# CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2025

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

| | Note | 12/31/2025 | | 12/31/2024 | |
|---|---|---|---|---|---|
| | | | of which related parties (note 43) | | of which related parties (note 43) |
| Property, plant and equipment | **10** | 3,366,385 | | 3,427,756 | |
| Intangible assets | **11** | 5,047,766 | | 5,159,729 | |
| Investments in associates and joint ventures | **12** | 141,397 | | 120,790 | |
| Other financial assets at fair value through other Comprehensive Income | **13** | 37,599 | | 63,294 | |
| Deferred tax assets | **14** | 210,490 | | 228,740 | |
| Other receivables | **16** | 322,004 | *19,141* | 309,526 | *7,791* |
| Tax receivables | **17** | 7,835 | | 9,973 | |
| Other assets | **23** | 85,048 | | 93,838 | |
| Derivative financial instruments | **28** | - | | 4,326 | |
| **Non-current assets** | | **9,218,524** | | **9,417,972** | |
| Inventories | **18** | 1,455,546 | | 1,467,707 | |
| Trade receivables | **15** | 628,548 | *12,070* | 622,915 | *10,976* |
| Other receivables | **16** | 384,139 | *99,611* | 444,010 | *90,954* |
| Other financial assets at fair value through Income Statement | **19** | 79,904 | | 165,965 | |
| Cash and cash equivalents | **20** | 1,525,886 | | 1,502,741 | |
| Tax receivables | **17** | 35,087 | | 36,989 | |
| Derivative financial instruments | **28** | 25,549 | | 22,323 | |
| **Current assets** | | **4,134,659** | | **4,262,650** | |
| **Total Assets** | | **13,353,183** | | **13,680,622** | |
| **Equity attributable to the owners of the Parent Company:** | **21.1** | **6,277,848** | | **5,756,071** | |
| Share capital | | 2,065,651 | | 1,904,375 | |
| Reserves | | 3,714,670 | | 3,383,715 | |
| Net income | | 497,527 | | 467,981 | |
| **Equity attributable to non-controlling interests:** | **21.2** | **178,889** | | **156,183** | |
| Reserves | | 145,720 | | 123,060 | |
| Net income | | 33,169 | | 33,123 | |
| **Total Equity** | **21** | **6,456,737** | | **5,912,254** | |
| Borrowings from banks and other financial institutions | **24** | 2,747,192 | *11,292* | 3,068,598 | *15,825* |
| Other payables | **26** | 78,055 | | 79,947 | |
| Provisions for liabilities and charges | **22** | 84,823 | *17,828* | 101,123 | *19,437* |
| Deferred tax liabilities | **14** | 956,063 | | 990,250 | |
| Provisions for employee benefit obligations | **23** | 171,839 | *8,179* | 184,040 | *7,812* |
| Tax payables | **27** | 4,087 | | 4,001 | |
| **Non-current liabilities** | | **4,042,059** | | **4,427,959** | |
| Borrowings from banks and other financial institutions | **24** | 210,602 | *4,530* | 760,857 | *3,707* |
| Trade payables | **25** | 2,082,442 | *166,489* | 2,081,617 | *129,000* |
| Other payables | **26** | 375,586 | *26,235* | 392,744 | *22,945* |
| Provisions for liabilities and charges | **22** | 47,281 | | 31,363 | |
| Provisions for employee benefit obligations | **23** | 46 | | 557 | |
| Tax payables | **27** | 132,296 | | 63,150 | |
| Derivative financial instruments | **28** | 6,134 | | 10,121 | |
| **Current liabilities** | | **2,854,387** | | **3,340,409** | |
| **Total Liabilities and Equity** | | **13,353,183** | | **13,680,622** | |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)

