables	(1,393,788)	(1,366,932)
30 Service costs and rents, leases and similar costs	(24,599,182)	(25,119,038)
31 Personnel expenses	(32,639,355)	(29,096,348)
32 Other operating expenses	(988,532)	(774,003)
33 Costs capitalized for internal construction	9,216,233	8,404,854
Operating Profit before amortization, depreciation and non-recurring operating expenses	22,967,206	22,926,748
34 Amortization, depreciation, and write-downs	(12,531,884)	(10,544,453)
35 <i>Adjustment to financial assets</i>	(1,797,970)	-
36 Other income/expenses	(960,160)	(2,432,999)
Operating Profit/(loss)	7,677,192	9,949,296
37 Financial income	28,099,297	29,529,713
38 Financial expenses	(8,759,514)	(4,241,021)
39 Income taxes	(2,144,616)	(4,379,722)
	24,872,360	30,858,266
Profit/(loss) from normal operations	24,872,360	30,858,266
Profit/(loss) from discontinued operations		
Other comprehensive income statement items		
Other comprehensive income statement items that will not subsequently be reclassified to profit/(loss) for the year		
Profit (loss) for the year	24,872,360	30,858,266
40 Actuarial profit/(loss)	(40,968)	(3,872)
Total other comprehensive income statement items	24,831,392	30,854,394
Comprehensive income for the year	24,831,392	30,854,394





CONSOLIDATED CASH FLOW STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(in Euro)	2025	2024
Net profit/(loss) from continuing operations	24,872,360	30,858,266
Net profit/(loss) for the year	24,872,360	30,858,266
Amortization and Depreciation	12,531,884	10,544,453
Change in provisions	(200,839)	391,684
Non-recurring expenses (income)	960,160	2,432,999
Financial expenses and (income)	(19,339,784)	(25,288,692)
Write-down of fixed assets	1,797,970	-
Decrease / (Increase) in trade receivables, net	31,357,174	(24,054,245)
Increase / (Decrease) in trade payables	(2,188,080)	(183,786)
Decrease / (Increase) in other assets	12,873,670	(2,021,888)
Increase / (Decrease) in other liabilities	(405,947)	3,614,421
Cash flow generated by operating activities (a)	62,258,568	(3,706,788)
Net investments in property, plant and equipment	(1,273,606)	(1,220,000)
Net investments in intangible assets	(15,807,627)	(12,693,473)
Net equity investments	(3,120,059)	(314,030)
(Increase) / Decrease in trade receivables	(20,006,118)	9,387,327
Cash flows provided by (used in) investing activities (b)	(40,207,410)	(4,840,176)
Share capital increase	13,259	-
Sale/(Acquisition) of treasury shares	(13,139,592)	-
Increase / (Decrease) financial payables	(39,764,322)	31,564,204
Interest and dividends collected / (paid) during the year	270,060	6,370,523
Cash flows provided by (used in) financing activities (c)	(52,620,595)	37,934,727
Cash flows in the year (a)+(b)+(c)	(30,569,437)	29,387,763
Cash and cash equivalents at beginning of year	41,695,742	12,307,979
Cash and cash equivalents at end of year	11,126,305	41,695,742
Change in cash and cash equivalents in the year	(30,569,437)	29,387,763

STATEMENT OF CHANGES IN EQUITY

Description	Share capital	Share premium reserve	Legal reserve	Other reserves	Treasury shares reserve	Other LTP reserves	Retained earnings/ (accumulated losses)	Profit (loss) for the year	TOTAL
Equity at 31.12.2023	11,300	104,694	2,260	8,701	-	5,662	71,188	32,555	236,358
Allocation 2023 profit	-	-	-	-	-	-	32,555	(32,555)	-
Share capital increase	-	-	-	-	-	-	-	-	-
Distributable reserve	-	-	-	-	-	-	-	-	-
Dividends distributed	-	-	-	-	-	-	(18,000)	-	(18,000)
Other LT incentive plan reserves	-	-	-	-	-	-	-	-	-
LT incentive plan reserve	-	-	-	(213)	-	-	-	-	(213)
IFRS reserve	-	-	-	3	-	-	-	-	3
IRS reserve	-	-	-	(3,987)	-	-	-	-	(3,987)
Actuarial gains/losses	-	-	-	-	-	-	-	-	-
Result 2024	-	-	-	-	-	-	-	30,858	30,858
Equity at 31.12.2024	11,300	104,694	2,260	4,504	-	5,662	85,743	30,858	245,021
Allocation 2024 profit	-	-	-	-	-	-	30,858	(30,858)	-
Share capital increase	13	-	-	-	-	-	-	-	13
Distributable reserve	-	-	-	-	-	-	-	-	-
Dividends distributed	-	-	-	-	-	-	(19,000)	-	(19,000)
Other LT incentive plan reserves	-	-	-	-	-	-	-	-	-
LT incentive plan reserve	-	-	-	795	-	-	-	-	795
IFRS reserve	-	-	-	31	-	-	-	-	31
Treasury shares reserve	-	-	-	-	(13,139)	-	-	-	(13,139)
Actuarial gains/losses	-	-	-	-	-	-	-	-	-
Result 2025	-	-	-	-	-	-	-	24,872	24,872
Equity at 31.12.2025	11,313	104,694	2,260	5,330	(13,139)	5,662	97,601	24,872	238,593

^(*) During the year, the company distributed dividends of Euro 19,000 thousand to its shareholders.





EXPLANATORY NOTES

General information

As at December 31, 2025, the share capital of Intercos S.p.A., fully subscribed and paid-in, amounts to Euro 11,313,514.75 and is divided into 96,364,020 ordinary shares, without par value, corresponding, pursuant to Article 120, paragraph 1 of the CFA and Article 6 of the By-Laws, to 127,363,621 voting rights (each ordinary share grants the right to one vote, except for the 30,999,601 shares for which the multi-voting right has been achieved, in the ratio of two voting rights for each share).

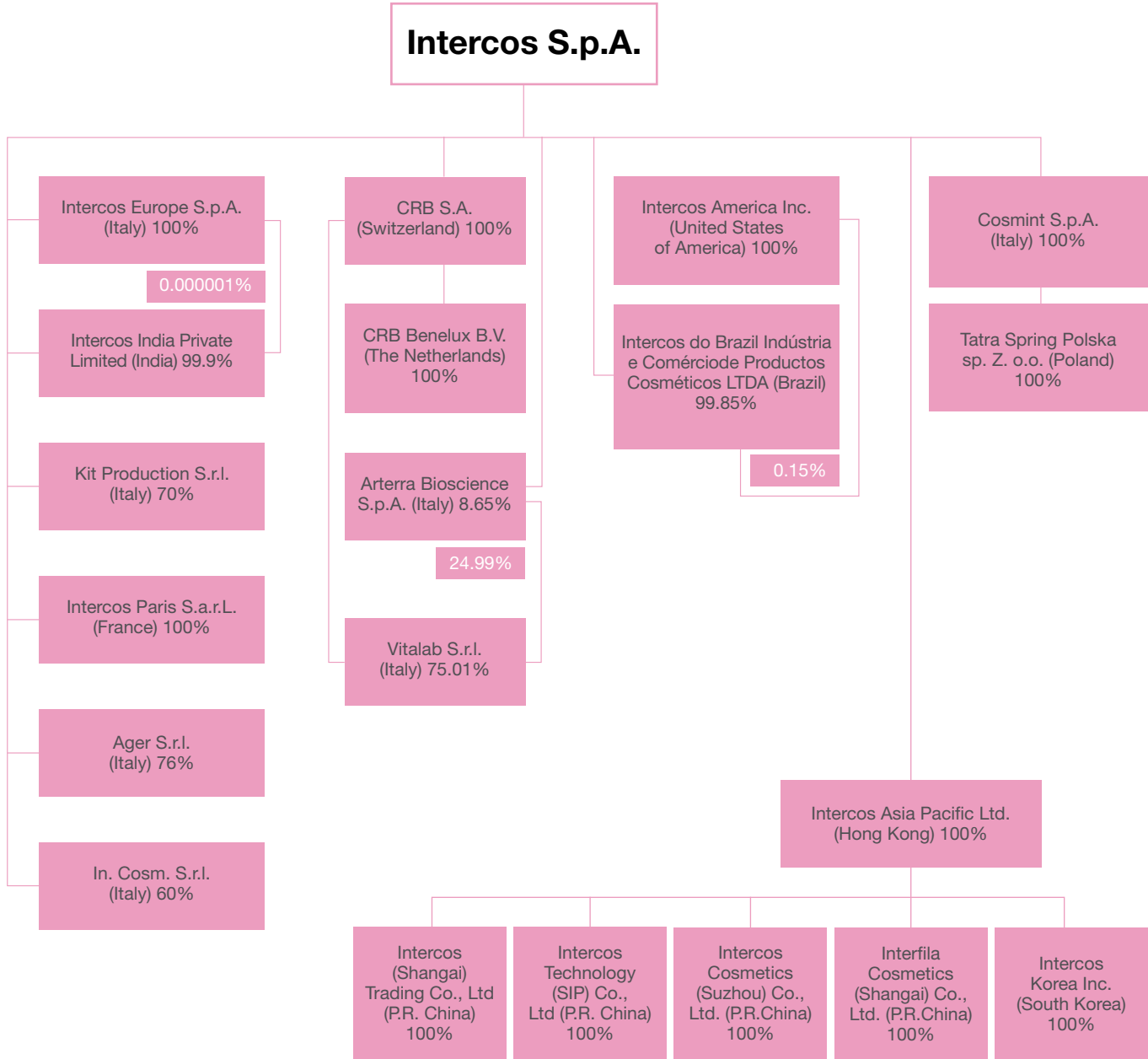
It should be noted that Intercos' By-Laws provide for the mechanism of multi-voting rights (Article 6 of the By-Laws).

The issue and circulation of ordinary shares is regulated by current legislation.

THE GROUP STRUCTURE

At the preparation date of the financial statements, the Company's business is conducted through the following Group Companies:





Basis of presentation of the financial statements

MANNER OF PRESENTATION

These annual financial statements at December 31, 2025 are presented in units of Euro and comprise the Statement of Financial Position, the Comprehensive Statement of Income, the Cash Flow Statement, the Statement of Changes in Equity and these Explanatory Notes. All the amounts reported in the financial statements are expressed in thousands of Euro, unless otherwise indicated. The income statement format adopted provides for the classification of costs by nature.

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Commission for the preparation of the consolidated and separate financial statements of companies with equity and/or debt securities listed on a European Union regulated market.

The term “IFRS” refers to all International Financial Reporting Standards, all International Accounting Standards (“IAS”) and all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously known as the Standing Interpretations Committee (“SIC”), adopted by the European Union and contained in the relevant EU Regulations published up to the date on which the Board of Directors of Intercos S.p.A. approved the draft of these financial statements. Any future interpretations and updates will be reflected in subsequent accounting periods, in accordance with the procedures provided for in the relevant accounting standards.

The draft financial statements for the year ended December 31, 2025 were approved by the Board of Directors on March 4, 2026.

NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

During the year ended December 31, 2025, the Company applied accounting standards consistent with the prior year, except for the accounting standards, interpretations and amendments becoming effective on January 1, 2025, as set out below.

The Company has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

Various amendments are applied for the first time in 2025, but did not impact the financial statements of the Company. The new standards and amendments effective as of January 1, 2025, adopted by the Company for the preparation of the financial statements, are presented below:

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should consider whether a currency is convertible and how it should determine the spot exchange rate when it is not convertible. The amendments also require disclosures that enable users of the financial statements to understand how the non-convertible currency affects, or is expected to affect, the entity’s operating results, balance sheet, financial position and cash flows.

These amendments did not have any significant impact on the Company financial statements.





ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BY IASB/ IFRIC AND ENDORSED BY THE EUROPEAN COMMISSION, BUT NOT YET APPLIED

The standards, interpretations and amendments which at the date of the preparation of the Group financial statements were issued but not yet in force are reported below. The Group will adopt these standards when they enter into force, if applicable.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Additionally, entities will need to classify all expenses and revenues within the income statement within four categories: operating, investing, financing, income tax, and discontinued operations. The first three categories are new.

The standard also requires disclosures based on the new definition of management-defined performance indicators (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of Primary Financial Statements (PFS) and the notes.

In addition, changes have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations based on the indirect method; from profit or loss to operating profit or loss and removing the option to classify cash flows from dividends and interest. Additionally, consequential changes were made to multiple other accounting standards.

IFRS 18, and amendments to other standards, are effective for fiscal years beginning on or

after January 1, 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.

The Company is currently working to identify the impacts that the changes will have on its financial statements and notes to the financial statements. The preliminary assessments of the main expected impacts on the Company's separate financial statements are as follows:

- Rental income, changes in fair value related to investment properties, and the profit share of an investee and a joint venture will be classified in the "investment" category within the income statement.
- Foreign exchange differences will be classified within the category in which the related income and expenses giving rise to the foreign exchange difference were classified.
- New disclosures will be introduced with reference to: (a) "management-defined performance measures"; (b) costs by nature when the costs are presented by function of the "operating" category in the statement of profit/(loss) for the year; and (c) a reconciliation, for each item in the income statement, between the amounts restated by applying IFRS 18 and those previously presented under IAS 1. Interest income and interest expense will be classified as investing activities and financing activities, respectively, in the statement of cash flows.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in the other IFRS accounting standards. To be eligible, at the end of the fiscal year, an entity must be a subsidiary as defined within IFRS 19, may not have "public accountability" and must have a parent (ultimate or interim) that prepares con-

solidated financial statements, available to the public, prepared in accordance with IFRS accounting standards.

IFRS 19 will become effective for fiscal years beginning on or after January 1, 2027, with early application possible.

As the Company's shares are publicly traded, the Company is not eligible for the application of IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, called Amendments to Classification and Measurement of Financial Instruments (the "Amendments").

