T.I.S. SERVICE S.P.A.

Consolidated financial statements to 31-03-2026

Name and id code	
Company site	VIA LAGO D'ISEO, 4/6 BOLGARE BG
Fiscal code	01521580165
Registration number	BG 213508
VAT number	01521580165
Share capital Euro	3.000.000 f.p.
Legal form	SOCIETA' PER AZIONI
Activity Code (ATECO)	468420
Company being wound up	no
Company with a single shareholder	yes
Company subject to the management and coordination of others	no
Belonging to a group	yes
Name of the controlling entity	T.I.S. SERVICE S.P.A.
Country of the controlling entity	ITALIA

Consolidated balance sheet

	31-03-2026	31-07-2025
Balance sheet (mandatory scheme)		
Assets		
B) Fixed assets		
I - Intangible fixed assets		
3) industrial patents and intellectual property rights	54.844	-
7) other	168.938	341.196
Total intangible fixed assets	223.782	341.196
II - Tangible fixed assets		
1) land and buildings	2.954.808	2.150.882
2) plant and machinery	1.408.282	1.305.504
3) industrial and commercial equipment	581.785	323.756
4) other assets	131.487	77.835
5) assets under construction and payments on account	34.652	163.304
Total tangible fixed assets	5.111.014	4.021.281
III - Financial fixed assets		
2) receivables due from		
d-b) due from others		
due within the following year	-	45.689
due beyond the following year	45.338	-
Total receivables due from third parties	45.338	45.689
Total receivables	45.338	45.689
4) active derivative financial instruments	4.908	10.941
Total financial fixed assets	50.246	56.630
Total fixed assets (B)	5.385.042	4.419.107
C) Current assets		
I - Inventories		
1) raw, ancillary and consumable materials	5.926.710	2.609.630
2) work in progress and semi-finished products	1.669.930	308.533
4) finished products and goods for resale	7.393.713	6.967.973
5) advances	2.035	33.952
Total inventories	14.992.388	9.920.088
II - Receivables		
1) trade accounts		
due within the following year	9.363.423	11.616.701
Total trade accounts	9.363.423	11.616.701
5-b) tax receivables		
due within the following year	998.979	404.996
Total receivables due from tax authorities	998.979	404.996
5-c) prepaid tax	232.152	201.470
5-d) other receivables		
due within the following year	632.911	775.014
Total receivables due from third parties	632.911	775.014
Total receivables	11.227.465	12.998.181
IV - Liquid funds		
1) bank and post office deposits	2.123.188	1.471.288
3) cash and equivalents on hand	6.424	5.301
Total liquid funds	2.129.612	1.476.589

Total current assets (C)	28.349.465	24.394.858
D) Accrued income and prepayments	712.200	551.488
Total assets	34.446.707	29.365.453
Liabilities and shareholders' equity		
A) Shareholders' equity		
I - Share capital	3.000.000	3.000.000
IV - Legal reserve	347.554	347.554
VI - Other reserves, indicated separately		
Extraordinary reserve	2.695.881	2.695.881
Contributions for future capital increase	3.420.000	3.420.000
Reserve from exchange gains not redeemed	14.551	14.551
Consolidation reserve	214.168	-
Translation difference reserve	84.630	337.263
Miscellaneous other reserves	(1)	(2)
Total other reserves	6.429.229	6.467.693
VII - Reserve for hedging expected cash flow operations	3.272	10.941
VIII - Retained earnings (accumulated losses)	614.441	(3.722.013)
IX - Net profit (loss) for the year	1.122.317	3.967.533
Total group shareholders' equity	11.516.813	10.071.708
Minority shareholders' equity		
Third party capital and reserves	0	3.340
Minority shareholders' profit (loss)	0	0
Total minority shareholders' equity	0	3.340
Total consolidated equity	11.516.813	10.075.048
B) Reserves for contingencies and other charges		
1) pension and similar commitments	205.451	191.735
Total reserves for contingencies and other charges	205.451	191.735
Total reserve for severance indemnities (TFR)	1.124.363	953.303
D) Payables		
3) due to partners for financing		
due within the following year	4.000.000	-
Total payables due to partners for financing	4.000.000	-
4) due to banks		
due within the following year	6.359.572	6.255.379
due beyond the following year	2.702.569	3.770.701
Total payables due to banks	9.062.141	10.026.080
5) due to other providers of finance		
due within the following year	-	70.048
Total payables due to other providers of finance	-	70.048
6) advances		
due within the following year	1.654.322	1.147.781
Total advances	1.654.322	1.147.781
7) trade accounts		
due within the following year	4.367.417	4.809.508
Total trade accounts	4.367.417	4.809.508
12) due to tax authorities		
due within the following year	412.391	876.982
Total payables due to tax authorities	412.391	876.982
13) due to social security and welfare institutions		
due within the following year	328.336	184.486
Total payables due to social security and welfare institutions	328.336	184.486

14) other payables		
due within the following year	1.011.120	634.729
Total other payables	1.011.120	634.729
Total payables (D)	20.835.727	17.749.614
E) Accrued liabilities and deferred income	764.353	395.753
Total liabilities and shareholders' equity	34.446.707	29.365.453

Consolidated income statement

	31-03-2026	31-07-2025
Income statement (value and cost of production)		
A) Value of production		
1) Revenues from sales and services	22.449.240	12.122.192
2) Change in work in progress, semi-finished and finished products	(237.371)	(21.879)
4) Increases in internally constructed fixed assets	58.418	-
5) Other income and revenues		
operating grants	21.182	12.150
other	365.020	247.099
Total Other income and revenues	386.202	259.249
Total value of production	22.656.489	12.359.562
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	12.870.722	6.080.431
7) Services	3.501.427	1.955.220
8) Use of third party assets	502.360	171.816
9) personnel		
a) wages and salaries	2.881.593	1.156.587
b) related salaries	760.453	277.436
c) severance	142.909	64.739
e) other costs	361.924	88.180
Total payroll and related costs	4.146.879	1.586.942
10) depreciation, amortisation and write downs		
a) amortisation of intangible fixed assets	136.174	53.144
b) depreciation of tangible fixed assets	328.738	121.185
d) write-downs of accounts included among current assets	(5.000)	20.000
Total Amortisation, depreciation and write-downs	459.912	194.329
11) Changes in inventories of raw, ancillary and consumable materials and goods for resale	(545.323)	509.564
14) Other operating expenses	247.909	56.563
Total cost of production	21.183.886	10.554.865
Difference between value and cost of production (A - B)	1.472.603	1.804.697
C) Financial income and charges		
15) Income from equity investments		
subsidiary companies	-	2.842.611
other	13.585	-
Total income from equity investments	13.585	2.842.611
16) other financial income		
d) income other than the above		
other	116.226	29.130
Total income other than the above	116.226	29.130
Total other financial income	116.226	29.130
17) Interest and other financial expense		
other	343.801	162.763
Total interest and other financial expense	343.801	162.763
17-bis) Currency gains and losses	(58.059)	(127.999)
Total financial income and expense (15 + 16 - 17 + - 17-bis)	(272.049)	2.580.979
Pre-tax result (A - B + - C + - D)	1.200.554	4.385.676
20) Income tax for the year, current, deferred and prepaid		