| | Note | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | | | of which related parties (note 43) | | of which related parties (note 43) |
| **Revenues from sales and services** | **30** | **6,776,157** | *66,727* | **6,773,324** | *61,480* |
| Other income | **31** | 354,810 | *94,745* | 346,455 | *80,472* |
| Changes in inventories of unfinished, semi-finished and finished products | | 60,958 | | 72,455 | |
| Raw materials and consumables used (net of change in inventories) | | (2,148,205) | *(24,110)* | (2,177,416) | *(18,060)* |
| Personnel expenses | **32** | (1,304,932) | *(15,637)* | (1,301,297) | *(16,688)* |
| Amortisation, depreciation and impairment | **33** | (589,797) | | (574,950) | |
| Other costs | **34** | (2,264,405) | *(366,509)* | (2,227,399) | *(326,947)* |
| Net impairment of financial assets | **35** | 4,636 | | (10,303) | |
| Increases in fixed assets due to internal works | | 1,981 | | 2,121 | |
| **Operating income** | | **891,203** | | **902,990** | |
| Net income/(loss) from equity investments | **36** | 52,707 | | 31,388 | |
| - share of net income/(loss) of associates and joint ventures | | *16,091* | *16,091* | *27,456* | *27,456* |
| - gains on equity investments | | *2,294* | | - | |
| - losses on equity investments | | *(21)* | | - | |
| - dividends | | *34,343* | | *3,932* | |
| Financial income | **37** | 106,857 | *2,508* | 136,326 | *3,505* |
| Financial expenses | **38** | (290,605) | *(603)* | (422,911) | *(3,275)* |
| **Net income before taxes** | | **760,162** | | **647,793** | |
| Taxes | **39** | (229,466) | | (146,689) | |
| **Net income** | | **530,696** | | **501,104** | |
| **Attributable to:** | | | | | |
| Owners of the Parent Company | | 497,527 | | 467,981 | |
| Non-controlling interests | | 33,169 | | 33,123 | |
| **Total basic/diluted earnings / (losses) per share (in euro)** | **40** | **0,496** | | **0,468** | |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euro)

| | | Note | 2025 | 2024 |
|---|---|---|---|---|
| **A** | **Total Net income / (loss)** | | **530,696** | **501,104** |
| | - Remeasurement of employee benefits | **23** | (5,398) | (38,637) |
| | - Tax effect | | 1,538 | 9,451 |
| | - Fair value adjustment of other financial assets at fair value through Other Comprehensive Income | **13** | (13,059) | 9,822 |
| **B** | **Total items that may not be reclassified to Income Statement** | | **(16,919)** | **(19,364)** |
| | Exchange rates differences from translation of foreign Financial Statements | | | |
| | - Gains / (losses) | **21** | (258,136) | (169,298) |
| | - (Gains) / losses reclassified to Income Statement | **36** | 2,997 | - |
| | Fair value adjustment of derivatives designated as cash flow hedges: | | | |
| | - Gains / (losses) | **28** | 14,338 | 1,273 |
| | - (Gains) / losses reclassified to Income Statement | **28** | (20,885) | (17,071) |
| | - Tax effect | | 1,542 | 3,773 |
| | Share of Other Comprehensive Income related to associates and joint ventures | **12** | (13,604) | 4,358 |
| **C** | **Total items reclassified / that may be reclassified to Income Statement** | | **(273,748)** | **(176,965)** |
| **D** | **Total Other Comprehensive Income (B+C)** | | **(290,667)** | **(196,329)** |
| **A+D** | **Total Comprehensive Income / (loss)** | | **240,029** | **304,775** |
| | **Attributable to:** | | | |
| | - Owners of the Parent Company | | 209,972 | 268,873 |
| | - Non-controlling interests | | 30,057 | 35,902 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 12/31/2025

(in thousands of euro)

| | Attributable to the Parent Company (note 21.1) | | | | | Non-controlling interests (note 21.2) | Total (Note 21) |
|---|---|---|---|---|---|---|---|
| | Share Capital | Translation reserve | Other reserves with changes in the statement of Comprehensive Income * | Other reserves/ retained earnings | Total attributable to the Parent Company | | |
| **Total at 12/31/2024** | **1,904,375** | **(834,999)** | **(54,438)** | **4,741,133** | **5,756,071** | **156,183** | **5,912,254** |
| Other components of Comprehensive Income | - | (265,631) | (21,924) | - | (287,555) | (3,112) | (290,667) |
| Net income / (loss) | - | - | - | 497,527 | 497,527 | 33,169 | 530,696 |
| **Total Comprehensive Income / (loss)** | **-** | **(265,631)** | **(21,924)** | **497,527** | **209,972** | **30,057** | **240,029** |
| Dividends approved | - | - | - | (250,360) | (250,360) | (8,736) | (259,096) |
| Bond conversion | 161,276 | - | - | 335,224 | 496,500 | - | 496,500 |
| Effects of hyperinflation accounting in Turkey | - | - | - | 13,082 | 13,082 | - | 13,082 |
| Effects of hyperinflation accounting in Argentina | - | - | - | 53,113 | 53,113 | - | 53,113 |
| Other | - | - | 1,157 | (1,687) | (530) | 1,385 | 855 |
| **Total at 12/31/2025** | **2,065,651** | **(1,100,630)** | **(75,205)** | **5,388,032** | **6,277,848** | **178,889** | **6,456,737** |