Amendments to the Classification and Measurement of Financial Instruments The Amendments include:

- a clarification that a financial liability is written off on the "settlement date" and the introduction of an accounting policy choice (where specific conditions are met) to cancel financial liabilities settled through electronic payment systems before the settlement date;
- additional guidance on how to evaluate contractual cash flows for financial assets with environmental, social and governance (ESG) characteristics or similar;
- clarification of the characteristics of a "non-recourse" instrument (non-recourse feature) and on the characteristics of contractually linked instruments;
- the introduction of disclosure requirements for financial instruments with contingent characteristics and additional disclosure requirements for equity instruments classified at fair value through comprehensive income (OCI).

The Amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted only for the classification of financial assets and related disclosures.

The Company does not expect the changes to have a significant effect on the separate financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine amendments of limited scope as part of the periodic maintenance of the IFRS. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the following standards: *IFRS 1 First-time Adoption of International Financial Reporting Standards*, *IFRS 7 Financial Instruments: Disclosures and the related Guidance on implementing IFRS 7*, *IFRS 9 Financial Instruments*, *IFRS 10 Consolidated Financial Statements* and *IAS 7 Statement of Cash Flows*.

The changes will be effective for periods beginning on or after January 1, 2026. Early adoption is permitted, of which adequate notice must be given.

These amendments are not expected to have a significant impact on the Company's financial statements.

Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that refer to that type of electricity and:

- clarify the application of own-use requirements for contracts within the scope;
- change the requirements for designating a hedged item in a cash flow hedging relationship for these contracts;





- introduce new disclosure requirements to enable investors to understand the effects of such contracts on a company's financial performance and cash flows.

The amendments will be effective for fiscal years beginning on or after January 1, 2026. Early adoption is allowed, although adequate disclosure must be given.

The amendments related to the own-use exception should be applied retrospectively, while those in hedge accounting should be applied prospectively to new hedging relationships designated as of the date of first application. In addition, the amendments to disclosure under IFRS 7 must be implemented in conjunction with the changes to IFRS 9. In the event that an entity does not restate the comparative information, it may not submit comparative disclosures.

The Company does not expect the changes to have a significant effect on the separate financial statements.

Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21

On November 13, 2025, the IASB issued amendments to IAS 21, Translation to a Hyperinflationary Presentation Currency. The changes aim to improve the usefulness of the resulting information in a cost-effective manner.

The amendments will be effective for fiscal years beginning on or after January 1, 2027. Early adoption is allowed, although adequate disclosure must be given.

In view of the geographic areas in which the Company is present, these amendments are not expected to have a significant impact on the Company's consolidated financial statements.

International Tax Reform – Pillar Two Model Rules – Amendments of IAS 12

On May 23, 2023, the IASB published an amendment called “Amendments to IAS 12 Income Taxes: International Tax Reform - Pillar Two Model Rules” to clarify the application of IAS 12 Income Taxes to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules of the OECD/G20 Inclusive Framework on Base Erosion And Profit Shifting under which large multinational corporations (with revenues greater than Euro 750 million) pay a global minimum tax rate of 15% in each jurisdiction in which they operate.

The amendments to IAS 12 include:

- a temporary mandatory exception to the disclosure of information and accounting for deferred taxes resulting from the jurisdictional application of the Pillar Two Model Rules;
- a requirement to separately indicate the amount of current taxes resulting from the application of the Pillar Two Model Rules;
- disclosure requirements (qualitative and quantitative) for covered entities to help financial statement users better understand an entity's exposure to Pillar Two Model Rules income taxes, particularly prior to its enactment and,
- possibility of producing a statement - in which a description is provided of ongoing activities to estimate exposure to the impacts of the Pillar Two Model Rules - where the disclosure requirements may not be reasonably estimated.

The temporary mandatory exemption - whose use is required to be disclosed - was immediately applicable after the Amendment was issued.

GloBe - Pillar II rules, under which large multinational corporations (with revenues greater

than Euro 750 million) pay a global minimum tax rate of 15% in each jurisdiction in which they operate, came into effect on January 1, 2024.

Pillar Two Model Rules have been issued in a number of jurisdictions where the Intercos Group operates.

The Company falls within the scope of the Pillar Two regulations and has made an assessment of potential exposure to Pillar II income taxes that was based on the most recent tax returns and financial statements of the Group's constituent entities for the tax years 2024 and 2025.

Based on the assessment made, in almost all of the jurisdictions in which the Group operates, the effective tax rate is above 15%.

For the transitional period, in any case, even for countries where the rules allowing the non-application of the Pillar II rules ("Safe Harbour") could not be used, the effective tax rate remains extremely close to 15%.

The Company does not anticipate significant exposure to income taxes as determined by the application of Pillar II regulations in these jurisdictions.

SUMMARY OF THE MAIN ACCOUNTING STANDARDS AND POLICIES

As outlined, the financial information was prepared in compliance with the IFRS adopted by the European Union. The financial statements have been prepared in accordance with the cost method, except in the cases specifically described in the following notes, for which the fair value method has been applied.

The Financial Statements have been prepared on a going concern basis.

The principal measurement criteria utilized are described below. The accounting principles described below were applied in a uniform manner for all the periods presented.

These financial statements will be submitted for approval to the shareholders' meeting, which is the body authorized to make any changes to the document, should the need arise.

PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are measured at purchase or production cost, net of accumulated depreciation and any impairments. The cost includes all charges directly incurred for bringing the asset to their condition for use, as well as dismantling and removal charges which will be incurred consequent of contractual obligations, which require the asset to be returned to its original condition.

Any interest charges incurred in the acquisition, production or construction of property, plant and equipment is capitalized on the value of the related asset until it is available for use. The expenses incurred for the maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement in the year in which they are incurred. The capitalization of the costs relating to the expansion, modernization or improvement of owned tangible assets or of those held in leasing, is





made only when they satisfy the requirements to be separately classified as an asset or part of an asset in accordance with the component approach. Similarly, the replacement costs of components relating to complex assets are allocated as assets and depreciated over their estimated residual useful life while the residual value of the component subject to replacement is recorded to the income statement.

Spare parts of significant value are capitalized and depreciated over the useful life of the asset to which they relate.

The carrying amount of property, plant and equipment is adjusted by systematic depreciation, calculated on a straight-line basis from the date on which the asset is available and ready for use, in accordance with its estimated useful life. Depreciation is recognized from the month in which the asset is available for use, or is potentially able to provide the economic benefits associated with it, and is charged on a monthly basis on a straight-line basis using rates that allow for depreciation of the assets until the useful life is exhausted or, in the case of divestments, until the last month of use.

The annual depreciation rates, representing the estimated useful lives of the various categories of property, plant and equipment, are as follows:

Description	Rates
Land	0%
Buildings	4%/5.5%
Plant	
- Generic	10.00%
- Specific	12.00%
- Water purification	15.00%
Machinery	12%/12.5%
Industrial equipment	
- Laboratory, Workshop, Molds	15.00%
- Light constructions	10.00%
- Molds	40.00%
Other assets	
- Office furniture and machinery	12.00%
- EDP	20.00%
- Internal transport	20.00%
- Vehicles	25.00%

The useful life of property, plant and equipment and their residual value are reviewed and updated, where necessary, at the end of each year.

When the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is made separately for each part of the asset, with the application of the component approach principle.

Leasehold improvements are classified in property, plant and equipment in line with the nature of the cost incurred. The depreciation period for costs relating to the expansion, modernization or improvement of structural elements in use by third parties corresponds to the lower of the residual useful life of the tangible fixed asset and the residual duration of the lease contract.

Gains and losses deriving from the sale or disposal of assets are determined as the difference between sale proceeds and the net carrying amount of the asset disposed of or sold, and are charged to the income statement for the relevant period.

Land is not depreciated and is stated at cost less accumulated impairment losses.

Gains and losses arising from the disposal of property, plant and equipment are determined as the difference between the net disposal consideration and the carrying amount of the asset.

LEASED ASSETS

The Company assesses when entering into a contract whether it is, or contains, a lease. In other terms, whether the contract confers the right to control the use of an identified asset for a period of time in exchange for a fee.

THE COMPANY AS LESSEE

The Company adopts a single recognition and measurement model for all leases, except for short-term leases and low value leases. The Company recognizes the lease liabilities and the right-of-use asset representing the right to use the asset underlying the contract.

i) Right-of-use assets

The Company recognizes right-of-use assets at the initial leasing date (i.e. the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liabilities. The cost of the right-of-use assets includes the amount of the lease liabilities recognized, the initial direct costs incurred and the lease payments made at the commencement date or before, net of any incentives received. Right-of-use assets are depreciated on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right-of-use.

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

Right-of-use assets are subject to impairment. Reference should be made to the section on Impairment of property, plant and equipment and intangible assets.

ii) Lease liabilities

At the lease commencement date, the Company recognizes the lease liabilities measuring them at the present value of the future lease payments not yet settled at that date. The payments due include the fixed payments (includ-

ing the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value. The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option will be exercised by the Company and the lease termination penalty payments, where the lease duration takes account of the exercise by the Company of the termination option on the lease.

The variable lease payments not depending on an index or a rate are recognized as costs in the period (unless incurred in the production of inventories) in which the event or the condition generating the payment occurs.

In calculating the present value of the payments due, the Company uses the incremental borrowing rate at the commencement date where the implicit interest rate cannot be readily determined. After the commencement date, the amount of the lease liability increases to take account of the interest on the lease liabilities and reduces to consider the payments made. In addition, the carrying amount of the lease liabilities are restated in the case of any changes to the lease or a review of the contractual terms with regards to the change in the payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine those payments.

The Company's lease liabilities are included in the bank borrowings and other lenders item.

iii) Short-term leases and low value asset leases

The Company applies the exception for the recognition of short-term leases for machinery and equipment (i.e. leasing with a duration of 12 months or less from the commencement





date and not containing a purchase option). The Company has also applied the exception for leases concerning assets of a modest value with regards to the leasing contracts on office equipment whose value is considered low. The short-term lease instalments and those for low value assets are recognized as costs on a straight-line basis over the lease duration.

INTANGIBLE ASSETS

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, as well as purchased goodwill. Identifiability is defined with reference to the possibility of distinguishing the intangible asset acquired from goodwill; this requirement is normally met when: (i) the intangible asset is traceable to a legal or contractual right, or (ii) the asset is separable, i.e. it can be sold, transferred, leased or exchanged independently or as an integral part of other assets. Control of the business consists of the power to take advantage of future economic benefits arising from the asset and the possibility of limiting its access to others. These assets are recorded at purchase and/or production cost, including the costs of bringing the asset to its current use, net of accumulated amortization, and any loss in value. Any interest expense matured during the year and for the development of the intangible assets are charged to the income statement. Amortization begins when the asset is available for use and is recognized on a systematic basis in relation to the residual possibility of use and thus over the estimated useful life of the asset.

(i) Goodwill

Goodwill is initially recognized at cost and represents the excess of the acquisition cost incurred against the fair value at the date of purchase of assets and liabilities comprising businesses or business units.

It is not subject to systematic amortization but to an impairment test, carried out at least annually and on the occurrence of events indicating impairment, to verify the recoverability of its carrying amount.

The impairment test is the procedure that verifies the existence or otherwise of a loss in value of an asset (tangible or intangible) recognized to the financial statements. The impairment loss is considered as the difference between the carrying amount of the asset being analyzed and its recoverable amount, defined as the higher of its value in use and the fair value of the asset less costs to sell, whereby the latter is the higher of its value in use and its fair value less costs to sell:

- the value in use is the present value of expected future cash flows that are expected to arise from the continuous use and possible disposal of an asset at the end of its useful life;
- fair value less cost to sell (net selling price) is the amount obtainable, net of disposal costs, from the sale of an asset in an arm's length transaction between knowledgeable, willing parties.

The valuation model determines the value in use as the sum of the operating cash flows (defined as gross operating margin net of notional income taxes on the operating result, as well as changes in net working capital and investments/divestments in fixed capital) for each year of the plan.

The discount rates reflect the market's assessment of the specific risk of each cash generating unit, considering the time value of money and the specific risks of the underlying assets that have not already been included in the cash flow estimate. The calculation of the discount rate is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity.

The cost of equity is derived from the expected rate of return on investments by the Group's investors. The cost of debt is based on the onerous borrowings undertaken by the Group. Industry-specific risk is incorporated by applying specific beta factors. The beta factors are reviewed annually based on available market data. Discount rates are adjusted for the specific amounts and timing of future tax flows to reflect a pre-tax discount rate.

Goodwill is tested for impairment at least annually and, more frequently, when circumstances indicate that the carrying value may be impaired. The impairment of goodwill is determined through a valuation of the recoverable value of the cash generating unit (or group of units) to which the goodwill is allocated. Where the recoverable amount of the cash generating unit is less than the carrying amount of the cash generating unit to which the goodwill has been allocated, an impairment loss is recognized. The decrease in the value of goodwill cannot be restated in future years.

After its initial recognition, goodwill is measured at cost, net of accumulated impairment. In order to identify any impairment, the goodwill acquired in a business combination is allocated, at the acquisition date, to the Company's cash-generating units, or to the group of cash generating units which should benefit from the synergies of the business combination, independently of the fact that other assets or liabilities of the Company are allocated to this unit or group of units. Each unit or group of units to which the goodwill is allocated:

- a) represents the lowest level within the Company to which the goodwill is monitored at internal management level;
- b) is no larger than the segments identified on the basis of the Company's segment reporting schedule, determined in accordance with IFRS 8 Operating Segments.

If the goodwill is allocated to a cash generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

(ii) Trademarks and Licenses and Similar Rights

The amortization of Licenses is calculated on a straight line basis in order to allocate the costs incurred for the acquisition of the right over the shorter between the expected utilization and the duration of the relative contracts, from the moment in which the rights acquired are exercisable. Software licenses are amortized using the straight-line method over the period considered representative of their useful life, i.e. 5 years

(iii) Development costs

Development costs are recognized in profit or loss in the year they are incurred, with the exception of development costs recorded under "Intangible assets", when they satisfy the following conditions:

- a) the project is clearly identified and the related costs are reliably identifiable and measurable;
- b) the technical feasibility of the project is demonstrated;
- c) the intention to complete the project and the ability to sell or use the intangible assets generated by the project is demonstrated;
- d) a potential market exists or, in the case of internal use, the use of the intangible asset is demonstrated for the generation of future economic benefits;
- e) the technical and financial resources necessary to complete the project are available.