Current taxes	199.018	428.086
tax related to previous years	-	2.879
deferred and prepaid tax	(120.781)	(12.822)
Total taxes on the income for the year	78.237	418.143
21) Consolidated profit (loss) for the year	1.122.317	3.967.533
Result related to the group	1.122.317	3.967.533
Result related to minority shareholders	0	0

Consolidated financial statement, indirect method

	31-03-2026	31-07-2025
Financial statement, indirect method		
A) Cash flows from current activities (indirect method)		
Profit (loss) for the year	1.122.317	3.967.533
Income tax	78.237	418.143
Payable (receivable) interest	227.575	133.632
(Capital gains)/Capital losses from business conveyance	-	(2.842.774)
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	1.428.129	1.676.534
Adjustments to non monetary items that were not offset in the net working capital.		
Allocations to preserves	142.909	20.000
Fixed asset depreciation/amortisation	464.912	174.329
Other adjustments to increase/(decrease) non-monetary items	(5.000)	203.615
total adjustments for non-monetary items that were not offset in the net working capital	602.821	397.944
2) Cash flow before changing net working capital	2.030.950	2.074.478
Changes to the net working capital		
Decrease/(increase) in inventory	(5.072.300)	1.021.364
Decrease/(increase) in payables to customers	2.759.819	(3.287.147)
Increase/(decrease) in trade payables	(442.091)	1.656.036
Increase/(decrease) from prepayments and accrued income	(160.712)	(153.997)
Increase/(decrease) from accruals and deferred income	368.600	(130.570)
Other decreases/(other increases) in net working capital	607.263	41.360
Total changes to net working capital	(1.939.421)	(852.954)
3) Cash flow after changes to net working capital	91.529	1.221.524
Other adjustments		
Interest received/(paid)	(227.575)	(133.632)
(Income tax paid)	(732.992)	(363.917)
(Use of reserves)	(13.105)	-
Total other adjustments	(973.672)	(497.549)
Cash flow from current activities	(882.143)	723.975
B) Cash flows from investments		
Tangible fixed assets		
(Investments)	(1.418.471)	(33.215)
Intangible fixed assets		
(Investments)	(18.760)	(22.882)
Financial fixed assets		
Disposals	6.385	4.000.326
Cash flows from investments (B)	(1.430.846)	3.944.229
C) Cash flows from financing activities		
Loan capital		
Increase/(decrease) in short term bank loans	(33.988)	(3.282.733)
New loans	3.000.000	251.385
(Loan repayments)	-	(2.647.822)
Cash flows from financing activities (C)	2.966.012	(5.679.170)
Increase (decrease) in liquid assets (A ± B ± C)	653.023	(1.010.966)
Liquid assets at the start of the year		
Bank and post office deposits	1.471.288	2.483.281
Cash and valuables in hand	5.301	4.274

Total liquid assets at the start of the year	1.476.589	2.487.555
Liquid assets at the end of the year		
Bank and post office deposits	2.123.188	1.471.288
Cash and valuables in hand	6.424	5.301
Total liquid assets at the end of the year	2.129.612	1.476.589

General information about the company

Master data

Denomination:	T.I.S. SERVICE S.P.A.
Registered office:	VIA LAGO D'ISEO, 4/6 BOLGARE BG
Share capital:	3.000.000,00
Fully paid-up share capital:	Yes
Chamber of Commerce Code:	BG
Vat:	01521580165
Tax number:	01521580165
REA Number:	BG – 213508
Main sector of activity (ATECO):	46.84.20

Consolidated Financial Statements for the period 01.08.2025 – 31.03.2026

Notes to the financial statements

Dear Shareholders,

this explanatory note, which constitutes an integral part of the financial statements, together with the consolidated balance sheet, the consolidated income statement and the consolidated cash flow statement, is submitted to your attention.

In compliance with paragraph 5 of art. 2423 of the Italian Civil Code, these financial statements are prepared in units of euro with the cancellation of any rounding differences using the items "rounding reserve", recorded in equity, and "extraordinary expenses/income from rounding", recorded in the income statement.

Before addressing the merits of the analysis of the valuation criteria of the items in the financial statements, it is considered appropriate to provide some indications strictly related to these consolidated financial statements, considering that the document was drawn up on a voluntary basis, as there is no legal obligation for its drafting due to the size of the Group.

Preliminarily it is hereby noted that, during the month of July, the Company first proceeded with the transfer of Tis Nuoval to Tis Group, realizing a capital gain of €2.8 million; subsequently, Tis Service itself has been sold by Tis Group to Electrosteel Castings Ltd, a, Indian group listed on the Calcutta Stock Exchange.

In particular, the Electrosteel group will allow an important commercial growth that will lead to an important development of T.i.s. Turkey which will find an outlet for its products in the group's commercial network. In this sense, the Turkish subsidiary has a production structure capable of supporting a significantly higher turnover than the current one and the expectations of the current management, in line with those of the management of the Electrosteel group, are for a significant growth in turnover as early as the second half of 2025 with a prospect of further growth in the years to come by exploiting the commercial network of the new group to which it belongs.

1) Methodological note

The financial statements have been prepared in compliance with the civil law provisions of Legislative Decree no. 127 of

09/04/1991 as amended by Legislative Decree no. 139 and the assertions set out below.