## BREAKDOWN OF OTHER RESERVES WITH CHANGES IN THE STATEMENT OF COMPREHENSIVE INCOME*

(in thousands of euro)

| | Reserve for fair value adjustment of financial assets at fair value through Other Comprehensive Income | Reserve for cash flow hedge | Remeasurement of employee benefits | Tax effect | Other reserves with changes in the statement of Comprehensive Income |
|---|---|---|---|---|---|
| **Total at 12/31/2024** | **3,156** | **16,160** | **(30,398)** | **(43,356)** | **(54,438)** |
| Other components of Comprehensive Income | (13,059) | (6,547) | (5,398) | 3,080 | (21,924) |
| Other changes | 1,000 | - | 157 | - | 1,157 |
| **Total at 12/31/2025** | **(8,903)** | **9,613** | **(35,639)** | **(40,276)** | **(75,205)** |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 12/31/2024

(in thousands of euro)

| | Attributable to the Parent Company (note 21.1) | | | | | Non-controlling interests (note 21.2) | Total (note 21) |
|---|---|---|---|---|---|---|---|
| | Share Capital | Translation reserve | Other reserves with changes in the statement of Comprehensive Income * | Other reserves/ retained earnings | Total attributable to the Parent Company | | |
| **Total at 12/31/2023** | **1,904,375** | **(667,280)** | **(22,600)** | **4,279,898** | **5,494,393** | **125,201** | **5,619,594** |
| Other components of comprehensive income | - | (167,719) | (31,389) | - | (199,108) | 2,779 | (196,329) |
| Net income / (loss) | - | - | - | 467,981 | 467,981 | 33,123 | 501,104 |
| **Total comprehensive income / (loss)** | **-** | **(167,719)** | **(31,389)** | **467,981** | **268,873** | **35,902** | **304,775** |
| Dividends approved | - | - | - | (198,000) | (198,000) | (5,134) | (203,134) |
| Effects of hyperinflation accounting in Turkey | - | - | - | 16,500 | 16,500 | - | 16,500 |
| Effects of hyperinflation accounting in Argentina | - | - | - | 175,233 | 175,233 | - | 175,233 |
| Other | - | - | (449) | (479) | (928) | 214 | (714) |
| **Total at 12/31/2024** | **1,904,375** | **(834,999)** | **(54,438)** | **4,741,133** | **5,756,071** | **156,183** | **5,912,254** |

## BREAKDOWN OF OTHER RESERVES WITH CHANGES IN THE STATEMENT OF COMPREHENSIVE INCOME*

(in thousands of euro)

| | Reserve for fair value adjustment of financial assets at fair value through Other Comprehensive Income | Reserve for cash flow hedge | Remeasurement of employee benefits | Tax effect | Other reserves with changes in the statement of comprehensive income |
|---|---|---|---|---|---|
| **Total at 12/31/2023** | **(6,666)** | **31,958** | 8,653 | (56,545) | **(22,600)** |
| Other components of Comprehensive Income | 9,822 | (15,798) | (38,637) | 13,224 | (31,389) |
| Other changes | - | - | (414) | (35) | (449) |
| **Total at 12/31/2024** | **3,156** | **16,160** | **(30,398)** | **(43,356)** | **(54,438)** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euro)