The amortization of any development costs are recognized under intangible assets from the date in which the result generated from the project is commercialized. Amortization is on a straight line basis over a period of five years, which represents the duration of the estimated useful life of the expenses capitalized.

IMPAIRMENTS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At each reporting date, property, plant and equipment and intangible assets with a finite life are analyzed in order to identify the existence of any impairment indicators. Where such indicators are identified, the recoverable value of these assets is estimated, recognizing any write-down to the income statement. The recoverable value of an asset is the higher between the fair value less costs to sell and its value in use, where this latter is the fair value of the estimated future cash flows for this asset. In defining the value in use, the expected future cash flows are discounted utilizing a discount rate that reflects the current market assessment of the time value of money, and the specific risks of the activity. For an asset that does not generate independent cash flows, the realizable value is determined in relation to the cash-generating unit to which the asset belongs.

A reduction in value is recognized in the income statement when the carrying value of the asset, or of the CGU to which it is allocated, is higher than the recoverable amount. Where the reasons for the write-down no longer exist, the book value of the asset is restated through the income statement, up to the value at which the asset excluding amortization would be recorded if no write-down had taken place and amortization had been recorded.

INVESTMENTS IN SUBSIDIARIES AND OTHER COMPANIES

Investments in subsidiaries are measured at acquisition cost. Subsidiaries are businesses over which the Company has the right to directly or indirectly exercise control, as defined by IFRS 10 - "Consolidated Financial Statements". Specifically, control exists when the controlling entity simultaneously:

- holds decision-making power over the investee entity;
- has the right to participate in, or is exposed to, variable results (positive and negative) from the investee;
- has the ability to exercise power over the investee so as to affect the amount of its economic returns.

Evidence of control must be subject to ongoing review by the Company, aimed at identifying all facts or circumstances that may imply a change in one or more elements on which the existence of a control relationship over an investee depends. Where there is objective evidence of an impairment, the recovery of the book value is verified comparing the carrying value with the relative recoverable value, represented by the higher between the fair value, net of selling costs, and the value in use. The value in use is generally determined within the limits of the corresponding portion of equity of the investee company taken from the consolidated financial statements. The investor's share of any losses of the investee, in excess of the book value of the investment, is recorded in a specific provision to the extent that the investor is committed to fulfilling legal or implicit obligations of the investee, or in any case, to covering its losses. When the reasons for the write-downs cease to apply, the carrying amount of the equity investments measured at cost is restored within the limits of the write-downs made, with the effect charged to the income statement.

FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

Financial assets principally relate to trade receivables, non-derivative, not listed on an active market, from which fixed or determinable payments are expected. They are stated as current assets except for amounts due beyond twelve months from the reporting date, which are classified as non-current. On initial recognition these assets are measured at fair value and subsequently at amortized cost, on the basis of the effective interest rate. When there is an indication of a reduction in value, the asset is reduced to the value of the discounted future cash flows obtainable. Impairments are recognized to the income statement. If, in subsequent periods, the reasons for the impairment loss no longer exist, the carrying amount of the assets is reinstated up to the amount deriving from the application of the amortized cost where no impairment loss had been applied.

Financial assets are derecognized from the balance sheet when the right to receive the cash flows from the instrument ceases or when the Company has transferred all the risks and rewards relating to the instrument and the relative control.

FINANCIAL LIABILITIES

Purchases and sales of financial liabilities are accounted for on the settlement date, i.e. the date on which the Company commits to purchase or sell the financial instrument.

Financial liabilities relate to loans, trade payables and other commitments to be paid, and are initially valued at fair value and subsequently at amortized cost, using the effective interest rate. When there is a change in the expected cash flows and it is possible to estimate them reliably, the value of the loans are recalculated to reflect this change based on the new current value of the expected cash flows and of the internal

yield initially determined. Financial liabilities are classified under current liabilities, unless there is an unconditional right to defer their payment for at least 12 months after the reporting date.

Financial liabilities are derecognized from the statement of financial position when they are settled or when all risks and rewards relating to the instrument have been transferred to third parties. The Company has no supply financing arrangements in place.

MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments quoted in an active market is based on market prices at the reporting date. The market prices used for derivatives are Bid Prices, while for financial liabilities they are Ask Prices. The fair value of instruments that are not quoted in an active market is determined using valuation techniques, based on a variety of methods and assumptions related to market conditions at the reporting date.

The fair value of interest rate swaps is calculated based on the present value of expected future cash flows.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank deposits, postal deposits, cash and cash equivalents on hand. These are recorded at their nominal value.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges include provisions deriving from current obligations (legal or implicit) arising from a past event, for the fulfillment of which it is probable that an outlay of resources will be required, the amount of which





can be reliably estimated. The amount set aside represents the best estimate less the expenses required to settle the obligation. When the time value of money is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted. The rate used in the determination of the present value of the liability reflects the current market values and includes the further effects relating to the specific risk associated with each liability. Changes in the value of provisions related to the passage of time are recognized in the income statement under "Financial expenses".

EMPLOYEE PROVISIONS

The defined benefit plans, which until December 31, 2006 included employee benefit obligations in accordance with Article 2120 of the Civil Code, are based on the period of employment service and on the remuneration received by each employee over a period of employment. In particular, the liability representing the debt of the Company towards its employees is recognized to the financial statements on the basis of its actuarial value, as it qualifies as an employee benefit due on the basis of a defined-benefit plan. The recognition in the financial statements of a defined benefit plan requires an estimate of the value of the services matured by the change in employment service in current and previous years through actuarial techniques and the discounting of these services in order to determine the current value of Company commitments. The present value of these commitments is determined using the projected unit credit method. This method, which relates to the so-called "matured benefits" techniques, considers each period of service by employees at the Company as a source of an additional unit of right: the actuarial liability must be quantified only on the basis of the service matured at the valuation date; therefore, the total liability is normally proportioned based on the ratio between the service years matured at the valuation date and the total number of years at the expected settlement of the benefit.

In addition, this method considers future increases in remuneration, of whatever nature (inflation, merit, contractual renewals etc.), up to the termination of employment.

The cost accrued during the year in relation to defined benefit plans and recognized to the Income Statement under personnel expenses is equal to the sum of the average present value of the rights accrued by employees for work carried out during the year and the annual interest accrued on the present value of the commitments of the Company at the beginning of the year, calculated using the discount rate for future outlays adopted to estimate the liability at the end of the previous year.

Actuarial gains and losses express the effects of differences between previous actuarial assumptions and what actually occurred and the effects of changes in actuarial assumptions. These actuarial gains and losses are recognized in other comprehensive income.

Following the Complementary Pension Reform, as amended by the 2007 Finance Act and subsequent Decrees and Regulations issued in the early months of 2007, as of January 1, 2007 the accruing Employee benefit obligations will be allocated to pension funds, to the treasury fund set up at the INPS or, in the case of companies with fewer than 50 employees, may remain with the company in the same way as in previous periods. Employees had the right to choose their preference for the allocation of their employee leaving indemnity up to June 30, 2007.

In this regard, the effects deriving from the new provisions have been taken into account, by measuring for the purposes of IAS 19 only the liability relating to accrued employee benefit obligations remaining with the company, since the portion accruing since 2007 has been paid into alternative pension schemes or into a treasury account set up with the INPS, depending on the choice made by each individual employee.

In relation to this, the allocation of the maturing benefit to the pension funds or the INPS fund, part of the maturing benefit is classified as a defined contribution plan as the obligation of the company is exclusively represented by the payment of the contributions to the pension fund or to the INPS fund. The liability relating to the prior benefits matured continue to represent a defined benefit plan measured based on actuarial assumptions.

TRANSLATION OF ACCOUNTS IN CURRENCIES OTHER THAN THE EURO

Foreign currency transactions are converted into Euro using the exchange rate at the transaction date. The foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Exchange losses and gains arising from bonds and other monetary assets measured at fair value in the income statement are accounted for as part of the changes in their present value in the income statement.

REVENUE RECOGNITION

Revenues are recorded net of directly related returns, discounts, allowances, premiums, taxes and promotional contributions.

SERVICES

Revenues from services are recognized only when the results of the transaction can be reliably estimated, with reference to the stage of completion of the transaction at the reporting date.

The results of a transaction can be reliably estimated when all of the following conditions are met:

- the amount of revenue can be reliably determined;
- it is likely that the company will enjoy the economic benefits of the transaction;
- the stage of completion of the transaction at the reporting date can be reliably measured;
- the costs incurred for the transaction and the costs to complete it can be reliably determined.

ROYALTIES

Royalties are recognized on an accrual basis in accordance with the terms of the related agreement.

DIVIDENDS

Dividends are recorded when the right to collect them arises, which normally corresponds to the resolution passed by the Shareholders' Meeting for the distribution of dividends.

FINANCIAL INCOME AND EXPENSES

Financial expenses are recognized as a cost in the period in which they are incurred. This item includes interest on bank overdrafts and loans, financial expenses related to finance leases, actuarial losses and financial costs arising from the actuarial valuation of the employee benefit obligations provision.

INCOME TAXES

Current taxes are determined on the basis of a realistic forecast of the charges to be paid in application of current tax legislation.

Deferred taxes are determined on the basis of temporary differences between the carrying amount of assets and liabilities and their tax base (global allocation method), with the exception of goodwill. Deferred tax assets are recognized only for those amounts for which





it is probable there will be future assessable income to recover the amounts. The deferred taxes are calculated utilizing the tax rates which are expected to be applied in the years when the temporary differences will be realized or settled.

Current and deferred income taxes are recorded in the income statement, except those relating to accounts directly credited or debited to equity, in which case the fiscal effect is recognized directly to equity. Taxes are compensated when the income tax is applied by the same fiscal authority, there is a legal right of compensation and the payment of the net balance is expected.

Since 2008 Intercos S.p.A. has taken part as the “consolidating company” in the national tax consolidation as per Articles 117-129 of the Income Tax Law, for the first three years, with Intercos Europe S.p.A. and Marketing Projects S.r.l. as the “consolidated companies”. The option was also renewed for subsequent periods. During these periods other Group companies joined the procedure, as presented in the “OP - Communications for optional regimes” of the SC Earnings Form submitted by Intercos S.p.A., with, in addition to the parent company, Intercos Europe S.p.A., Ager S.r.l., Vitalab S.r.l., Kit Productions S.r.l. and Cosmint S.p.A., taking part in the national tax consolidation.

Each company participating in the tax consolidation transfers its assessable income or tax loss to Intercos S.p.A., which recognizes a credit (equal to the IRES to be paid) to the companies that contribute assessable income, or a debit to the companies that transfer a tax loss.

Intercos S.p.A., as the consolidating company, is responsible for, in addition to any higher taxes declared and the relative penalties and interest relating to its own individual overall income, for the amounts that may be due, with reference to the consolidated tax return, also

following the “formal control” as per Article 36-ter of Presidential Decree 600/73, in addition to, jointly and severally, for the amounts due relating to the penalties issued to the companies taking part in the consolidation who have committed violations in calculating their individual position. Similarly, the consolidated companies are jointly and severally liable to Intercos S.p.A., as the consolidating company, for any higher taxes assessed in relation to the consolidated company’s tax return, referring to adjustments to the income presented in its own tax return, including those resulting from “formal controls” as per Article 36-ter of Presidential Decree No. 600/1973. All of the above, as governed by the Tax Consolidation Agreement originally entered into on June 5, 2008 and subsequent updates.

Finally, it should be noted that Article 162-bis, letter c) of the Income Tax Law, implementing the provisions of Directive 2016/1164 (“ATAD 1 Directive”) on combating tax avoidance, in defining “Non-financial holding company” any entity that exclusively or predominantly exercises the assumption of shareholdings in entities other than financial intermediaries, has also established that the aforementioned condition occurs if, based on the last approved financial statements, the total amount of the value of the shareholdings and loans held/concessioned is greater than 50% of the Assets.

On the basis of the financial statements at December 31, 2019, Intercos S.p.A. falls within the above definition and during 2024 it has complied with the reporting requirements provided for “Non-financial holding companies” (“Periodic reporting of financial relationships to the Tax Registry”) and has implemented the tax effects attached to this inclusion. In particular, with regard to IRAP:

- it determined the tax base under the Industrial Companies rules, adding the difference between interest and similar income and 96% of interest and similar expense;

- it took into account the increased rate according to the Regions for the value of taxable production (in the case of Lombardy, 5.57%).

GOVERNMENT GRANTS - DISCLOSURE AS PER ARTICLE 1, PARAGRAPHS 125-129, LAW NO. 124/2017

Article 1, paragraphs 125-129, of Law No. 124/2017 regulates the subject of government grants and, specifically, the obligations incumbent on beneficiaries and issuers.

As far as Intecos S.p.A. is concerned, given that it is not a company directly or indirectly controlled by the State, there is no obligation under paragraph 126 to indicate any payments made to Italian or foreign beneficiaries.

On the other hand, with regard to the disbursements received from Italian public bodies and entities, given that they are not subject to presentation:

- the forms of incentive/subsidy received under a general aid scheme to all those eligible (such as, for example, tax relief measures);
- fees relating to works/services, including sponsorships;
- reimbursements and allowances paid to individuals engaged in training and orientation internships;
- contributions received for ongoing training from inter-professional funds set up in the legal form of an association;
- membership fees for belonging to trade and territorial associations, as well as for foundations, or equivalent organizations, functional to activities connected with the company's business.

As per Article 3-quater of Legislative Decree No. 135/2018, for disbursements received in 2024 and contained in the National Register of State Aid pursuant to Article 52 of Law No. 234 of December 24, 2012, reference should be made to the indications contained therein and it should be noted that the total value of any other contributions, subsidies, consideration and economic benefits of any kind received in the year from public and equivalent entities not included in the aforementioned Register (in particular the "Youth Guarantee" incentive requested through the INPS) is less than Euro 10,000.