The following general principles were observed in the preparation of the financial statements:

- the valuation of the items was made prudently and with a view to continuing the business;
- the recognition and presentation of items is carried out considering the substance of the transaction or contract;
- only the profits made at the end of the financial year are indicated;
- income and expenses for the year were considered, regardless of the date of collection or payment;
- the risks and losses pertaining to the year have been considered, even if they were known after the end of the year.

The structure of the balance sheet and income statement is as follows:

- the balance sheet, the income statement and the cash flow statement reflect the provisions of Articles 2423-ter, 2424 and 2425 of the Italian Civil Code, as amended by Legislative Decree no. 139/2015;
- The entry of the balance sheet and income statement was made in accordance with the principles of art. 2424-bis and 2425-bis of the Italian Civil Code;
- there are no heterogeneous elements included in individual items.

The accounting principles and consolidation criteria used are those provided for by the legislative decree mentioned above and of which a specific analysis is provided below.

The financial statements have been drawn up clearly and truthfully and fairly represent the financial position and the economic result of the companies as a whole consisting of the parent company and its subsidiaries.

2) Scope of consolidation

The scope of consolidation is represented by the companies whose financial statements are consolidated. The parent company T.i.s. Service S.p.A., it includes the following directly controlled companies:

1. Name: T.i.s. Engineering D.O.O.

Registered office and operational headquarters: Varaždin (Croatia)
Share capital: euro 2,650
Accounting shareholders' equity as at 31/03/2026: euro 116.986
Percentage of ownership: 100%
Participation’s value in the T.i.s. Service S.p.A. financial statements: euro 10,854

2. Name: T.i.s. Polska SP. ZOO

Registered office and operational headquarters: Ożarów Mazowiecki Duchnice (Polonia)
Share capital: euro 515,247
Accounting shareholders' equity as at 31/03/2026: euro 5.961.729
Percentage of ownership: 100%
Participation’s value in the T.i.s. Service S.p.A. financial statements: euro 4,535,265

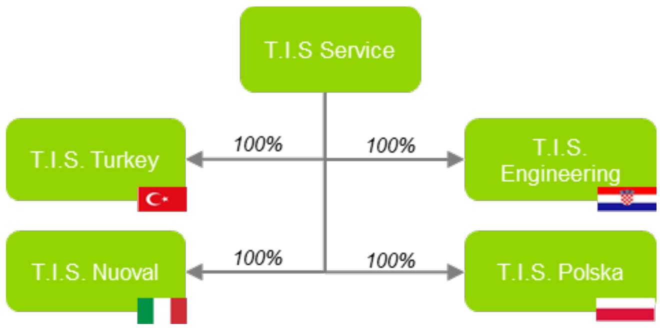
3. Name: T.i.s. Turkey Water Technologies San.Ve Tic.A.

Registered office and operational headquarters: Odunpazari/Eskişehir (Turchia)
Share capital: euro 376,159
Accounting shareholders' equity as at 31/03/2026: euro 299.992
Percentage of ownership: 100%
Participation’s value in the T.i.s. Service S.p.A. financial statements: euro 5,925,990

4. Name: T.i.s. Nuoval S.r.l.

Registered office and operational headquarters: Trento (Italia)
Share capital: euro 99,000
Accounting shareholders' equity as at 31/03/2026: euro 4.114.062
Percentage of ownership: 100%
Participation’s value in the T.i.s. Service S.p.A. financial statements: euro 4,000,000

A graphical representation of the consolidation area is also provided below.



The financial statements of foreign companies, except for T.i.s. Engineering D.O.O. and for T.i.s. Nuoval S.r.l., are drawn up in foreign currency. It should be noted that, as required by Article 38 paragraph 1 letter b) of Legislative Decree 127/1991, for the purpose of consolidation the financial statements have been converted into euros using, for the balance sheet, the spot exchange rate as at 31.12.2025 between the euro and the reference currency of the financial statements, while for the income statement the average exchange rate of 2025. Also, starting from 1st November 2025 T.i.s. Nuoval S.r.l is consolidated, after the acquisition by T.i.s. Service S.p.A. for € 4,000,000.

Especially:

		2026	
Country	**Currency**	**Exchange rate 31.03.2026**	**Medium Change**
Poland	**PLN**	4.2890	4.2715
Turkey	**TRY**	51.1433	51.0938

3) Group activities

The group's activity is aimed at the production and marketing of equipment for water network services and hydroelectric power plants, in particular safety valves.

It can be seen, therefore, that the activities of the companies belonging to the group are homogeneous and synergistic with each other and that the type of customer to which the group addresses is essentially the industrial one both nationally and internationally.

In this context of a company dedicated to internationality, both the establishment of the Polish office (T.i.s. Polska) in 2004, a company considered strategic above all for the management of the markets of northern European countries, and the acquisition, finalized in 2021, of the shareholdings in T.i.s. Turkey, a company specializing in the construction of valves and vents, are placed.

Finally, during the 2022 financial year, T.i.s. Engineering was established in Croatia, a company whose main activity is the research and development of new products.

4) Consolidation methodology

The consolidated financial statements as of 31.03.2026 include the financial statements of the parent company T.i.s. Service S.p.A. and of the directly controlled companies and it refers to the period 01.08.2025 – 31.03.2026, as requested by Tis Service S.p.A. parent company Electrosteel Castings Ltd.

The accounting policies applied by the subsidiaries and associates are consistent with those of the parent company.

Consolidation was carried out for subsidiaries using the global (or line-by-line) integration methodology. The global integration methodology involves the full incorporation of the assets and liabilities, costs and revenues, including any financial income such as dividends, of the subsidiaries in the parent company's financial statements, and then proceeds to the elimination of the intercompany balances from the aggregate financial statements thus obtained. For the subsidiaries, included in the scope of consolidation, consolidated using the global interaction method, the carrying value against the shareholders' equity of the individual investee companies has been eliminated. The positive or negative difference between the acquisition cost and the equity at fair value existing at the date of first consolidation has been recognized under retained earnings (losses), starting from the consideration that the Companies were, in essence, all established by the parent company in the years prior to the year of first consolidation. Any unrealized gains and losses arising from transactions between Group Companies have been eliminated, as have the respective credit and debit positions, costs and revenues.

The portion of shareholders' equity attributable to minority interests has been recorded in a specific liability item; similarly, minority interests in the portion of profit for the year were shown separately in the consolidated income statement.