| | | 2025 | 2024 |
|---|---|---|---|
| | Net income / (loss) before taxes | 760,162 | 647,793 |
| | Reversal of amortisation, depreciation, impairment losses and restatement of property, plant and equipment and intangible assets | 589,797 | 574,950 |
| | Reversal of Financial (income) / expenses | 183,748 | 286,585 |
| | Reversal of Dividends | (34,343) | (3,932) |
| | Reversal of gains / (losses) on equity investments | (2,273) | - |
| | Reversal of share of net result from associates and joint ventures | (16,091) | (27,456) |
| | Reversal of accruals to provisions and other accruals | 61,580 | 69,459 |
| | Net Taxes paid | (154,240) | (158,488) |
| | Change in Inventories | (86,521) | (132,479) |
| | Change in Trade receivables | (36,539) | 2,520 |
| | Change in Trade payables | 69,952 | 119,255 |
| | Change in Other receivables | 26,604 | (43,978) |
| | Change in Other payables | (26,541) | 1,105 |
| | Uses of Provisions for employee benefit obligations | (5,419) | (18,978) |
| | Uses of Provisions for liabilities and charges | (24,071) | (23,792) |
| **A** | **Net cash flow provided by / (used in) operating activities** | **1,305,805** | **1,292,564** |
| | *of which related parties* | *(288,994)* | *(226,505)* |
| | Investments in owned tangible assets | (352,286) | (376,076) |
| | Disposal of owned tangible assets | 3,259 | 2,233 |
| | Investments in intangible assets | (25,580) | (27,597) |
| | Disposal of intangible assets | - | 4 |
| | (Investments)/disposal in other financial assets at fair value through Other Comprehensive Income | 12,176 | (555) |
| | Disposal of investments in subsidiaries | 19,233 | - |
| | Acquisition of investments in subsidiaries | (3,822) | (20,268) |
| | Acquisition of investments in associates and joint ventures | (21,034) | (12,071) |
| | Change in Financial receivables from associates and joint ventures | (26,578) | (513) |
| | Dividends and reserves received from associates and joint ventures | - | 9,650 |
| | Dividends received from other non-current financial assets at FVTOCI | 34,343 | 3,932 |
| **B** | **Net cash flow provided by / (used in) investing activities** | **(360,289)** | **(421,261)** |
| | *of which related parties* | *(26,568)* | *962* |
| | Change in Borrowings from banks and other financial institutions due to draw downs | 138,079 | 1,366,477 |
| | Change in Borrowings from banks and other financial institutions due to repayments and other | (528,773) | (1,497,803) |
| | Change in Financial receivables / Other current financial assets at fair value through Income Statement | 42,702 | 60,128 |
| | Financial income / (expenses) | (151,568) | (206,173) |
| | Dividends paid | (259,096) | (204,400) |
| | Repayment of principal and payment of interest for lease liabilities | (129,446) | (128,929) |
| **C** | **Net cash flow provided by / (used in) financing activities** | **(888,102)** | **(610,700)** |
| | *of which related parties* | *(4,056)* | *(4,130)* |
| **D** | **Total cash flow provided / (used) during the period (A+B+C)** | **57,414** | **260,603** |
| **E** | **Cash and cash equivalents at the beginning of the financial year** | **1,501,274** | **1,248,850** |
| **F** | **Exchange rate differences from translation of cash and cash equivalents** | (34,619) | (8,179) |
| **G** | **Cash and cash equivalents at the end of the period (D+E+F) (°)** | **1,524,069** | **1,501,274** |
| **(°)** | **of which:** | | |
| | cash and cash equivalents | 1,525,886 | 1,502,741 |
| | bank overdrafts | (1,817) | (1,467) |

# EXPLANATORY NOTES

## 1. GENERAL INFORMATION

Pirelli & C. S.p.A. is a company whose legal status is governed by the laws of the Italian Republic.

Founded in 1872, Pirelli & C. S.p.A. - also through its subsidiaries in Italy and abroad – is a Pure Consumer Tyre Company (which includes tyres for cars, motorcycles, and bicycles) and is primarily focused on the High Value tyre market, which are products designed to achieve the highest levels in terms of performance, safety, quietness, and grip on the road surface.

The registered Head Office of the Company is located in Milan, Italy at Viale Piero e Alberto Pirelli n. 25.