Estimates and assumptions

The preparation of the statutory financial statements requires the Directors to apply accounting policies and methods that are at times based on complex subjective assessments and estimates linked to historical experience, and on assumptions that at any given point are considered reasonable and realistic in view of the relevant circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the balance sheet, the income statement and the cash flow statement, and on the disclosures in the notes to the accounts. The accounting policies which require greater subjectivity by the Directors in the preparation of the estimates and for which a change in the underlying conditions or the assumptions may have a significant impact on the financial statements are briefly described below.

GOODWILL

In accordance with the accounting standards adopted for the preparation of the financial statements, goodwill is tested annually for impairment to be recognized to the income statement. In particular, this test involves the allocation of goodwill to the cash generating units and the subsequent determination of the related recoverable value, i.e. the higher of fair value net of costs to sell and the value in use. If the recoverable value is lower than the carrying amount of the cash generating units, the goodwill allocated to them must be written down.

The calculation of the recoverable value requires estimates which depend on subjective valuation factors that may change over time with consequent effects, which may be significant, compared to the valuations made by the Directors. The calculation of value in use is based on a discounted cash flow model. Cash flows are derived from the business plan

prepared for the five-year period 2021-2025 and do not include restructuring activities to which the Company has not yet committed or significant future investments that will increase the results of the business included in the cash generating unit being evaluated. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, in addition to the expected future cash flows and the growth rate used for the extrapolation. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are described in detail in paragraph 7.

WRITE-DOWN OF FIXED ASSETS

Fixed assets are subject to an impairment test to ascertain any reduction in value, which is recognized through a write-down where indicators exist of difficulties in recovering the related net carrying amount. The verification of such difficulties requires the Directors to make valuations based on the information available within the Company and on the market, as well as from historical experience. In addition, if it is considered that a potential impairment has been generated, the Company uses suitable valuation techniques for its calculation. The correct identification of the indicators of the existence of a potential impairment, in addition to the estimates for their determination depends on factors which may vary over time impact upon the valuations and estimates made by the Directors.

For further details, reference should be made to paragraphs 5 and 6 “*Property, plants and equipment*” and “*Intangible assets*” of the explanatory notes.

DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT

Depreciation represents a significant cost for the Company. The cost of property, plant and equipment is depreciated on a straight-line basis on the estimated useful life of the asset. The useful life of the fixed assets is determined by the Directors when the fixed assets are purchased. This is based on the historical experiences for similar fixed assets, market conditions and considerations relating to future events which could have an impact, such as changes in technology. The effective useful life may therefore be different from the estimated useful life. The Company periodically assesses technological and industry changes, decommissioning charges and salvage value to update the remaining useful life. This periodic update could result in a change in the depreciation period and therefore in the depreciation charge in future years.

DEFERRED TAXES

Deferred tax assets are recognized on the basis of income expectations for future periods. The measurement of expected income for the purpose of accounting for deferred taxes depends on factors that may change over time and have a significant effect on the measurement of this item.

Reference should be made to paragraphs 9 and 20 “*Deferred tax assets*” and “*Deferred tax liabilities*” of the Explanatory Notes for further details.

PROVISIONS FOR RISKS

The Company makes provisions in its risk reserves for probable liabilities arising from dis-

putes with personnel, suppliers, third parties and, in general, charges that it will be obliged to incur as a result of past obligations. These assessments include, among other matters, an estimate of the liabilities that may arise from disputes over the terms of fixed-term employment contracts that have been used in the past, chiefly for delivery activities. The determination of these provisions involves making estimates based on current knowledge of factors that may change over time, which may therefore generate final results that also significantly differ from those forecast by the directors for the preparation of the financial statements.

For further details, please refer to paragraph 19 “*Risks provision*”.

CLIMATE CHANGE

With reference to the issue of climate change, the Company annually reports on climate-related risks and opportunities in a qualitative-quantitative manner, according to the model of the Task Force on Climate-related Financial Disclosures (TCFD), through participation in the Carbon Disclosure Project assessment dedicated specifically to Climate Change.

Reference should be made to the Risks related to climate change section in paragraph 9 “*Risks and uncertainties*”.





Significant transactions in 2025

For further details on significant events in the year, reference should be made to Directors' Report.

REVIEW OF THE MAIN SEPARATE FINANCIAL STATEMENT ACCOUNTS

Property, plant & equipment

Property, plant and equipment” reports the following movements in the year:

	Jan 1, 25	Increases/ Deprec	Reclassifications/ Transfers	Decreases/ Utilizations	Dec 31, 25
Historical cost					
Land & buildings	69,655	45	-	-	69,700
Plant & machinery	13,738	109	7	(7)	13,847
Industrial equipment	2,095	174	8	(102)	2,175
Office furniture and equipment	6,845	232	134	(16)	7,195
Vehicles and internal transport	1,005	334	-	-	1,339
Radiotelephones	35	97	-	-	132
Assets in progress & payments on a/c	931	283	(149)	-	1,065
Total	94,304	1,274	-	(125)	95,453
Accumulated depreciation					
Land & buildings	55,805	276	-	-	56,081
Plant & machinery	12,568	278	-	(1)	12,845
Industrial equipment	1,258	226	-	(46)	1,438
Office furniture and equipment	6,081	331	-	(16)	6,396
Vehicles and internal transport	611	234	-	-	845
Radiotelephones	26	5	-	-	31
Total	76,349	1,350	-	(63)	77,636
Net value	17,955				17,817

Company capital expenditure in 2025 totaled Euro 1,274 thousand, of which:

- Euro 232 thousand related to purchases of office machines to upgrade and update company hardware;
- Euro 334 thousand related to vehicles;
- Euro 174 thousand mainly due to the purchase of machinery for the industrialization of products, generic and specific plants, various laboratory equipment, completion of renovation work on part of the office buildings.

- Assets in progress amounting to Euro 283 thousand mainly referring to equipment under construction and improvements on buildings.





The following table provides information on the carrying amounts of right-of-use assets and their movements during the year:

Intercos SpA	Industrial buildings	Industrial equipment	Office furniture and equipment	Vehicles	Total
January 1, 2024	68	-	56	397	521
Historical cost					
Increases	-	-	46	334	381
Decreases	-	-	-	-	-
Accumulated depreciation					
Increases	(16)	-	(43)	(234)	(293)
Decreases	-	-	-	-	-
December 31, 2025	52	-	60	497	609

In the year ending December 31, 2025, no indicators have emerged that would lead to the identification of a differing useful life.

Intangible Assets

The movements in “Intangible assets” during the year were as follows:

(in thousands of Euro)	Jan 1, 25	Increases	Decreases/ Adjust./	Transfers	Dec 31, 25
Historical cost.					
Research & development costs	85,562	3,593	-	6,595	95,750
Patent rights	37,314	3,449	-	1,112	41,875
Concessions, licenses	7,240	669	-	-	7,909
Assets in progress	12,405	7,183	-	(7,067)	12,521
Other	2,579	914	-	(640)	2,853
Total	145,098	15,808	-	-	160,906
Accumulated amortization					
Research & development costs	67,211	6,817	-	-	74,028
Patent rights	24,459	4,061	-	-	28,520
Concessions, licenses	6,679	305	-	-	6,984
Assets in progress	0	-	-	-	0
Other	815	-	-	-	815
Total	99,165	11,183	-	-	110,347
Net value	45,933	4,626	-	-	50,559

Company capital expenditure in 2025 totaled Euro 15,808 thousand. The increase in the item “Patent Rights/Software” for a total of Euro 3,449 thousand mainly concerns i) for Euro 440 thousand the development of operating applications for the new platform to optimize the management of Group reporting, in particular this year dedicated to “sales reporting”, ii) for Euro 576 thousand the development of new applications connected to the SAP information system; iii) Euro 334 thousand for the strengthening of the Cyber Security systems; iv) Euro 501 thousand for the development of software aimed at digitizing the “Ready to Go Products and Package” management process; v) Euro 149 thousand for the Devex operating system; and vi) Euro 165 thousand for hardware upgrades.

In addition, it should be noted that the increase of “Assets in progress” of Euro 7,183 thousand is divided into: i) new projects in progress for the development of new formulas and production processes amounting to Euro 5,216 thou-

sand; ii) Euro 1,967 thousand, mainly related to technological and system innovation projects. The increase in “Other” totaling Euro 914 thousand is mainly attributable to advances for assets in progress and in particular to: i) development of new HR applications related to the SAP system for Euro 427 thousand and ii) Euro 270 thousand for the “Data Strategy” project, which aims to create a data governance tool to a) enable proper management of information; b) create dashboards and analysis tools to support decision-making; and c) implement systems for extracting, transforming and loading information from transactional systems to the data platform in the procurement area.

“Development costs” at December 31, 2025 report a balance of Euro 21,722 thousand, increasing Euro 3,593 thousand, with Euro 6,595 thousand relating to transfers from assets in progress. The company is constantly striving to carry out new investment programs focused on development in the following areas:





- Development costs on projects to create entirely original products on the cosmetics market, particularly in terms of families of New eco-sustainable cosmetic raw materials and dyes, while also for the application of alternative materials to plastics from fossil-origin and toward recovered plastics;
- Development costs on projects to build New Production Technologies, including the creation of innovative automatic packaging lines

capable of significantly cutting production costs, as well as the development of new production techniques to be used in the cosmetics lines and the creation of new compounding platforms capable of performing specific analyses to satisfy market demands.

For “Development Costs”, the table presenting the net balance of the value of research and development projects broken down by year at the close of fiscal year 2025 follows.

(Euro thousands) Project	Residual amortization (years)	Year of recognition	Historic cost	Acc. amort	Net value
New Production Technologies	0.90	2021	205	(168)	38
New Raw Materials and New Formulas	0.90	2021	9,384	(7,852)	1,532
Sub-total			9,589	(8,020)	1,569
New Production Technologies	1.50	2022	773	(552)	221
New Raw Materials and New Formulas	1.50	2022	7,208	(4,910)	2,297
Sub-total			7,981	(5,463)	2,518
New Production Technologies	2.50	2023	514	(250)	265
New Raw Materials and New Formulas	2.90	2023	6,462	(2,693)	3,770
Sub-total			5,450	(1,557)	3,891
New Production Technologies	4.00	2024	841	(168)	673
New Raw Materials and New Formulas	4.00	2024	4,609	(1,390)	3,218
Sub-total			6,976	(2,942)	4,034
New Production Technologies	5.00	2025	1,351	(60)	1,291
New Raw Materials and New Formulas	5.00	2025	8,746	(328)	8,418
Sub-total			10,098	(389)	9,709
Total			40,093	(18,371)	21,722

The table below outlines the focus on ongoing projects at year-end, recorded under assets in progress and advances, which shall be completed over the coming years:

Project	Value
Assets in progress	
New Production Technologies	2,962
New Raw Materials and New Formulas	7,104
Total	10,066

The amortization schedule, substantially in line with the profit forecasts guaranteed by the individual projects, is five years. It should be noted that the capitalization of development projects includes, in accordance with the provisions of IAS 23, a portion of interest; in fact, the above-mentioned standard provides for this possibility also for loans not specifically intended for the production or purchase of a specific asset, thanks to the application of a capitalization rate to the costs incurred.

The rates used are 0.92% for 2021, 1.51% for 2022, 5.24% for 2023, 4.55% for 2024 and 3.52% for 2025.

In order to capitalize development projects, management carefully assesses the economic benefits expected from them and, during their useful life, checks for impairment arising from any loss in value through the impairment test verifying the expected cash flows from each project.

In the year ending December 31, 2025, no indicators have emerged that would lead to the identification of a differing useful life.

For further details on Research and Development, please refer to the Directors' Report on the Company's situation and operating performance in 2025.





Goodwill

The movements in “Goodwill” were as follows:

	2025	Changes in the year	December 31, 2025
Goodwill	33,654	-	33,654

The objective is to provide information on the valuation process and the procedure for impairment testing of the goodwill recorded in the Company financial statements, in compliance with the requirements of IAS 36.

The value of goodwill is tested annually for possible impairment through impairment testing.

For the purposes of the impairment test, goodwill is allocated for Euro 33,654 thousand to the Make Up CGU.

The Company specializes in the design, production and marketing of cosmetics and skin-care and haircare products for both established and emerging leading domestic and international brands, in addition to domestic and international Color Cosmetics, Skincare and Haircare retailers.

The Company’s mission is to maintain and consolidate its position as a partner of the leading cosmetic market players, acting as a fashion innovator and providing an increasingly innovative and creative approach.

The search for innovation, in raw materials, formulas, technologies and packaging, means that Intercos is capable of renewing itself and of conceiving and supplying innovative products, making it a strategic partner for the development of companies engaged in the cosmetics sector and an outsourcer of innovation. The activity of the Company is organized in the Make Up Business Unit which operates in the design, research, development, production

and marketing of powders, foundations, lipsticks, nail polishes and delivery systems, the latter used for the face, eyes and lips.

For the purposes of the impairment test, it should be pointed out that, by definition, goodwill cannot be considered an individual asset because it is not capable of generating cash flows independently from other assets. Therefore, its carrying amount was broken down within the Make Up CGU, underlining that the company holds exclusive ownership of all Make Up Business Unit formulas, which is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired company are assigned to those units or groups of units.

The recoverable amount of the CGU’s to which goodwill is allocated is defined through the value in use.

In particular, the value in use was determined by applying the “discounted cash flows” method, discounting the operating cash flows resulting from the plan approved by Group management; in particular, the operating, equity and financial plan prepared for the 2026-2030 five-year period was used, approved by the Board of Directors on February 25, 2026.

The assumptions for drafting the 2026-2030 five-year plan reflect Group management’s realistic expectations of future developments and outlines the strategic actions underlying the goal of creating shareholder value. This plan was drawn up on the basis of the best information available to management, considering both factors internal and external to the Group and adjusting its estimates based on the results achieved in fiscal year 2025 against the targets set.