5) Evaluation criteria (no. 1 art. 2427 of the Civil Code and art. 38 co.1 letter a) of Legislative Decree 127/1991)

These financial statements correspond to the results of the accounting records and financial statements of the companies of the group and have been prepared (pursuant to Article 2423 of the Italian Civil Code) in compliance with the principles of clarity, prudence and competence, with the aim of representing the group's financial position and profit or loss in a true and fair manner.

The items appearing in the financial statements have been valued (as well as in the ordinary financial statements) in accordance with the principles of preparation and valuation established by the Italian Civil Code. in art. 2423-bis, 2424-bis, 2425-bis and 2426 of the Italian Civil Code.

All the items indicated correspond to the values taken from the accounts and their representation in the financial statements follows the scheme indicated by art. 2424, 2425 and 2435-bis of the Italian Civil Code.

With regard specifically to valuations, we set out the criteria that have been adopted for the most significant items, remembering that all valuations have been carried out with a view to business continuity, bearing in mind the principle of significance.

5.1) Intangible assets

Intangible assets are recorded at purchase cost including ancillary charges and systematically depreciated in relation to their expected future usefulness. The value is shown net of accumulated depreciation.

The useful life of the various categories of intangible assets and, consequently, their depreciation rate, are summarized in the following table:

	Years	Coefficient
Industrial patents and intellectual property rights	2 / 3 years	50% / 33%
Other fixed assets	depending on the duration	

The depreciation criterion for intangible assets was applied systematically and in each financial year, in relation to the residual possibility of economic use of each individual asset or expense.

Pursuant to and for the purpose of Article 10 of Law no. 72 of 19 March 1983, and as also referred to by subsequent laws on monetary revaluation, it should be noted that no monetary revaluation has ever been carried out for intangible assets still existing in assets.

It should be noted that it was not necessary to make write-downs on these fixed assets pursuant to Article 2426, paragraph 1, no. 3 of the Italian Civil Code since, as required by accounting standard OIC 9, no indicators of potential impairment losses of intangible assets were found.

5.2) Tangible fixed assets

Assets belonging to the category of tangible fixed assets, recognized at the date on which the risks and rewards associated with the asset acquired are transferred, are recorded in the financial statements at purchase and/or production cost, plus ancillary costs incurred up to the time the assets are ready for use and in any case within the limit of the recoverable amount. The production cost corresponds to all the manufacturing costs incurred up to the entry into operation of the asset, whether they are costs directly attributable to it or whether they are costs relating to common processing for the portion reasonably attributable to it. Costs incurred during the year that have led to an actual increase in productivity, useful life or the size of the assets have been allocated to an increase in the value of the assets to which they refer.

These assets are shown on the assets side of the balance sheet net of accumulated depreciation.

The book value of the assets, grouped into homogeneous classes by nature and year of acquisition, is divided among the years during which they are expected to be used. This procedure is implemented through the systematic allocation to the income statement of depreciation rates corresponding to pre-established plans, defined at the time the asset is available and ready for use, with reference to the presumed residual possibility of use of the assets themselves. These plans, subject to annual verification, are drawn up with reference to the gross value of the assets and assuming the realizable value at the end of the process to be zero.

The depreciation of tangible fixed assets, the use of which is limited in time, was carried out in accordance with a pre-established plan. The useful life and consequently the depreciation rates are as follows; for goods purchased during the year, the same rates were reduced by half, to correctly consider the residual possibility of use.

	Years	Coefficient
1) Land and buildings	33 years	3%
2) Plant and machinery	25 – 13 – 10 – 6 – 4 – 3 years	4% - 7,5% - 10% - 15% - 25% - 30%

3) Industrial and commercial equipment	10 – 6 – 4 years	10% - 15% - 25%
4) Other tangible assets	10 – 8 – 6 – 5 – 4 years	10% - 12% - 15% - 20% - 25%

It should be noted that it was not necessary to make write-downs pursuant to Article 2426, paragraph 1, no. 3 of the Italian Civil Code since, as required by accounting standard OIC 9, no indicators of potential impairment losses of tangible fixed assets were found.

5.2.1) Leased assets

Leased assets from third parties, in accordance with Italian accounting standards (UCIT document no. 17), are recorded in tangible fixed assets, as there is reasonable certainty that the right of redemption will be exercised at the end of the contract; This involves the recognition in the income statement of the consolidated financial statements of depreciation and amortization calculated on the historical cost from the date of entry into operation of the assets and financial charges recognized on an accrual basis.

The asset is recorded under tangible fixed assets at fair value (net of interest calculated using the financial method on the remaining capital amounts), with the relative recognition of a debt in the liabilities – under item D.5 of the balance sheet payables to other lenders – for the amount corresponding to the principal portion of the rents still to be paid at the balance sheet date, which is progressively reduced according to the repayment plan of the capital portions included in the contractually provided rents.

The value of the asset recorded in the assets is systematically depreciated, according to the principles set out above.

5.3) Financial fixed assets

Investments in subsidiaries are valued using the cost method, as detailed above. In the consolidated financial statements, since all Group companies are consolidated, the item is equal to zero

Other financial assets represented by non-current receivables have been recognized in the financial statements on an amortized cost and/or discount basis, as no write-down is necessary due to any risk of insolvency.

5.3.1) Derivative financial instruments

The financial statements contain hedging derivative financial instruments. Legislative Decree 139/2015 established:

- the provision of specific items relating to derivative financial instruments in the Balance Sheet and Income Statement;
- the spin-off of derivatives embedded in other financial instruments;
- the obligation to measure all derivative contracts at fair value;
- the possibility of activating two types of accounting hedges, if the hedge is considered to exist in the presence, from the outset, of a close and documented correlation between the characteristics of the hedged item or transaction and those of the hedging instrument, i.e. hedging of the cash flows of another financial instrument or of a planned transaction (so-called cash flow hedge) and fair value hedge, which consists in hedging the risk of changes in interest rates or exchange rates or market prices or against credit risk.

It should be noted that the parent company T.i.s. Service S.p.A. has one derivative contracts in place, entered with the aim of covering the variable interest rates paid by them. No effects were recognized in the income statement for the year, except for accrued interest.

These notes also provide (in paragraph 10.1) specific information relating to the notional amount of existing derivative contracts, their fair value and the assets or liabilities hedged.

5.4) Inventories

Closing inventories are recorded at purchase or production cost, including directly attributable ancillary charges. In line with the provisions of art. 2426, paragraph 1, point 9, of the Italian Civil Code, when the value obtained is higher than the realizable value that can be inferred from market trends, such lower value has been recorded.