These Consolidated Financial Statements have been prepared using the euro as the functional currency, and all values are rounded to the nearest thousand euro unless otherwise stated.

The audit of the Consolidated Financial Statements has been entrusted to PricewaterhouseCoopers S.p.A. pursuant to Legislative Decree No. 39 of January 27, 2010 in execution of the resolution of the Shareholders' Meeting of August 1, 2017, which assigned the mandate to the aforementioned company for each of the nine financial years closing from December 31, 2017 to December 31, 2025.

On June 16, 2023, the Presidency of the Council of Ministers adopted a measure containing certain provisions relating to the corporate governance of Pirelli (the "**DPCM Golden Power**"). These provisions, addressed both to the shareholder China National Tire & Rubber Corporation Ltd. (the "**CNRC**") and to Pirelli itself, entail, amongst other things, the obligation to adopt both "structural safeguards that are independent of the temporary nature of the shareholders' agreement" and "a set of measures operating overall to safeguard the autonomy of Pirelli & C. S.p.A. and its management, as well as to protect the information of strategic relevance held by the Company."

The DPCM Golden Power prohibits the CNRC from exercising any activity of direction and coordination over Pirelli pursuant to Articles 2497 et seq. of the Italian Civil Code and requires it, amongst other things and by way of example only:

(i) to ensure full autonomy for Pirelli with regard to the management of relations with customers and suppliers;
(ii) to ensure that Pirelli independently prepares the strategic, industrial and financial plans and/or the budget of the Company and of the Group;
(iii) to ensure that Pirelli is not subject to instructions from the Sinochem Group;
(iv) to not adopt acts, resolutions or communications that may give rise to the view that the decisions of Pirelli are the consequence of an imposing and imperative will of the CNRC;
(v) to not centralise treasury services or other financial assistance or coordination functions (e.g. cash pooling), nor other technical coordination functions (e.g. the integration of Pirelli's IT systems into those of Sinochem Holdings Corporation Ltd., including those of Pirelli's Chinese subsidiaries);
(vi) to not issue directives or instructions, and in any case to not coordinate initiatives, concerning decisions relating to Pirelli's financial and credit matters and its research and development activities;
(vii) to not issue directives regarding the carrying out of extraordinary transactions by Pirelli, such as, for example, the listing of financial instruments, acquisitions, disposals, concentrations, contributions, mergers, or demergers;
(viii) to not adopt decisions determining Pirelli's operational strategies, nor to formulate group-level strategic directives;
(ix) to ensure the absence of organisational-functional links between Pirelli on the one hand and the CNRC on the other.

The DPCM Golden Power further requires the CNRC to undertake that:

(i) the Chief Executive Officer of Pirelli, drawn from the majority list submitted by the CNRC, is appointed by Camfin;
(ii) of the 12 Directors drawn from the majority list, 4 are designated by Camfin;
(iii) the position of General Manager is introduced, to whom the power to implement the business plan, the budget, and the ordinary management of Pirelli is delegated;
(iv) all delegated bodies of Pirelli are selected exclusively from among the Directors appointed by Camfin;
(v) the power to appoint and remove Pirelli's Directors and Vice Directors is entrusted to the Executive Vice President or to the Chief Executive Officer;
(vi) the articles of association of Pirelli are amended so that, with respect to board resolutions concerning assets of strategic relevance (as identified by the DPCM Golden Power) and the appointment and removal of executives with strategic responsibilities, the proposal is reserved to the Chief Executive Officer, and any decision contrary thereto may only be adopted with the opposing vote of at least four-fifths of the Board of Directors (thus conferring a veto power on such resolutions to the Directors appointed by Camfin); as a consequence of the above, the majority of Pirelli's Board of Directors is currently composed of independent Directors, and also the majority of the Directors drawn from the list submitted by the CNRC (8 out of 12) consists of independent Directors or Directors directly appointed by Camfin, thereby limiting to 4 (four) the Directors (without executive functions) *"non-independent"* appointed by the CNRC, who, in turn, must comply with the requirements set forth by the DPCM Golden Power, including the requirement to *"ensure the absence of organisational-functional links between Pirelli, on the one hand, and the CNRC, on the other."*