The valuation model determines the value in use as the sum of the operating cash flows (defined as gross operating margin net of notional income taxes on the operating result, as well as changes in net working capital, changes in Post-Employment Benefits and investments/divestments in fixed capital) for each year of the plan.

The discount rates reflect the market's assessment of the specific risk of each cash generating unit, considering the time value of money and the specific risks of the underlying assets that have not already been included in the cash flow estimate. The calculation of the discount rate is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investments by the Group's investors. The cost of debt is based on the onerous borrowings undertaken by the Group. Industry-specific risk is incorporated by applying specific beta factors. The beta factors are reviewed annually based on available market data. Discount rates are adjusted for the specific amounts and timing of future tax flows to reflect a pre-tax discount rate.

Cash flows were discounted at a WACC (weighted average cost of capital) rate of 8.5% for the Make Up CGU (8.7% as of December 31, 2024). The terminal value is determined by applying to the operating cash flow for the last

year of the plan, appropriately normalized, a perpetual growth factor of 1.9% for the Make-up CGU (2.0% in 2024) equal to the expected inflation weighted for the countries in which the Group operates in relation to the CGU in question.

We present below the value in use of the Make-up CGU determined on the basis of that indicated above:

(Euro millions)	Value in use	Net capital employed	Headroom
CGU Make Up	1,041.1	377.2	663.9
Total	1,041.1	377.2	663.9

The impairment tests carried out at December 31, 2025 did not reveal any impairment losses on the goodwill recorded, since the value in use determined for each CGU identified is higher than their relative carrying amount (net capital employed, including the portion of goodwill specifically allocated).

The sensitivity analyses carried out during the impairment test indicated:

- With reference to the Make Up CGU, with the same EBITDA, an impairment loss would occur at a WACC increased by 18.1%;
- With reference to the Make Up CGU, at the same WACC, an impairment loss would occur with a reduction in EBITDA in excess of 38.9%.





Investments in subsidiaries and other companies

The movements in “Investments in subsidiaries and other companies” were as follows:

	At December 31, 2025
Opening balance	211,065
Disposals	(3,860)
Increases	271
Acquisitions - Share capital increase	24,489
Total	231,965

The details and changes during the year in this item are reported below:

	At 1.1.2025	Revaluation	(Write-down)	Increases	Decreases	Miscellaneous	At 31.12.2025
Intercos Europe S.p.A.	35,518	-	-	-	-	145	35,663
Cosmint Spa	69,614	-	-	-	-	(101)	69,513
Kit Productions S.r.l.	7	-	-	-	-	-	7
Intercos India	8,704	-	-	4,910	-	19	13,633
Ager S.r.l.	102	-	-	-	-	-	102
Intercos America Inc.	28,529	-	-	12,323	-	(3)	40,849
Intercos do Brasil	5,677	-	-	7,256	-	40	12,973
Intercos Paris Sarl	188	-	-	-	-	-	188
CRB S.a.	15,609	-	-	-	-	19	15,628
Intercos Concept Srl	3,860	-	-	-	(3,860)	-	-
Intercos Asia Pacific Limited	41,459	-	-	-	-	152	41,611
In.cosm SRL	300	-	-	-	-	-	300
Total subsidiaries	209,567	-	-	24,489	(3,860)	271	230,467
Arterra Bioscience Spa	1,498	-	-	-	-	-	1,498
Total other companies	1,498	-	-	-	-	-	1,498
Total	211,065	-	-	24,489	(3,860)	271	231,965

During the year, equity investments increased from Euro 211,065 thousand to Euro 231,965 thousand. This increase was mainly due to various share capital increases. In particular for:

- i) the share capital increase in favor of Intercos America for Euro 12,323 thousand following the waiver of a shareholders' loan previously granted;
- ii) the share capital increase in favor of Intercos do Brasil for Euro 7,256 thousand following the waiver of a shareholders' loan previously granted;
- iii) the share capital increase in favor of Intercos India for INR 475,000 thousand at a countervalue of Euro 4,910 thousand;

The company, following the approvals of the Management Long Term Incentive Plan for a number of Intercos Group key managers, recorded an increase of Euro 271 thousand in the year in the value of the equity investments as a contra-entry to the effect of increasing the equity of the companies at which the key managers concerned are employed. These plans are scheduled to mature on December 31, 2026 and December 31, 2027.

In addition, on September 29, 2025, the liquidation process of Intercos Concept was completed and, accordingly, it is considered to have been permanently terminated as of that date.

This transaction resulted in elimination of the investment from the Company's financial statements with a decrease of Euro 3,860 thousand. Further details on the economic effects can be found in paragraph "Adjustments of financial assets."

The value of the equity investments and the related equity value of the investee companies are presented below:

	Invest. value	% held	N.E.	Change
Intercos Europe S.p.A.	35,663	100%	134,429	98,766
Cosmint Spa	69,513	100%	67,718	(1,795)
Kit Productions S.r.l.	7	70%	4,324	4,317
Intercos India	13,633	100%	11,431	(2,202)
Ager S.r.l.	102	76%	1,347	1,245
Intercos America Inc.	40,849	100%	23,038	(17,811)
Intercos do Brasil	12,973	100%	293	(12,680)
Intercos Paris Sarl	188	100%	99	(89)
CRB S.a.	15,628	100%	29,819	14,191
Intercos Asia Pacific Limited	41,611	100%	51,070	9,459
In.cosm Srl	300	60%	587	287
Total subsidiaries	230,467		324,154	93,687
Arterra Bioscience Spa	1,498	9%	1,079	(419)
Total other companies	1,498		1,079	(419)
Total	231,965		325,233	93,268

At December 31, 2025, impairment testing was conducted in order to assess the recoverability of the carrying amounts of the investments in Intercos America, Intercos India and Intercos Do Brasil. Regarding the Cosmint investment, no impairment test for the year 2025 was carried out as the company continues to generate positive results and distributes dividends consistently year on year, confirming its ability to generate recurring cash flows. Moreover, the analysis conducted in the previous year had indicated significant headroom, with no deterioration in the performance parameters or underlying assumptions. At year-end therefore, there were no indicators of impairment such that a new impairment test should be performed.

Based on current financial performance and standing and on forecasts of future earnings, no indications of permanent losses in value were detected for the other investments not subject to impairment testing.

Impairment testing involves the following two steps: i) determination of the recoverable amount; and ii) comparison of the recoverable amount and the carrying amount.

This recoverable is the higher between the net sales price and its value in use. Value in use is the present value of the expected future cash flows. The Intercos group has taken value in use to be the recoverable amount for the investments in Intercos Do Brasil and Intercos India.

The estimate of the value in use is made discounting the operating cash flows at a rate equal to the weighted average cost of debt and equity (Weighted Average Cost of Capital or WACC), in order to obtain the value of the company's operating capital.

The assumptions for drafting the 2026-2030 five-year plan reflect management's realistic expectations of future developments and out-





lines the strategic actions underlying the goal of creating shareholder value. This plan was drawn up on the basis of the best information available to management, considering both factors internal and external to the Group and adjusting its estimates based on the results achieved in fiscal year 2025 against the targets set.

These tests did not indicate any impairment losses, as the Equity Value obtained by discounting the cash flows from the 2026-2030 business plans is higher than the related carrying amount of the investments.

With regard to the stake in Intercos America, management updated the business plan to include certain development initiatives focused on improving profitability in the medium to long-term. As of December 31, 2025, these initiatives were not yet at a level of finalization and commitment that would allow their inclusion in value in use under IAS 36; therefore, in the absence of alternative scenarios support-

ed by management, the Company deemed it appropriate to adopt a Fair Value less costs of disposal model from the perspective of a market participant.

The use of this configuration was considered consistent on the basis of available information, taking into account that market conditions and prospective levels of margins could indicate the need for efficiency and development initiatives for a market player, while the expected margins are lower overall than those of the panel of comparable companies.

Based on these elements, the test performed did not show any indication of impairment as of the reporting date, as the estimated Fair Value (determined on the basis of Equity Value) was higher than the carrying amount of the investment.

The following are the values in use of the individual CGU's determined on the basis described above:

(Euro millions)	Value in use	Net capital employed	Headroom
Intercos America	66.5	40.8	25.6
Intercos Do Brasil	13.4	13	0.4
Intercos India	16.9	13.6	3.3
Total	96.8	67.4	29.3

The sensitivity analyses carried out during the impairment test indicated:

- With reference to the Intercos America investment, with the same EBITDA, an impairment loss would occur at a WACC increased by 9.9%;
- With reference to the Intercos America investment, at the same WACC, an impairment loss would occur with a reduction in EBITDA in excess of 15.5%;
- With reference to the Intercos Do Brasil investment, with the same EBITDA, an impairment loss would occur at a WACC increased by 11.9%;
- With reference to the Intercos Do Brasil investment, at the same WACC, an impairment loss would occur with a reduction in EBITDA in excess of 0.2%;
- With reference to the Intercos India investment, with the same EBITDA, an impairment loss would occur at a WACC increased by 14.1%;
- With reference to the Intercos India investment, at the same WACC, an impairment loss would occur with a reduction in EBITDA in excess of 11.6%.

Deferred tax assets

Deferred tax assets at December 31, 2025 amount to Euro 3,110 thousand, decreasing Euro 3,344 thousand on December 31, 2024.

The following table breaks down deferred tax assets by origin at December 31, 2025 and 2024.

(Euro thousands)	December 31, 2025	December 31, 2024
Provision for risks	461	486
Directors' fees not paid during the year	6	6
Differences on employee benefit obligations	56	66
Goodwill realignment	2,587	2,786
Total	3,110	3,344

The decrease at December 31, 2025 is mainly due to lower deferred tax assets arising from “Goodwill Realignment” of Euro 199 thousand and the utilization of the risk provision of Euro 25 thousand.

With regard to the item “Goodwill Realignment”, following the decision of the Company in the previous year to maintain the realignment of the tax value of goodwill by carrying the benefit over a timeframe of 50 years and resulting in the recognition of deferred tax assets limited to a period of 18 years amounting to Euro 3,582 thousand.

The Company, due to its resilience over the years and ability to be profitable, consider that it can maintain projected expectations of the recovery of deferred tax assets recognized over the next 15 years.

It is considered therefore that the deferred tax assets are fully recoverable until the conclusion of the timeframe provided for by the tax benefit of the Budget Law 2025 in view also of the future taxable income of the Companies, also in light of the 2026-2030 business plan approved by the Board of Directors on February 25, 2026.





Other non-current assets

“Other non-current assets” at December 31, 2025 and 2024, are broken down as follows:

	December 31, 2025	December 31, 2024
Guarantee deposits	197	197
Total	197	197

Other non-current assets at December 31, 2025 amounted to Euro 197 thousand and mainly concerned guarantee deposits for a number of hired company vehicles.

Non-current financial receivables

The balance of non-current financial receivables of Euro 212 thousand at December 31, 2025, refers to the portion of a loan granted to an employee with maturity in 2028.

Trade receivables

“Trade receivables” in 2024 and 2025 are broke down as follows:

	December 31, 2025	December 31, 2024
Receivables from third parties	57	659
Receivables from Group companies	37,637	67,907
Doubtful debt provision	-	(179)
Total	37,694	68,388

Trade receivables include the entire amount of receivables due from Group companies.

Trade receivables at December 31, 2025 totaled Euro 37,694 thousand (of which Euro 17,851 thousand concerning invoices to be issued), compared to Euro 68,388 thousand at December 31, 2024, with a net decrease of Euro 30,694 thousand (45%). This decrease is mainly attributable to the settlement of the receivable from the subsidiary Intercos America for Euro 14,491 thousand and from Intercos Europe for Euro 9,679 thousand.

Further information on receivables from Group Companies can be found in paragraph. “*Related Party Transactions.*”

Further details on credit risk are provided in the Directors' Report, under the heading “*Risk management and uncertainties.*”

Other current assets

“Other current assets” in 2025 and 2024 are broken down as follows:

	December 31, 2025	December 31, 2024
Receivables from subsidiaries for tax consolidation	10,223	23,591
Other receivables	39	27
Prepayments and accrued income	1,750	1,321
Advances to employees	-	3
VAT receivable for the year	940	423
IRES receivable	1,001	1,735
IRAP receivable	147	293
Other tax receivables	2,678	2,028
Total	16,778	29,421

The item “Receivables from subsidiaries for tax consolidation” increased by Euro 13,368 thousand due essentially to the increase in assessable income and mainly includes:

- The IRES receivable accrued from the consolidated company Intercos Europe S.p.A. from the 2025 IRES settlement amounting to Euro 7,533 thousand;
- The IRES receivable accrued from the consolidated company Kit Productions S.r.l. from the 2025 IRES settlement amounting to Euro 158 thousand;
- The IRES receivable accrued from the consolidated company Vitalab S.r.l. from the 2025 IRES settlement amounting to Euro 5 thousand;
- The IRES receivable accrued from the consolidated company Cosmint S.p.A. from the 2025 IRES settlement amounting to Euro 2,523 thousand;

- The IRES receivable accrued from the consolidated company Ager Srl. from the 2025 IRES settlement amounting to Euro 6 thousand;

Prepayments and accrued income at December 31, 2025 include prepayments for insurance, utilities and hire not within the application of IFRS 16 totaling Euro 1,750 thousand. “Other tax receivables” increased by Euro 650 thousand, with the increase mainly due to tax receivables related to withholding taxes accrued during the year for Euro 1,268 thousand, partially offset by a decrease of Euro 632 thousand for tax credits used to offset other tax payables.





Loans to Group companies

“Loans to Group companies” in 2025 and 2024 are broken down as follows:

At 31.12.2025	Within 12 months	Beyond one year	Total
Intercos do Brasil	1,700	-	1,700
Intercos America Inc.	-	17,300	17,300
Intercos Korea	-	20,000	20,000
Total	1,700	37,300	39,000

At 31.12.2025	Within 12 months	Beyond one year	Total
Intercos do Brasil	6,888	-	6,888
Intercos America Inc.	12,323	-	12,323
Intercos Korea	20,000	-	20,000
Total	39,211	-	39,211

The Company, as part of its role as coordinator of the Group’s financial resources, provides, as necessary, interest-bearing loans to subsidiaries in order to optimize their resources.