Inventories have been valued based on the following criteria:

- raw and auxiliary materials (powders, semi-finished products purchased from third parties): average purchase cost;
- products in progress processing and finished products: specific production cost;
- Finished products: weighted average purchase cost.

The value determined in this way does not differ appreciably from current costs at the end of the year, therefore it is not necessary to indicate the difference for each category of assets.

5.5) Credits

Legislative Decree 139/2015 established that receivables are recognized in the financial statements using the amortized cost method (where applicable), considering the time factor and the estimated realizable value. Amortized cost is the amount at which the asset was measured at initial recognition net of principal repayments, increased or decreased by cumulative amortization using the effective interest method on any difference between the initial and maturity value and less any impairment or recoverability. In addition, to consider the time factor, it is necessary to "discount" receivables which, at the time of initial recognition, do not bear interest (or produce interest at a rate significantly lower than the market rate).

The valuation of receivables from customers was carried out according to the amortized cost method, as defined by Article 2426, paragraph 2, of the Italian Civil Code, considering the time factor and the presumed realizable value, in accordance with the provisions of Art. 2426, paragraph 1, point 8, of the Italian Civil Code. The adjustment to the presumed realizable value was carried out through the allocation of a provision for doubtful debts.

The amount of the provision for doubtful accounts is commensurate with the extent of the risks of insolvency, both specific and generic, and is, therefore, adequate to cover potential future losses.

For receivables for which the application of the amortized cost method and/or discounting has been verified to be irrelevant for the purpose of giving a true and fair representation of the Company's financial position and income statement, the recognition has been maintained at the estimated realizable value; this has occurred, for example, in the presence of a credit with a maturity of less than 12 months or, with reference to the amortized cost method, if transaction costs, commissions and any other difference between the initial value and the value at maturity are of little importance, or, again, in the case of discounting, in the presence of an interest rate that can be inferred from the contractual conditions that is not significantly different from the market interest rate.

5.5.1) Receivables from customers

Trade receivables, referred to in item C.II.1), have been recorded in the financial statements at their estimated realizable value, which corresponds to the difference between the nominal value and the provision for doubtful accounts established during previous years, fully adjusted for hypothetical insolvencies and increased by the portion set aside for the year. In fact, the Company did not proceed with the valuation of trade receivables at amortized cost, nor with the discounting of the same, as all trade receivables recognized have a maturity of less than 12 months.

To consider any losses, which are not currently attributable to individual debtors, but are justifiably foreseeable, a provision for doubtful accounts has been set aside in the financial statements for an amount of €355,000.

5.5.2) Receivables from subsidiaries

Receivables from subsidiaries, referred to in item C.II.2), have been recorded in the financial statements at the estimated realizable value, which corresponds to the nominal value, since it is not necessary to allocate a provision for doubtful debts. In fact, the Company did not proceed with the valuation of trade receivables at amortized cost, nor with the discounting of the same, as all trade receivables recognized have a maturity of less than 12 months. In these consolidated financial statements, since all the companies of the group are consolidated, the item is equal to zero.

5.5.3) Receivables from parent companies

Receivables from parent companies, referred to in item C.II.4), have been recorded in the financial statements at the estimated realizable value which corresponds to the nominal value, since it is not necessary to allocate a provision for doubtful debts. In fact, the Company did not proceed with the valuation of trade receivables at amortized cost, nor with the discounting of the same, as all trade receivables recognized have a maturity of less than 12 months.

5.5.4) Tax receivables and deferred tax assets

Tax receivables are measured at nominal value, as all receivables have a maturity of less than 12 months, with the exception of deferred tax assets, an item in which the amount of the so-called "pre-paid taxes" ("receivables") is charged, recorded according to the provisions of OIC 25.

5.5.5) Receivables from others

Receivables from others are valued at nominal value, all having a maturity of less than 12 months.

5.6) Cash and cash equivalents

They were recorded in the financial statements at nominal value.

5.7) Provisions for risks and charges

Provisions for risks and charges represent provisions for future risks and charges of a specific nature and certain or probable existence, the amount or date of occurrence of which, however, cannot be determined at the end of the year. The amounts entered in the financial statements were assessed in accordance with the principles of prudence and accrual.

5.9) T.F.R. fund

The provision represents the debt accrued to the Company's employees at the end of the financial year and was determined *"ad personam"*, in accordance with the law and the employment contracts in force.

5.10) Debts

Art. 2426 c. 1 no. 8 of the Italian Civil Code, as amended by Legislative Decree no. 139/2015, requires that payables be recognized in the financial statements using the amortized cost method, considering the time factor. The amortized cost method aligns, in a financial logic, the initial value of the liability with its payment value at maturity. At the time of initial recognition, the other components attributable to the transaction (fees, commissions, taxes, etc.) are also recognized together with the payable. For the application of the amortized cost method, it is necessary to use the effective interest rate method: in summary, transaction costs are recognized over the useful life of the instrument and the interest recorded in the income statement is the actual interest and not the nominal interest deriving from the negotiation agreements. In addition, to consider the time factor, it is necessary to "discount" payables that, at the time of initial recognition, are not interest-bearing (or produce interest at a nominal rate significantly lower than the market rate).

The classification of debts among the various debt items is carried out according to the nature (or origin) of the same with respect to ordinary management, regardless of the period within which the liabilities must be settled.

5.10.1) Financial debts

In particular, the following financial debts have been recorded in the financial statements:

- item D.3) Payables to shareholders for loans;
- item D.4) Payables to banks;
- under item D.5) Payables to other lenders.

It should be noted that the Company has not proceeded with the valuation at amortized cost concerning payables to banks as transaction costs, commissions and any other difference between the initial value and the value at maturity are of little significance. Furthermore, no discount of the same debts was carried out as the effective interest rate was not significantly different from the market interest rate.

On the other hand, regarding payables to other lenders, they are valued using the amortized cost method.

5.11) Accruals and deferrals

Accruals and deferrals, both receivable and payable, were determined in compliance with the accrual principle established by art. 2424-bis, paragraph 6, of the Italian Civil Code.