The adoption of the DPCM Golden Power made it necessary to carry out a series of analyses aimed at verifying the continued existence of Marco Polo International Italy S.r.l. ("**MPI Italy**") control over Pirelli pursuant to the international accounting standard IFRS 10 *"Consolidated Financial Statements."* In this regard, a query was submitted to CONSOB on February 15, 2024 ("**Query**") by the Board of Statutory Auditors together with management. On July 31, 2024, CONSOB,

following the procedure initiated as a consequence of the Query, has: (a) communicated to Pirelli the relevant outcomes, providing that the Board of Directors of the Company has the obligation to carry out an assessment as to the existence or otherwise of a controlling entity pursuant to IFRS 10; (b) recalled the undertaking required by the DPCM Golden Power on the part of the CNRC not to exercise direction and coordination and, therefore, the undertaking not to provide guidance to the Directors; (c) emphasised the mandatory nature of certain provisions of the same DPCM regarding the role of Camfin S.p.A. (for example, with respect to the appointment of the Chief Executive Officer, who proposes the strategic plan, and the expression of the Executive Vice President, who outlines the strategies), which strengthen the autonomy of the Company's Board of Directors and *"prevent the shareholder* ("MPI Italy") *from having the capacity – even if not exercised – to influence the relevant decisions of the Issuer."*

The Company has conducted in-depth analyses with the assistance of opinions from leading audit firms regarding the correct application of IFRS 10, as well as additional opinions received from external legal advisers, and has taken into account the further documentation submitted in the proceeding initiated by CONSOB following the Query, including that (comprising memoranda and opinions) submitted by the other parties involved, MPI Italy and Camfin S.p.A. ("**Camfin S.p.A.**").

In carrying out these analyses, in order to assess the existence of control by a party pursuant to IFRS 10, the Company focused on the three requirements set forth by that standard, namely whether a party simultaneously has (i) power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee, and (iii) the ability to exercise its power over the investee to affect the amount of its returns.

In particular, focusing on the first requirement, the Company analysed the decisions that are generally representative of the exercise of an investor's power over another entity, indicating for each of them the potential ability of MPI Italy to unilaterally make such decisions through the rights deriving from the 2023 Renewal Shareholders' Agreement, as amended to reflect the provisions of the DPCM Golden Power. The results of these analyses for each decision are reported below:

- Appointment and removal of executive Directors (Executive Vice President and Chief Executive Officer): the two Directors with executive powers have been assigned, the first by the parties upon nomination by Camfin and the second by express provision of the DPCM Golden Power, on the indication of Camfin. The removal or replacement of the Chief Executive Officer may occur only upon proposal by the Executive Vice President (a Camfin-appointed party), who is also delegated to propose a replacement, who must be a Director appointed by Camfin;
- Preparation of the budget and business plan and any significant amendments to be submitted for approval by the Board of Directors: the proposal to the Board of Directors of the budget and business plan, as well as any amendments thereto, must be formulated by the Chief Executive Officer, appointed by Camfin. The Board of Directors has the sole authority to approve the proposal of the Chief Executive Officer or to cast a dissenting vote, providing adequate reasoning and taking into account the best interests of Pirelli. Although MPI Italy has the right to appoint the majority of the Directors (four of whom are, moreover, 'independent'), MPI Italy's right to provide guidance to the Directors it has appointed is severely limited by the provisions of the DPCM Golden Power; accordingly, MPI's rights do not appear to constitute substantive rights, in accordance with the provisions of IFRS 10;
- Appointment and removal of executives with strategic responsibilities: the appointment or removal of executives with strategic responsibilities must be proposed by the Chief Executive Officer, and any resolution contrary to such a proposal requires the favourable vote of at least four-fifths of the members of the Board of Directors - a qualified quorum which exceeds the number of Directors appointed by MPI Italy;
- Matters reserved to the Board of Directors: although the 2023 Shareholders' Agreement provides that certain decisions are to be taken by the Board of Directors by simple majority and therefore potentially by MPI Italy through its appointed Directors, this right is strongly limited by the provisions of the DPCM Golden Power. Accordingly, MPI's rights do not appear to constitute substantive rights, in accordance with the provisions of IFRS 10;
- Decisions relating to Pirelli's strategic assets, as identified by the DPCM Golden Power: in accordance with the provisions of the DPCM Golden Power, the Company's articles of association provide that, with respect to board resolutions concerning assets of strategic relevance as identified by the DPCM, the proposal is reserved to the Chief Executive Officer, and any decision contrary to such a proposal requires the favourable vote of at least four-fifths of the members of the Board of Directors—a qualified quorum exceeding the number of Directors appointed by MPI Italy;
- Furthermore, the Company has considered that, in the aforementioned measure, CONSOB had requested that the Board of Directors assess, for the purposes of subsequent decisions on the continuation of control, whether MPI Italy possessed the actual capacity to dismiss the management body in the event of disagreement with the Board of Directors regarding the strategic directions adopted and, ultimately, the returns generated by the investee. In this regard, the Company has assessed that in the ordinary shareholders' meetings held from 2018 to 2023, attendance exceeded 80%, and in the 2024 meeting it was 88%, which does not allow MPI Italy to determine the outcome of the meeting autonomously and to dismiss the entire management body, nor, in any case, can MPI Italy influence, pursuant to the DPCM Golden Power and the Shareholders' Agreement between Camfin and the CNRC, the appointment and removal of the Company's delegated bodies, which are assigned to Camfin.