The movement in loans in 2025 is broken down as follows:

- Two new loans were granted to the subsidiary Intercos Do Brasil during the year: i) one for a total of Euro 300 thousand at the LIBOR 3M rate + Spread 2%, ii) one for a total of Euro 1,400 thousand, at the LIBOR 3M rate + Spread 2%. These loans have a one-year term and will expire during 2026. In addition, during the year outstanding loans totaling Euro 4,650 were settled through conversion into equity, while other loans totaling Euro 2,702 were settled following a waiver of the receivable;
- The subsidiary Intercos America during the year was granted 2 new loans totaling Euro 17,300 thousand, at the rate at EURIBOR 6M

+ 2.52% spread. These loans will expire during 2028. In addition, the outstanding loan amounting to Euro 12,323 was closed during the year as a result of a waiver of the receivable.

It should be noted that the maturity date of the loan to the subsidiary Intercos Korea has been renegotiated to December 31, 2028.

Following a careful analysis aimed at assessing the recoverability of these receivables, despite the waiver of the previous receivables, for the new loans issued based on the plan forecasts of the companies concerned, no further critical issues regarding such recoverability were encountered.

Current financial assets

At December 31, 2025, the balance of “Current financial assets” was Euro 663 thousand, referring to:

- i) for Euro 120 thousand to the remuneration of guarantees given to the subsidiaries i) Intercos America for Euro 6,809 thousand, ii) Intercos Korea for Euro 20,625 thousand and Intercos Brazil for Euro 373 thousand. For further details, please refer to the “*Guarantees and other commitments*” paragraph.
- ii) for Euro 543 thousand the interest income accrued on the loans outlined above.

Cash and cash equivalents

“Cash and cash equivalents” at December 31, 2025 and 2024 are broken down as follows:

	December 31, 2025	December 31, 2024
Bank and postal deposits	11,108	41,673
Cash in hand and similar	18	23
Total	11,126	41,696

The item decreased Euro 30,569 thousand on the previous year; for a complete analysis of cash flows, please refer to the cash flow statement.

Liquid funds are available and immediately usable; as of the reporting date, there are no restrictions and/or constraints on liquidity held at December 31, 2025. Available liquidity is used to meet the normal core operating obligations and to implement the strategic guidelines.





Equity

Equity amounted to Euro 238,593 thousand (Euro 245,021 thousand at December 31, 2024).

An analysis of the changes and its composition is provided in the financial statements.

SHARE CAPITAL

As at December 31, 2025, the share capital of Intercos S.p.A., fully subscribed and paid-in, amounts to Euro 11,313,514.75 and is divided into 96,364,020 ordinary shares, without par value, corresponding, pursuant to Article 120,

paragraph 1 of the CFA and Article 6 of the By-Laws, to 127,363,621 voting rights (each ordinary share grants the right to one vote, except for the 30,999,601 shares for which the multi-voting right has been achieved, in the ratio of two voting rights for each share). It should be noted that Intercos' By-Laws provide for the mechanism of multi-voting rights (Article 6 of the By-Laws).

The issue and circulation of ordinary shares is regulated by current legislation.

Intercos' share capital structure is detailed in the table below.

SHARE CAPITAL STRUCTURE

	No. of shares	No. of voting rights	Listed	Rights and obligations
Ordinary shares	96,364,020	127,363,621	Euronext - Milan	Rights and obligations as per law and By-Laws

At December 31, 2025, on the basis of the information received pursuant to the applicable legislation (in particular, pursuant to Article 120 of the CFA) and the entries in the shareholders' register, shareholders who directly or indirectly hold more than 3% of the voting rights in Intercos are as follows:

Declarant	Direct shareholder	No. shares	% ordinary share capital (*)	Number of votes (**)	% voting rights
Dario Gianandrea Ferrari	Dafe 4000 S.r.l. (***)	23,000,940	23.869%	46,001,880	36.119%
	Dafe 5000 S.r.l. (***)	7,998,661	8.300%	15,997,322	12.560%
	Total	30,999,601	32.169%	61,999,202	48.679%
CP7 Caledonia AIV GP, LLP	CP7 BEAUTY LUXCO SARL	12,848,518	13.333%	12,848,518	10.088%
GIC Private Limited	RAFFLES BLUE HOLDINGS LIMITED	5,713,292	5.929%	5,713,292	4.486%
	GIC PRIVATE LIMITED	108,074	0.112%	108,074	0.085%
	Total	5,821,366	6.041%	5,821,366	4.571%
NN GROUP NV	NATIONALE NEDERLANDEN LEVENSVERZEKERING MAATSCHAPPIJ NV	3,695,673	3.835%	3,695,673	2.902%
	NN RE (NETHERLANDS) NV	52,478	0.054%	52,478	0.041%
	NATIONALE NEDERLANDEN SCHADEVERZEKERING MAATSCHAPPIJ NV	341,022	0.354%	341,022	0.268%
	Total	4,089,173	4.243%	4,089,173	3.211%

(*) The share capital consists of 96,364,020 ordinary shares, with no indication of nominal value.

(**) The total amount of voting rights is 127,363,621.

(***) The Shareholder Dafe 4000 S.r.l. has received increased voting rights on 192,488 and, therefore, all 23,000,940 shares it owns.

(****) The Shareholder Dafe 5000 S.r.l. has received increased voting rights on all 7,998,661 shares it owns.

As of December 31, 2025, the Company held 1,143,559 treasury shares (equal to 1.1867% of the share capital), purchased on regulated markets in implementation of the Buy-Back Program approved by the Board of Directors on September 12, 2025.

The following table summarizes the individual items of equity according to their origin and nature:

In Euro thousands	Dec 31, 25	Type of use
Share capital	11,313	
Share premium reserve (*)	104,694	A, B, C
Other reserves (*) (**)	10,992	A, B, C
Treasury shares reserve	(13,139)	A
Legal reserve	2,260	B
Retained earnings (***)	97,601	A, B, C
Net profit for the year (****)	24,872	A, B, C
Equity at 31.12.2025	238,593	

A: For share capital increase

B: To cover losses

C: For distribution to shareholders

(*) Pursuant to Article 2431 of the Civil Code the entire amount of this reserve can be distributed when the legal reserve has reached the limit of one-fifth of the share capital as per Article 2430 of the Civil Code.

(**) Includes the reserve set up against the higher or lower value of the employee benefit obligation valued in accordance with IAS 19

(***) Euro 32,644 thousand is the "non-distributable" portion referring to the suspension regime for tax purposes, equal to the amount of goodwill subject to realignment net of the substitute tax paid. (****) Euro 124 thousand is the "non-distributable" portion referring to unrealized exchange movements





Bank loans and borrowings and loans and borrowings from other lenders

The following tables provide details of amounts due to banks and other lenders at at December 31, 2025:

	Within 1 year	From 1 to 5 years	Beyond 5 years	December 31, 2025
Bank syndicate loans	9,551	159,096	-	168,647
Payables for financial leases and IFRS 16	270	346	-	616
Medium/long-term debt	9,821	159,442	-	169,263
Payables to Group companies	2,150	-	-	2,150
Short-term debt	2,150	-	-	2,150
Total	11,971	159,442	-	171,413

	Within 1 year	From 1 to 5 years	Beyond 5 years	December 31, 2024
Bank syndicate loans	11,485	193,769	-	205,254
Payables for financial leases and IFRS 16	267	269	-	536
Medium/long-term debt	11,752	194,038	-	205,790
Payables to Group companies	5,387	-	-	5,387
Short-term debt	5,387	-	-	5,387
Total	17,139	194,038	-	211,177

At December 31, 2025, the Company's gross financial debt amounted to Euro 171,413 thousand, mainly represented by Euro 168,647 thousand from the Senior Loan Agreement with Banca IMI, Unicredit and BNL.

It is noted that during 2025 the capital portions were repaid on credit lines for Euro 10,000 thousand regarding the Line A loan and the Cassa Depositi e Prestiti loan ("CDP Loan Contract") of Euro 25,000 thousand was repaid early.

The covenants for the year ending December 31, 2025 were complied with.

It is noted that the Senior loan agreement provides for certain restrictions on the Group's operations, including, by way of example, limitations on the possibility of creating liens or guarantee instruments on all or part of the assets in order to guarantee any form of indebtedness ("negative pledge").

Details of the short-term and medium/long-term loans outstanding at December 31, 2025 are provided below, together with the relevant maturities:

Description	Type	Interest Rate	Nominal value	IRR	Charges	Discounted debt	maturity
Line A	Amortising	Max [Euribor 6m + Spread; 0%]	70,000	3.465%	556	69,624	31/12/2030
Line B	Bullet	Max [Euribor 6m + Spread; 0%]	100,000	3.572%	695	99,472	31/12/2030
Acquisition Line*	Bullet	Max [Euribor 6m + Spread; 0%]			695	(202)	31/12/2030
Revolving Line**	Revolving	Max [Euribor 6m + Spread; 0%]			347	(247)	31/12/2030
			170,000		2,293	168,647	

IRR: Internal rate of return is the rate used for IAS39 valuations of the loans shown in the table

At December 31, 2025, the Company's gross financial debt amounted to Euro 168,647 thousand, details of which are provided below:

Description	Short Term	Long Term
Line A	10,000	59,624
Line B	-	99,472
Acquisition Line*	(202)	
Revolving Line**	(247)	
	9,551	159,096

Provisions for risks and charges

In 2025, the "Provisions for risks and charges" did not move and has a balance of Euro 7 thousand referring to amounts set aside for the risk of penalties related to a dispute with the INPS.





Deferred tax liabilities

Deferred tax liabilities amount to Euro 2,297 thousand. For a better understanding, the following table provides a description of the temporary differences that gave rise to the calculation of deferred taxes.

	December 31, 2025	December 31, 2024
Differences depreciation/amortization	2,268	2,268
Other	30	30
Total	2,297	2,297

Personnel provisions

At December 31, 2025, "personnel provisions" totaled Euro 2,778 thousand and included Euro 1,921 thousand relating to provisions for future contractual obligations to personnel for Euro 858 thousand related to other post-employment benefits.

The changes in 2024 in the post-employment benefit provision was as follows:

	December 31, 2025	2024
Opening balance	956	996
(Actuarial gains/(losses))	(41)	(4)
Utilizations	(99)	(80)
Interest cost	32	32
Transfers	10	12
Total	858	956

The sensitivity analysis of the main valuation parameters on the figures at December 31, 2025 is illustrated as follows:

	DBO at December 31, 2025
Inflation rate + 0.25%	863
Inflation rate -0.25%	852
Discount rate +0.25%	849
Discount rate -0.25%	866
Turnover rate +1%	860
Turnover rate -1%	855

The following table shows the major parameters used in determining the actuarial cost to be accrued to the Personnel provisions for 2025.

	December 31, 2025	December 31, 2024
Discount rate	3.94%	3.12%
Annual inflation rate	2.00%	2.00%
Annual increase in employee benefit obligation	3.00%	3.00%
Annual increase in salaries	3.50%	3.50%

The annual discount rate used to determine the present value of the bond was determined, in accordance with para. 83 of IAS 19, with reference to the IBoxx Corporate AA index with a duration of over 10 years (in line with that under review).

Below is the table for estimated future disbursements:

Euro thousands)) Years	Amounts
1	199
2	80
3	206
4	100
5	96

No workplace deaths or serious injuries occurred during the year. Finally, during 2025 there were no particularly significant incidents regarding the health and safety of Company employees.

Furthermore, the Company has not been charged with any damage caused to the environment, nor has it suffered any sanctions or definitive penalties in this respect.





Short-term loans from Group companies

The item totals Euro 2,150 thousand and is broken down as follows:

	December 31, 2025	2024
Ager S.r.l.	800	800
Kit Productions S.r.l.	1,350	1,350
Intercos Concept S.r.l.	-	600
Intercos Cosmetics Suzhou	-	2,637
Total	2,150	5,387

During the year, the company extended for another year, with maturity of December 31, 2025, for the loans with the subsidiaries Ager S.r.l. and Kit Productions S.r.l. at the same contractual conditions, namely Euribor 3M 360 + spread 1%.

Trade payables

Trade payables at December 31, 2025 and 2024 are detailed below:

	December 31, 2025	December 31, 2024
Third party suppliers	9,010	8,856
Payables to Group companies	3,217	5,560
Total	12,227	14,416

“Third party suppliers” decreased by Euro 2,189 thousand, -15% compared to the previous year.

The measurement of trade and other payables at fair value does not produce significant effects given the short period of time elapsing between the arising of the debt and its maturity.

Trade payables are all related to transactions with suppliers in the normal course of production and investment activities and have a duration of less than twelve months. It should also be noted that the Company does not have any indirect debt or debt subject to conditions and that it has assessed that its trade payables overdue by more than 30 days do not have a significant financing component. The table below shows the due dates for payables to third-party suppliers:

(In Euro thousands) Description	December 31, 2025				
	Trade payables	Not yet due	Overdue between 0 - 60 days	Overdue between 61 - 90 days	Overdue between over 90 days
Total trade payables	12,227	10,391	1,512	-	324

At December 31, 2025, there are no outstanding injunctions or suspension of supply actions taken by the Group's suppliers.

During the period under review, the Company did not renegotiate contractual maturities with its suppliers, nor are there any disputes with the Company's creditors or any enforcement actions taken by the latter. It should be noted that compared with the previous year there were no substantial changes in terms of average payment days.