5.12) Income statement – revenues and expenses

Revenues and expenses are presented in the financial statements in compliance with the principles set out in art. 2423-bis of the Civil Code, in particular the principles of prudence and economic accrual. Expenses and income for the year have been considered, regardless of the date of numerical manifestation, and all losses and risks have been accounted for, even if only estimated at the end of the year. Positive components, on the other hand, were accounted for only if they refer to actual realised gains.

5.13) Currency exchange rates

Assets and liabilities originally denominated in a currency other than the Euro are accounted for in the financial statements at the date of the transaction by applying the exchange rate in force on that date.

At the balance sheet date, in compliance with art. 2426, paragraph 1, no. 8-bis, of the Italian Civil Code, foreign currency assets and liabilities are adjusted according to the exchange rate recognized at the end of the year, with the related exchange gains and losses being recognized in the appropriate income statement item.

There are no medium- and long-term receivables and payables in foreign currency (instalments expiring beyond the following year).

5.14) Income taxes and deferred and deferred tax assets

The income tax charge for the year is determined according to the provisions in force.

Deferred tax assets and deferred tax assets are recorded in the financial statements in accordance with the accrual principle, to recognize the effect of temporary differences between statutory and tax values following the application of the rules of the Consolidated Income Tax Act and which determine a discrepancy between the statutory income and the taxable income. Deferred and deferred tax payments were then accounted for according to the following principles:

- deferred taxes, which are generated in the presence of decreasing changes in taxable income compared to statutory income and which represent taxes pertaining to the current year, but with a subsequent financial manifestation (therefore contingent liabilities), in accordance with the principle of prudence, are always included in the financial statements, except when there is little probability of the future occurrence of the tax liability;

- deferred tax assets, which are generated in the presence of increasing changes in taxable income compared to statutory income and which represent taxes pertaining to a future year, but with a financial manifestation in the current year (therefore potential assets), in accordance with the principle of prudence, are recognized in the financial statements only if there is reasonable certainty of the existence, in the years in which the related differences will be reversed, taxable income sufficient to cover it;
- If such taxes are not accounted for due to the lack of such a provision, appropriate information will be provided in the remainder of these notes.

Deferred taxation has been calculated according to the tax rates that are expected to be applicable in force in the year in which the temporary differences will be reversed. These rates are those provided for by the tax legislation in force at the date of reference of these financial statements.

5.15) Financial charges capitalized as assets

No financial charges have been capitalized on the balance sheet assets.

5.16) Other information Transactions with a retrocession obligation

The group, pursuant to Article 2427 no. 6-ter, certifies that during the year it did not carry out any transaction subject to the obligation of retrocession to a forward date.

6) Analysis of the main items of the balance sheet assets

The movements of the individual items of assets in the balance sheet are analyzed in detail below, in accordance with the provisions of current legislation.

6.1) Fixed assets

Fixed assets group together, under letter B. Fixed assets in the balance sheet, the following subclasses:

I – Intangible assets, for €223,783;
II – Tangible fixed assets, for €5,111,014;
III – Financial fixed assets, for €50,246.

This paragraph of the notes to the financial statements analyses movements in intangible, tangible and financial assets.

6.1.1) Intangible assets

Intangible assets, amounting to €223,783 as of 31.03.2026, consist of advances paid to suppliers for the purchase of new intangible assets and to improvements to third-party assets.

6.1.2) Tangible fixed assets

Tangible fixed assets, amounting to € 5,111,014 as of 31.03.2026, are mainly composed of:

- €2,954,808 from the item "Land and buildings" which includes the value of real estate;
- €1,408,282 from the plant and machinery used by the companies to carry out their activities;
- €581,785 from industrial and commercial equipment;
- €131,487 from other fixed assets;
- €34,652 “Tangible assets under construction” relating to advances paid to suppliers for the purchase of new tangible assets.

The item "Plant and machinery" also includes the financial leasing contract relating to the photovoltaic system signed by T.i.s.

Service S.p.A. and stipulated with UBI Leasing – S.p.A., which will end in 2026.

6.1.3) Financial assets

Financial fixed assets as at 31.03.2026 consist of non-current receivables held by the subsidiary T.i.s. Turkey amounting to €45,338 and derivative financial instruments held by the consolidating company T.i.s. Service and the controlloled company T.i.s. Nuoval amounting to €4,908.

6.2) Current assets

Current assets, amounting to €28,349,464 as at 31.03.2026, group, under letter C. of the balance sheet assets, the following subclasses:
I – Inventories, for €14,992,388;
II – Receivables, for €11,227,465;
IV – Cash and cash equivalents, for €2,129,612.

6.2.1) Inventories

The final inventories, detailed in the assets of the consolidated balance sheet under letter C) I, refer to the normal production needs of the companies of the group.

Description	31.03.2026
1) Raw materials	5,926,710
2) Work in progress and semi-finished products	1,669,930
4) Finished products	7,393,713
5) Down payments	2,035
total	14,992,388

6.2.2) Credits

Receivables recorded in current assets, amounting to a total of €11,227,465, group, under letter C.II Receivables recorded in current assets of the balance sheet assets, the following main items:

- receivables from customers, amounting to €9,363,423, derive from normal commercial transactions carried out by Group companies as part of their ordinary management activities with third parties;
- tax receivables, amounting to €998,979, mainly refer to VAT receivables;
- receivables from others, amounting to €632,911, mainly relate to advances to suppliers;
- deferred tax assets as at 31.03.2026 amounted to €232,152 and relate to the different statutory and tax logics for allocating certain costs, which are recognized in the income statement on an accrual basis but which are deducted for tax purpose in future years (so-called temporary variations). These credits have been allocated as it is reasonably certain that they will be repaid in the coming years. In addition, the effect on taxes relating to the consolidation entries of the lease and the reversal of the so-called "profit in stock" are recorded in this item.

6.2.4) Cash and cash equivalents

Cash and cash equivalents consist of cash, current accounts and cheque cash, which as of 31.03.2026 had a positive balance and totalled €2,129,612. Especially:

- bank deposits totalled €2,123,188;
- the cash is equal to €6,424.

For a more detailed analysis of cash changes, please refer to the chapter on cash flow statements.

6.3) Accruals and deferrals

Accrued income and deferred income, recorded in letter D. Accrued income and deferred income of assets in the Balance Sheet, amounted to €712,200 as at 31.03.2026 and relate to income pertaining to the year, but payable in subsequent years, and costs incurred during the year, but pertaining to future years.