Other payables

In 2025 and 2024, the detail of "Other payables" is as follows:

	December 31, 2025	December 31, 2024
Tax payables	-	1
Other employee payables	4,542	4,057
Social security payables	1,859	1,676
Tax authorities for withholding tax	475	523
Accrued expenses	158	164
Payables to subsidiaries for tax consolidation	7,747	8,778
Other payables	14	2
Total	14,795	15,201

Employee payables and social security payables mainly include:

- additional wages payable of Euro 3,108 thousand and related withholdings of Euro 780 thousand;
- unused holiday time for Euro 744 thousand and related withholdings of Euro 255 thousand;
- fourteenth monthly salaries set aside for Euro 429 thousand;
- employee claims for expenses to be reimbursed for Euro 77 thousand;
- other social security payables for Euro 183 thousand.

Payables due to the tax authorities consist of IRPEF withholdings on salaries (Euro 460 thousand) and withholding taxes on self-employment (Euro 15 thousand).

"Accrued expenses" includes amounts for revenues of Euro 24 thousand, for interest of Euro 108 thousand and other costs of Euro 27 thousand.

The item "Payables to subsidiaries for tax consolidation", amounting to Euro 7,747 thousand, mainly includes:

- The IRES payable accrued from the consolidated company Intercos Europe S.p.A. from the 2025 IRES settlement amounting to Euro 4,254 thousand;
- The IRES payable accrued from the consolidated company Kit Productions S.r.l. from the 2025 IRES settlement amounting to Euro 137 thousand;
- The IRES payable accrued from the consolidated company Cosmint S.p.A. from the 2025 IRES settlement amounting to Euro 3,356 thousand.





Guarantees and other commitments

The guarantees provided concern those to the subsidiaries which have generated interest for the Company from this year.

The following table details however the list of guarantees provided still in place:

Beneficiary	Guarantee type	Description	In Euro	Date of Issue	Maturity
Intesa BCI	credit mandate	Credit Mandate issued on behalf of Intercos America for bank overdraft facility USD 3,000,000 now fully available for cash requirements (following revocation of USD 300,000 as guarantee for letters of credit under the former IDA Bond)	€ 2,553,191.49	25/07/2000	Until revocation
BNP Italy -> Bank of West	Stand-by Letter of Credit	Stand by Letter of Credit in favor of Bank of West (NY) securing the USD 3M Credit Facility issued on 07.07.2020 in favor of Legal Intercos America. On 01/02/2021 BNL confirmed that the line was increased by an additional USD 2 M to support the V-Payo program (virtual credit card payment to pay a number of selected vendors). It is renewed from year to year	€ 4,255,319.15	07/07/2020	Until revocation
BNP Seoul (via BNP Italy)	Corporate Guarantee	Corporate Guarantee in favor of BNP Seoul Branch (Korea) to guarantee the Credit Facility of 20B KRW issued on October 27, 2020 in favor of Legal Intercos Korea (to replace existing credit lines with Hana Bank, which is being divested). Guarantee fixed at 25BKrw and subsequently increased to 35M KRW on 19/04/2021 following the increase in the credit line to 30M KRW, to cover any interest accrued. New credit line confirmed 11/05/21. on 27/10/25 the guarantee was updated, following modification of contractual agreements allowing I.Korea to allocate part of the liquidity to reduce the utilization of the credit facility (no change in the text of the guarantee). It is renewed from year to year	€ 20,625,360.94	27/10/2025	Until revocation
Banco Bradesco x warranty release to XP Industrial Fundo de Inv. Imobiliario	Corporate Guarantee	Corporate Guarantee in favor of Banco Bradesco as guarantee for the Credit Facility issued on 12/06/2023 to allow for the provision of a direct guarantee in favor of the lessee of the property occupied by Legal Entity Intercos Do Brasil Guarantee fixed at 1.2 MBRL to cover any accrued interest. Issued materially on 06/07/2023, confirmed by Bradesco	€ 186,439.62	06/07/2023	31/03/2026
Banco Bradesco x warranty release to XP Industrial Fundo de Inv. Imobiliario	Corporate Guarantee	Corporate Guarantee in favor of Banco Bradesco as guarantee for the Credit Facility issued on 12/06/2023 to allow for the provision of a direct guarantee in favor of the lessee of the property occupied by Legal Entity Intercos Do Brasil Guarantee fixed at 1.2 MBRL to cover any accrued interest. Issued materially on 06/07/2023, confirmed by Bradesco	€ 186,761.71	06/07/2023	31/03/2026

As of the reporting date, the Company, based on the available information and the contractual characteristics, management considers the likelihood of enforcement to be remote; therefore, there is no basis for recognizing a liability under IAS 37.

Revenues from sales and services

Intercos S.p.A.'s operations involves corporate holding activities, while remaining exclusive owner of the real estate, trademarks and industrial patents, investments in Italian and foreign companies, research and development and strate-

gic marketing activities and the management of all the Group's financial and administrative corporate functions. In consideration of the above, details of revenues in 2025 and 2024 are provided below:

(Euro thousands)	2025	2024
Administration service recharges to Group companies	36,829	35,945
Royalties	30,971	29,361
Total revenues from sales and services	67,800	65,305

The main revenue item relates to the recharging of the Services Fees by Intercos S.p.A., in its management and coordination role as holding company, to its subsidiaries (for a total of Euro 36,829 thousand) of fees determined on the basis of "Service agreements" specifically entered into to regulate the reallocation of centralized services; the account increased Euro 885 thousand on the previous year.

"Royalties" includes the amounts determined on the basis of the "License agreement" contracts, which specifically govern the method to reallocate license costs for the use of formula libraries by subsidiaries. Royalties increased Euro 1,610 thousand, in line with the Net Revenues of the subsidiaries.

Please refer to paragraph "*Related Party Transactions*" for further details regarding the breakdown of revenues by individual intra-company counterparty.

Royalties are calculated on the "Net sales" of the beneficiary company and also take into account the type of products sold to third parties; excluded from "Net sales" on which royalties are calculated are:

- transport costs and indirect taxes recharged to the customer in the price of the product;
- products sold on the basis of formulas developed by the customer;
- packaging, excluding the "delivery system" segment.





Other income

“Other income” in 2025 and 2024 was as follows:

(Euro thousands)	2025	2024
R&D tax receivable	746	967
Rental income	1,815	1,810
Other revenues for recharges	3,008	2,788
Gain on asset disposals	3	8
Total	5,572	5,573

The “R&D receivable” item includes the benefit related to the tax receivable on research and development totaling Euro 746 thousand, which decreased on the previous year.

“Rental income” of Euro 1,815 thousand includes rent charged as from October 1, 2011 to Intercos Europe S.p.A. for the part of the property in Agrate Brianza and Dovera leased for operations.

“Other revenues for recharges” include Euro 1,949 thousand in recharges for various costs incurred on behalf of subsidiaries and third parties and then recharged to them, and Euro 1,059 thousand in revenues from contracts entered into with certain customers for collaboration on Innovation.

Raw materials, semi-finished products and consumables

At December 31, 2025, the balance of the item was Euro 1,394 thousand. The details of the above items are as follows:

(Euro thousands)	2025	2024
Consumable materials	30	28
Purchase of samples	1,001	1,031
Pilot dies and equipment	363	308
Total	1,394	1,367

Service costs

The breakdown of “Service costs” in 2025 and 2024 was as follows:

(Euro thousands)	2025	2024
Samples and samples transport	455	414
Other transport	34	24
Advertising costs	233	239
Other services	7,533	7,808
Maintenance	4,864	4,509
Utilities	896	865
Legal and notary fees	155	188
Statutory Auditor and Committee fees	96	92
Consultancy costs	3,975	4,011
Insurance	770	596
Other costs	5,588	6,373
Total	24,599	25,119

The item decreased Euro 520 thousand, mainly due to:

- reduced “Other costs”, concerning IT systems hire for Euro 785 thousand,
- higher maintenance costs of Euro 355 thousand, particularly attributable to maintenance for software.

“Other services” are further detailed in the table below:

(Euro thousands)	2025	2024
Stationary and printing	7	7
Services	937	854
Other services from subsidiaries	-	-
Laboratory analysis	6,164	6,527
Waste disposal	383	373
Total	7,533	7,808

Other services from subsidiaries include the recharging of costs, mostly relating to staff positions that provide centralized services, incurred by the subsidiaries on behalf of the Company in accordance with the criteria defined by the contracts in force.





“Other costs” includes the following items:

(Euro thousands)	2025	2024
Travel expenses	1,668	1,652
Commercial information research	124	124
EDP expenses	5	5
Rental expenses	190	198
Hire	1,571	2,296
Surveillance expenses	118	121
Cleaning expenses	234	221
Costs for personnel	1,678	1,756
Total	5,588	6,373

As outlined above, “Other costs” decreased Euro 785 thousand, mainly attributable to the “Hire” item for Euro 725 thousand. In addition, costs for personnel mainly refer to (i) training

costs of Euro 691 thousand; (ii) recruitment costs of Euro 380 thousand; and (iii) canteen costs of Euro 153 thousand.

Personnel expenses

The breakdown of the account in 2025 and 2024 is as follows:

(Euro thousands)	2025	2024
Wages and salaries	20,032	17,238
Social security charges	6,151	5,471
Defined contribution plans	1,292	1,251
Board of Directors' fees	3,788	3,638
Continuous and occasional collaborations	1,017	797
Other costs	359	701
Total	32,639	29,096

“Personnel expense” increased by Euro 3,543 thousand compared to 2024, +3.6% on the previous year as a percentage of “Revenues from sales and services”.

This increase is mainly due to the expanded workforce, which increased from 285 in 2024 to 309 in 2025, in addition to the adjustment of the national collective bargaining contracts.

It should be noted, in order to provide a more accurate picture of the financial statements, this item includes the costs for remuneration relating to the Board of Directors and those for ongoing and occasional collaborations.

Other operating expenses

In 2025 and 2024, the breakdown of “Other operating expenses” is as follows:

(Euro thousands)	2025	2024
Promotional expenses	266	182
Prior year charges, various allowances	6	-
Other taxes and duties	253	325
Associations	176	166
Vehicle expenses	31	14
Other costs	257	87
Total	989	774

“Other taxes and duties” consists of municipal taxes for Euro 238 thousand and sundry taxes and duties for Euro 14 thousand.

“Other costs” include costs for charitable donations for Euro 110 thousand, representative costs for Euro 120 thousand, magazines and books for Euro 12 thousand, fines and penalties for Euro 12 thousand, and sundry costs for Euro 3 thousand.

Costs capitalized for internal construction

This account, amounting to a total of Euro 9,216 thousand, includes amounts capitalized for costs relating to development projects and software development.

For further details, see paragraph “Intangible assets”.

Amortization, depreciation & write-downs

The breakdown of the account in 2025 and 2024 is as follows:

(Euro thousands)	2025	2024
Amortization	11,182	9,251
Depreciation	1,350	1,294
Total	12,532	10,544

For further details, reference should be made to Notes 5 and 6 regarding tangible and intangible assets.





Adjustments to financial assets

The item at December 31, 2025 presents a balance of Euro 1,798 thousand relating to the capital loss realized from the sale of the equity investment following the dissolution and voluntary liquidation of the subsidiary Intercos Con-

cept S.r.l., which took place on September 30, 2025. For further details, reference should be made to paragraph “*Investments in subsidiaries and other companies*”.

Other income/charges

(Euro thousands)	2025	2024
Non-recurring charges	(3,660)	(2,433)
Non-recurring income	2,700	-
Total	(960)	(2,433)

Other charges and income decreased on the previous year by Euro 1,473 thousand.

Non-recurring charges in 2025 amounted to Euro 3,660 thousand and mainly included (i) personnel restructuring costs for Euro 2,033 thousand; ii) charges of Euro 256 thousand related to due diligence costs for projects for potential acquisitions; iii) for Euro 202 thousand consulting and defense services following the dispute initiated by the Lodi Public Prosecutor's Office. For further details, please refer to the section “Significant transactions in 2025” of the Directors' Report;

The item includes charges related to performance share plans to incentivize certain key managers who are recognized as key resources for Intercos through free share allocations of Euro 529 thousand.

Non-recurring income at December 31, 2025 amounted to Euro 2,700 thousand, concerning for Euro 2,500 the insurance reimbursement received as a result of the hacker attack in February 2024 and for Euro 200 thousand the reimbursement from the Lodi case.

Financial income/expense

In 2025 and 2024, the details of “Financial income” and “Financial expenses” are as follows:

(Euro thousands)	2025	2024
Interest on loans to subsidiaries	1,831	2,887
Dividends from subsidiaries	25,647	26,349
Other interest	621	125
Total financial income	28,099	29,361
Interest expense on medium/long-term payables	(7,677)	(9,002)
Other interest expense	(54)	(118)
Interest expense from subsidiaries	(107)	(155)
Financial expense on MLT debt	(24)	(16)
Bank charges & commissions	(829)	(763)
Derivative assets	-	5,813
Total interest and financial expense	(8,690)	(4,241)
Net exchange gains/(losses)	(69)	169
Total net financial income and expenses	19,340	25,289

Financial income in 2025 totaled Euro 28,099 thousand and mainly comprise i) “Interest on loans to subsidiaries” for Euro 1,831 thousand concerning the remuneration of the various loans agreed with the subsidiaries, as outlined further in paragraph “Short-term loans granted to Group companies”, and ii) dividends for Euro 25,647 thousand, as outlined below:

(Euro thousands)	2025	2024
C.r.b SA	-	1,021
Intercos Paris	100	150
Intercos Europe S.p.A.	10,000	15,000
Arterra Bioscience S.p.A.	75	58
Intercos Asia Pacific	8,072	9,120
Intercos Concept S.r.l.	400	1,000
Cosmint S.p.A.	7,000	-
Total	25,647	26,349

“Currency differences” present net losses in 2025 of Euro 69 thousand. Financial expenses amounted to Euro 8,690 thousand, increasing Euro 4,449 thousand. This increase was mainly due to i) lower interest income on derivatives of Euro 5,813 thousand following the

closure of the derivative asset; and (ii) higher “Financial expenses on medium-long term debt” of Euro 1,325 thousand related to the medium-long term debt.