7) Analysis of the main items of the balance sheet

The movements of the individual items of assets in the balance sheet are analyzed in detail below, in accordance with the provisions of current legislation.

7.1) Net Worth

Shareholders' equity groups the following sub-categories under letter A. Shareholders' equity of liabilities in the Balance Sheet:

I – Share Capital, for €3,000,000;
IV – Legal reserve, for €347,554;
VI – Other reserves, for €6,429,229;
VII – Reserve for hedging operations of expected cash flows, for €3,272;
VIII – Retained earnings (losses) of € 614,441;
IX – Profit (loss) for the period, for € 1,122,317.

The share capital of T.i.s. Service S.p.A. is equal to € 3,000,000, divided into 3,000,000 ordinary shares of € 1 each.

The voice "Other reverses" is composed, among others, by the conversion reserve, for the period positive and equal to €84,630, and by the consolidation reserve equal to €214,168.

7.2) Provisions for risks and charges

Provisions for risks and charges, shown in class B of the liabilities of the balance sheet and amounting to a total of €205,451, include the provisions made in the various years with the aim of covering losses or debts, of a specific nature, of certain or probable existence, the amount and/or date of which are due at the date of preparation of the financial statements cannot be determined.

The amount of the provision is measured concerning the estimated costs at the balance sheet date, including legal costs, determined in a non-random and arbitrary manner, necessary to meet the underlying certain or probable liability. In assessing the risks and charges whose actual materialization is subject to the occurrence of future events, the information that became available after the end of the financial year and up to the date of preparation of these financial statements was also considered.

This item is mainly composed of the provision for supplementary indemnity for agents and referring to T.i.s. Service S.p.A..

7.3) Severance indemnity provision

The employee severance indemnity, equivalent to €1,124,363, recorded in item C. TFR of the liabilities of the balance sheet, represents the actual debt as at 31.03.2026 accrued to the employees of the Companies in force at that date. It is determined *"ad personam"* in accordance with the provisions of the law and the employment contracts in force. The provision was made at the end of each year on an accrual basis, while utilizations are accounted for according to payments made either in the event of the definitive departure of an employee or in the case of advances to the employee himself.

7.4) Debts

The payables, totalling €20,835,727, group, under letter D. Payables of the liabilities of the balance sheet, the following main items:

- payables to shareholders for loans disbursed by Electrosteel Casting Ltd. in August 2025, for €4,000,000;
- payables to banks, amounting to Euro 9,062,141, refer to loans received and express the actual debt for principal, interest and ancillary charges accrued at the balance sheet date;
- advances from customers, totalling €1,654,322;
- payables to third-party suppliers amounted to €4,367,417;
- tax payables amounting €412,391;
- social security payables totalling €328,336;
- other payables, amounting to €1,011,120, mainly include fees to be paid to administrative bodies, employees and agents for skills accrued and not yet paid.

Pursuant to the requirements of art. 2427 paragraph 1 point 6 of the Italian Civil Code and Article 38 paragraph 1 letter e) of Legislative Decree 127/1991, it is certified that all the debts of the group are fully expiring within 5 years and that the group does not have debts secured by guarantees on company assets.

During 2016 T.i.s. Service took out a mortgage loan with Intesa San Paolo for a total of € 3,000,000 and with a final maturity of 15 July 2026.

7.5) Accruals and deferrals

Accrued expenses and deferred income, recorded in letter E. Accrued expenses and deferred income from the liabilities of the Balance Sheet, amounted to €764,353 as at 31.03.2026 and relate to income pertaining to future years but due during the year and costs pertaining to the year but not yet incurred.

8) Analysis of the main income statement items

The income statement shows the economic result for the year.

It provides a representation of the operating operations, through a summary of the positive and negative components of income that contributed to determining the economic result. The positive and negative components of income, recorded in the financial statements in accordance with the provisions of Article 2425-bis of the Civil Code, are distinguished according to their belonging to the various operations: characteristic, ancillary and financial.

Core business identifies the components of income generated by transactions that occur on an ongoing basis and in the sector relevant to the performance of operations, which identify and qualify the peculiar and distinctive part of the economic activity carried out by the Company, for which it is aimed.
Financial assets consist of transactions that generate financial income and expenses.

On a residual basis, ancillary activities consist of transactions that generate income components that are part of ordinary activities but are not part of core and financial activities.

8.1) Value of production

Revenues are recorded in the financial statements on an accrual basis, net of returns, allowances, discounts and bonuses, as well as taxes directly related to them.

The value of production as of 31.03.2026 is equal to €22,656,489.

8.2) Production costs

Costs and charges are allocated on an accrual basis and according to nature, net of returns, allowances, discounts and premiums, in compliance with the principle of correlation with revenues, and recorded in the respective items in accordance with the provisions of accounting standard OIC 12.

As regards the purchase of goods, the related costs are recorded when the substantial and non-formal transfer of the title of ownership has occurred, taking the transfer of risks and benefits as a reference parameter for the substantial transfer. In the case of the purchase of services, the related costs are recorded when the service has been received, or when the service has been concluded, while, in the case of continuous provision of services, the related costs are recorded for the portion accrued.

Costs for raw materials, supplies, consumables and goods also include ancillary purchase costs (transport, insurance, loading and unloading, etc.) if the supplier has included them in the purchase price of the materials and goods. Otherwise, they have been entered under costs for services (item B.7).

Not only the costs of a certain amount resulting from invoices received from suppliers, but also those of an estimated amount not yet documented, for which specific checks have been carried out, have been charged to items B.6, B.7 and B.8.

8.3) Financial income and expenses

Class C of the Income Statement recognizes all the positive and negative components of the economic result for the year connected with the financial activity of the company, characterized by transactions that generate income, expenses, capital gains and losses on disposals, relating to securities, equity investments, bank accounts, receivables booked to fixed assets and loans of any kind, assets and liabilities, exchange gains and losses.

Financial income and expenses are recorded on an accrual basis in relation to the portion accrued during the year. The Company does not have any bond loans, it is therefore acknowledged that, as required by Article 38 paragraph 1 letter l) of Legislative Decree 127/1991, the financial charges are mainly related to payables to banks. In addition, this item includes the financial component on payables to other lenders, measured using the amortized cost and/or discounting method.

8.4) Amount and nature of the individual revenue/cost elements of exceptional magnitude or impact (Article 38 paragraph 1 letter m) of Legislative Decree 127/1991)

During the current year, no revenues or other positive components and costs or other negative components deriving from events of exceptional magnitude or impact were recognized.

8.5) Income taxes

The Company has allocated the taxes for the year according to the application of the tax regulations in force. Current taxes refer to the taxes pertaining to the year as resulting from the tax returns; Taxes relating to previous years include direct taxes from previous years, including any interest and penalties if due. Finally, deferred tax assets and deferred tax assets relate to positive or negative income components that are subject to taxation or deduction in years other than those in which they are accounted for.

In the consolidated financial statements from 01.08.2025 to 31.03.2026, taxes are broken down as follows:

- Current taxes €199,018
- Deferred and deferred tax assets €(120,781)

Deferred tax liabilities and deferred tax assets also include the effect on taxes relating to consolidation entries, *profit in stock* and finance leases.

It should be noted that, according to the provisions of accounting standard no. 25, the tax rate used to determine the latent taxation is the one in force at the time when the temporary differences will take effect. These rates are those provided for by the tax legislation in force at the date of reference of these financial statements.

Net of the above, therefore, the period from 01.08.2025 to 31.03.2026 closed with a consolidated group profit of €1,122,317.

9) Analysis of the cash flow statement

The cash flow statement allows you to evaluate:

- the cash and cash equivalents produced by operating activities and the methods of use;
- the Company's ability to deal with short-term financial investments;
- the Company's ability to finance itself.

This information is classified by area to which it refers, and more specifically:

- operational activity;
- financial activity;
- financing activities.

Cash flows from operating activities, as at 31.03.2026 negative for €882,143, include flows deriving from the acquisition, production and distribution of goods and the supply of services. The same, determined using the indirect method, consider all those changes (depreciation of fixed assets, provisions for risks and charges, provisions for employee severance indemnities, write-downs for impairment losses, changes in inventories, changes in receivables from customers and payables to suppliers, changes in accrued income and deferred income/deferred income, capital gains or losses deriving from the sale of assets), which have the purpose of transforming the positive and negative components of income into receipts and payments (i.e. into changes in cash and cash equivalents). Furthermore, they were corrected by all transactions that did not turn into cash at the 31.03.2026.

The cash flow before changes in net working capital for the period (01.08.2025-31.03.2026) amounted to €2,030,950 linked to profit for the period (€1,122,317), income taxes (€78,237), financial expenses (€227,575), allocations to preserves (€142,909), depreciation and amortization (€464,912) and other adjustments to decrese non-monetary items (negative for €5,000). The changes in net working capital during the period were negative for €1,939,421, mainly related to the increase of inventories and to the decrease of customer receivables. This change is consistent with the dynamics that characterized the period in question, which have already been described above. Other adjustments absorbed cash for a total of €882,143 and mainly relate to interest and taxes paid between 01.08.2025 and 31.03.2026.

The cash flows from investing activities, at 31.03.2026 resulted in a cash absorption of €1,430,846, including the flows deriving from the purchase and sale of property, plant and equipment, and intangible financial assets net of disinvestments. The main receipts or payments deriving from investment activities have therefore been distinguished separately, distinguishing them according to the different classes of fixed assets (intangible, tangible and financial).

The cash flows from financing activities, which at 31.03.2026 generated cash for an amount of €2,966,012, include the flows deriving from the obtaining or repayment of cash in the form of equity or debt capital. More specifically, this cash absorption is due to financing activity in the form of debt capital.

The Company therefore generated liquidity of €653,023 at the date of 31.03.2026.

10) Additional information required by art. 38 Legislative Decree 127/1991

The other information considered interesting for the purpose of understanding the consolidated financial statements is set out below.

10.1) Derivative financial instruments

Pursuant to art. 38 of Legislative Decree 127/91, paragraph 1, letter o-ter, it should be noted that, at the balance sheet date, the Group Companies have a total of two derivative contracts in place, all stipulated for the purpose of hedging against the risk of fluctuations in the interest rate associated with the various medium/long-term loans on which they have been stipulated and hedging against exchange rate risk.

10.2) Financial fixed assets carried at a value higher than their fair value

With reference to Article 2427 bis of the Italian Civil Code, paragraph 1, number 2) and Article 38 paragraph 1 letter o-quarter) of Legislative Decree 127/1991, it should be noted that the Company does not have financial fixed assets, other than investments in subsidiaries, recorded at a value higher than their *fair value*.

10.3) Information concerning transactions with related parties (Article 38, paragraph 1, letter o-quinquies), Legislative Decree 127/1991)

It should be noted, for the sake of clarity, that the transactions with related parties are of no significant magnitude and were concluded at arm's length. The normality of market conditions is remarkable for the fact that prices are in line with those charged with independent parties (customers, suppliers, credit institutions, etc.).

Concerning operations with subsidiaries, it should be noted that all transactions were eliminated as part of the consolidation process.

10.4) Information concerning the nature and economic objective of agreements not shown in the balance sheet (Article 38, paragraph 1, letter h), Legislative Decree 127/1991)

With reference to art. 2427, paragraph 1, no. 23-ter of the Italian Civil Code and Article 38, paragraph 1, letter h) of Legislative Decree 127/1991, for commitments, guarantees and contingent liabilities not shown in the balance sheet, please refer to the notes to the financial statements of the individual companies belonging to the group. Moreover, with reference to commitments, it should be noted that in the consolidated financial statements the payable to the leasing company has been recorded under payables to other lenders.

10.5) Information concerning the nature and economic objective of agreements not shown in the balance sheet (Article 38, paragraph 1, letter o-sexies), Legislative Decree 127/1991)

With reference to art. 2427, paragraph 1, no. 23-ter, of the Italian Civil Code, it should be noted that our Company has not entered into agreements that are not already highlighted in the balance sheet.

10.6) Information on significant events occurring after the end of the financial year

With reference to point 22-quarter of art. 2427 of the Civil Code and Article 38 paragraph 1 letter o-decies of Legislative Decree 127/1991, concerning the reporting of the main significant events that occurred after the end of the period that had a significant impact on the balance sheet, financial and economic performance, it is specified, as far as is known, that the conflicts that broke out in Ukraine and the Middle East are still ongoing and it is not possible, to date, estimate precise effects related to the group's business

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for the Board of Directors
(Mr. Kejriwal Madhav)