Income taxes

In 2025 and 2024, the breakdown of “Income Taxes” is as follows:

(Euro thousands)	2025	2024
Current income taxes	1,586	3,057
Lower deferred tax liabilities	-	(204)
Prior year taxes	(32)	193
Non-recoverable withholding taxes (WHT)	367	1,240
Lower/(Higher) deferred tax assets	224	93
Total	2,145	4,380

The aggregate mainly includes: i) current taxes of Euro 1,586 thousand, including VAT and corporate income taxes for the year; ii) non-recoverable withholding taxes (WHT) of Euro 367 thousand, incurred abroad and not recoverable in Italian taxation according to applicable fiscal legislation. For this reason, these withholding taxes were not expensed.

These amounts were partially offset by income from prior year taxes of Euro 32 thousand, which includes the adjustments to the tax provision set aside as of December 31, 2024 with respect to the FY 2024 declaration.

Deferred tax assets and liabilities are shown in Notes “Deferred tax assets” e “Deferred tax liabilities”.

A reconciliation between the theoretical and effective tax rates is provided below.

IRES

Changes in provisions for risks	(102)
Other temporary differences deductible in future years	-
Non-deductible costs (2)	
Non-deductible prior-year charges	432
Non-deductible travel and vehicle expenses	156
Non-deductible taxes and duties	3
Other non-deductible costs	1,001
Non-deductible losses on receivables	180
Write-down of equity investments	1,798
Amortization and depreciation	(794)
Reversal of temporary differences from previous years (4)	
Directors' remuneration	
Dividends not received 2025	-
Other differences	-
Other deductions and recoveries (5)	
Dividends received 2024	(24,365)
IRAP deductions from IRES	(403)
Others	(25)
Other tax credits	(17)
R&D tax credit	(746)
Assessable income	4,136
IRES on assessable income	993

IRAP

Difference between value and costs of production	10,435
Theoretical IRAP (5.57%)	581
Costs not considered for IRAP purposes	5,313
Financial management result	5,094
Taxable IRAP	10,654
IRAP (5.69%)	593

Actuarial profit/(loss)

The account for the application of IAS 19 on the Employee benefit obligation reports a loss of Euro 41 thousand.





Related party transactions

The related party transactions do not qualify as atypical or unusual, as falling within the scope of normal operations. Related party transactions, as per IAS 24, are limited to those regarding the commercial, administrative and financial services undertaken by the parent company and by the subsidiaries with other related parties and are therefore net of transactions between the company and its subsidiaries.

These transactions are within the scope of ordinary management, the core operations of each party and the Company considers them to be carried out at market conditions.

The Company in 2025 undertook the following transactions with Related Parties:

TRANSACTIONS WITH GROUP COMPANIES

(Euro thousands)	Other revenues	Purchases for raw materials, goods, matcons	Services and rent, leases & similar costs & misc. costs	Other operating charges	Financial income/expense	Dividends
Kit Productions S.r.l.	43	(1)	-	-	(46)	-
In. Cosm S.r.l.	12	(37)	(1)	-	-	-
Intercos Concept S.r.l.	14	-	(5)	-	(6)	400
Intercos Europe S.p.A.	38,106	(221)	(1,431)	(1)	-	10,000
Vitalab S.r.l.	91	-	-	-	-	-
Cosmint S.p.A.	4,738	-	(180)	-	-	7,000
Intercos Do Brasil	350	-	-	-	184	-
Intercos Paris S.à.r.l.	87	-	-	-	-	100
Intercos America Inc.	9,211	-	(3,599)	-	805	-
Intercos Cosmetics Suzhou Co. Ltd	2,395	-	-	-	(28)	-
Intercos Asia Pacific	-	-	-	-	-	8,072
Intercos Korea inc	7,259	-	(2,051)	-	1,082	-
Intercos Technology Co. Ltd	881	-	(35)	-	-	-
Intercos India Private Ltd	10	-	-	-	-	-
Interfila Cosmetics (Shanghai) Co. Ltd	1,815	(3)	-	-	-	-
Intercos (Shanghai) Trading Co., Ltd.	4,653	-	-	-	-	-
CRB Sa.	2,238	-	21	-	-	-
Ager S.r.l.	30	(3)	(194)	-	(27)	-
Total	71,934	(265)	(7,476)	(1)	1,964	25,572

(Euro thousands)	Trade receivables	Other receivables	Short-term loans to Group companies	Trade payables	Other payables	Other financial payables
Kit Productions S.r.l.	24	156	-	21	137	1,350
In. Cosm S.r.l.	3	-	-	26	-	-
Intercos Concept S.r.l.	-	-	-	-	-	-
Intercos Europe S.p.A.	9,968	7,577	-	389	4,254	-
Vitalab S.r.l.	28	5	-	-	-	-
Cosmint S.p.A.	2,226	2,523	-	60	3,356	-
Tatra Spring Polska SP. Z.O.O.	-	-	-	-	-	-
Intercos Do brasil	353	-	1,700	-	-	-
Intercos Paris S.à.r.l.	19	-	-	-	-	-
Intercos America Inc.	11,005	-	17,300	1,630	-	-
Intercos Cosmetics Suzhou Co. Ltd	2,294	-	-	56	-	-
Intercos Asia Pacific	-	-	-	-	-	-
Intercos Korea Inc	3,554	-	20,000	903	-	-
Intercos Technology Co. Ltd	844	-	-	28	-	-
Intercos India Private Ltd	40	-	-	-	-	-
Interfila Cosmetics (Shanghai) Co. Ltd	1,774	-	-	3	-	-
Intercos (Shanghai) Trading Co., Ltd.	4,630	-	-	-	-	-
CRB Sa.	858	-	-	3	-	-
Ager S.r.l.	-	6	-	115	-	800
Total	37,621	10,267	39,000	3,234	7,747	2,150

RELATED PARTY TRANSACTIONS

The related parties also include the companies belonging to Dario Gianandrea Ferrari, who holds - through the companies he directly and indirectly controls, Dafe 3000 S.r.l, Dafe 4000 S.r.l. and Dafe 5000 S.r.l. - a holding in Intercos S.p.A. equal to 48.679% of the total voting

rights. As a result of that outlined above, Dario Gianandrea Ferrari effectively controls Intercos S.p.A., through a shareholding (indirect) that enables him to exercise a dominant influence at the ordinary shareholders' meeting of Intercos S.p.A., as also reflected in the declarations made by him pursuant to Article 120 of Legislative Decree No. 58/1998.

(Euro thousands)	Other revenues	Services and rent, leases and similar costs	Other costs
Dafe International S.r.l.	-	-	-
Sci Maragia	-	(31)	-
Interior	(0)	(5)	(121)
Maragia USA Inc	-	(59)	-
Otto Srl	-	(26)	-
Azienda agricola Tommaso Bellora	-	(151)	-
Total	15	(415)	(121)

(Euro thousands)	Crediti commerciali	Debiti commerciali
Dafe International S.r.l.	30	15
My Style	-	65
Cornelli Gabelli e Associati	-	23
Maragia USA Inc	-	26
Avvale Spa	-	345
Total	30	474





Composition of corporate boards at December 31, 2025, and remuneration for the year:

(Euro thousands)	Number of members	Remuneration
Board of Directors	11	3,703
Board of Statutory Auditors	5	96
Total	16	3,799

Independent Audit Firm

(Euro thousands)	Compensi
Fees for the legal audit of the accounts	289
Fees for other non-audit services	146
Total	435

Contingent liabilities

At December 31, 2025, the company has not recognized any contingent liabilities that have not already been estimated and accrued to the provision for risks.

For further details, reference should be made to paragraph “*Provisions for risks and charges*” of the Explanatory Notes.

Allocation of the result for the year

The net result presented a profit of Euro 24,872,360, which is proposed to be allocated i) for Euro 2,652 to the legal reserve, ii) for Euro 5,869,708 to retained earnings, of which Euro 124.253 not distributable and iii) for Euro 19,000,000 to shareholders as dividend.

These financial statements, which consist of the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the financial statements, present a true and fair view of the Company's financial position and results of operations for the period, and reflect the underlying accounting records.

Milan, March 4, 2026

INTERCOS S.p.A.
for the Board of Directors





Declaration on the Separate Financial Statements pursuant to Article 154-bis of the Legislative Decree No. 58/98

The undersigned Renato Semerari, as Chief Executive Officer, and Paola Agasso, as Executive Officer for Financial Reporting of Intercos S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the accuracy of the information on company operations and
- the effective application of the administrative and accounting procedures for the compilation of the consolidated financial statements for 2025.

We also declare that:

1 the 2025 Separate Financial Statements:

- a) have been prepared in accordance with applicable international accounting standards recognized in European Union Regulation (EC) No. 1606/2002 of the European Parliament and Council of July 19 2002;
- b. correspond to the underlying accounting documents and records;
- c. provide a true and fair view of the financial position, statement of financial position and operating results of the Company.

The Directors' Report includes a reliable analysis on the performance and operating result, as well as the situation of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

March 4, 2026

Chief Executive Officer
Renato Semerari

Executive Officer for Financial Reporting
Paola Agasso



The background features several thick, flowing, ribbon-like shapes in shades of blue and purple, creating a sense of movement and depth. The ribbons are layered and curved, with some appearing to flow from the top left towards the bottom right, while others curve in different directions, creating a complex, organic pattern.

INDEPENDENT AUDITORS' REPORT



Intercos S.p.A.

Financial statements as at December 31, 2025

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010, and article
10 of EU Regulation n. 537/2014





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

To the Shareholders of
Intercos S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial statements of Intercos S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

We identified the following key audit matters:

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Key Audit Matter	Audit Response
Valuation of investments in subsidiaries	
<p>At December 31, 2025, the carrying amount of investments in subsidiaries and other companies was € 232,0 million.</p> <p>Management assesses at least annually the existence of impairment indicators for each investment in subsidiaries, in line with group legal entities' management strategy and, if indicators are detected, perform an impairment test of such assets.</p> <p>The processes and methodologies to evaluate and determine the recoverable amount for each investment in subsidiaries are based on assumptions that are in some cases complex and that, due to their nature, imply the use of judgement by management, in particular with reference to the identification of impairment indicators, the forecast of the investments' return over the period covered by the group business plan, the normalized cash flows used to estimate terminal value and the long term growth and discount rates applied to such cash flows forecasts.</p> <p>Considering the level of judgement and complexity of the assumptions applied in estimating the recoverable amount of investments in subsidiaries, we have determined that this area constitutes a key audit matter.</p> <p>The Company included disclosures related to the evaluation of investments in subsidiaries in note 8 "Investments in subsidiaries and other companies" to the financial statements.</p>	<p>Our audit procedures relating to this key audit matter included, among others:</p> <ul style="list-style-type: none"> • understanding the procedure implemented by the Company to identify potential impairment losses and to evaluate investments in subsidiaries; • assessing the report prepared by the Management's expert that assisted the Company in the impairment test, as well as the assessment of their competence, ability and objectivity; • assessing cash flows projections, also considering industry data and forecasts; • verifying the consistency of the forecast of future cash flows of each investment in subsidiaries with the group business plan for the period 2026-2030; • validating the forecasts, by verifying their historical accuracy; • assessing the determination of long-term growth and discount rates. <p>In performing our audit procedures, we also involved our valuation specialists that independently performed their own calculations and sensitivity analyses of key assumptions, in order to assess any changes in assumptions that could significantly impact the determination of the recoverable amount.</p> <p>Lastly, we reviewed the adequacy of the disclosures made in the notes to the separate financial statements related to the valuation of investments in subsidiaries.</p>
Valuation of goodwill	
<p>At December 31, 2025, the carrying amount of goodwill was € 33,7 million, and was allocated to the Cash Generating Units (CGUs) "Make-up".</p> <p>The processes and methodologies to evaluate and determine the recoverable amount for each CGU, in terms of value in use, are based on</p>	<p>Our audit procedures relating to this key audit matter included, among others:</p> <ul style="list-style-type: none"> • assessing the process implemented by the Company for evaluating goodwill; • assessing the report prepared by the Management's expert that assisted the



assumptions that are in certain circumstances complex and that, due to their nature, imply the use of judgement by Management, in particular with reference to the cash flow forecasts, the normalized cash flows used to estimate terminal value, and the long term growth and discount rates applied to such cash flow forecasts.

Considering the level of judgement and complexity of the assumptions applied in estimating the recoverable amount of goodwill, we have determined that this area constitutes a key audit matter.

The Company included disclosures related to the valuation of goodwill in note 2 “Basis of presentation of the Financial Statements” paragraph “Intangible assets”, in note 3 “Estimates and assumptions” and in note 7 “Goodwill”, to the financial statements.

Company in the impairment test, as well as the assessment of their competence, ability and objectivity;

- validating the CGU perimeter and the allocation of the carrying value of assets and liabilities to each CGU;
- assessing cash flows projections, also considering industry data and forecasts;
- verifying the consistency of the forecast of future cash flows for each CGU with the group business plan for the period 2026-2030;
- assessing the accuracy of cash flows forecasts by comparing forecasted data to actual result;
- assessing the long-term growth and discount rates.

In performing our audit procedures, we also involved our valuation specialists who independently performed their own calculations and sensitivity analyses of key assumptions, in order to assess any changes in assumptions that could significantly impact the determination of the recoverable amount.

Lastly, we reviewed the adequacy of the disclosures made in the notes to the financial statements related to evaluation of goodwill.

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

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

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

The statutory audit committee (“Collegio Sindacale”) is responsible, within the terms provided by the law, for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Intercos S.p.A., in the general meeting held on August 25, 2021, engaged us to perform the audits of the financial statements for each of the years ending December 31, 2021 to December 31, 2029.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Intercos S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the financial statements as at December 31, 2025, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at December 31, 2025 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2025 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Intercos S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Intercos S.p.A. as at December 31, 2025, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the financial statements of Intercos S.p.A. as at December 31, 2025.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Milan, March 25, 2026

EY S.p.A.
Signed by: Agostino Longobucco, Auditor

As disclosed by the Directors on page 104, the accompanying financial statements of Intercos S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



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