On the basis of all these considerations, it follows that the issuance of the DPCM Golden Power has resulted **in the cessation of MPI Italy's unilateral control (and, consequently, that of Sinochem) over Pirelli pursuant to IFRS 10, and at the same time, Pirelli is not, under the aforementioned accounting standard, subject to the unilateral control of any party**.

On April 16, 2026, the Board of Directors approved these Consolidated Financial Statements and authorised their publication.

# 2. BASIS OF PRESENTATION

## INFORMATION ON THE MACROECONOMIC ENVIRONMENT

In 2025, despite ongoing geopolitical tensions, the global economy demonstrated substantial overall resilience. The positive growth in GDP in the European Union, due to exports in anticipation of the introduction of US tariffs in the first part of the year, was supported by domestic demand in the second half-year and accompanied by a slowdown in growth in the US economy, compared to 2024, as a result of lower domestic demand. The performance of the Chinese economy was also positive, owing to various measures implemented by the government in support of growth, whereas growth in Brazil slowed due to a slowdown in private consumption and in investments.

Global inflation steadily declined over the course of the year, allowing the central banks of the European Union and the United States to ease up on monetary tightening. Inflation trends, central bank monetary policies and new geopolitical situations drove the exchange rate dynamics in 2025, with the US dollar weakening against the euro due to the economic uncertainties linked to US trade policies. Emerging market currencies also depreciated against the euro.

The prices of the main raw materials used by the Group were affected by geopolitical tensions, the uncertainties linked to US protectionism, and the trends in supply and demand. While the prices of natural gas and natural rubber increased, the prices of Brent crude oil and butadiene decreased.

During the course of 2025, the car tyre market recorded a global level growth in volumes of +1.0%, compared to the same period of 2024.

Pirelli's results for 2025 highlighted a solid operating performance, which mainly reflected the positive contribution of the price/mix, of volumes and of efficiencies which more than offset inflation in the cost of production factors, including raw materials, the negative exchange rate effect, depreciation and amortisation and other costs.

For further details on this performance in 2025, reference should be made to the section *"Group Performance and Results"* in the Directors' Report on Operations, while for information on the management of external risks, reference should be made to the section *"Risk Factors and Uncertainty"* in the same document.

The macroeconomic scenario is expected to remain uncertain also in 2026. The most up-to-date forecasts available at the start of the year were taken into consideration when formulating the prospective results for 2026 presented to the market on February 25, 2026, and then confirmed on April 16, 2026, and reported in the "*Outlook for 2026*" section of the Directors' Report on Operations. The same targets were taken into account in the estimates and assumptions, and in particular when assessing the recoverability of goodwill and other intangible assets with an indefinite useful life.

These impacts are described in the relevant Explanatory Notes, to which reference should be made for further details.

## FINANCIAL STATEMENTS

The Consolidated Financial Statements at December 31, 2025 are composed of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Explanatory Notes, and are accompanied by the Directors' Report on Operations.

This document has not been prepared in accordance with the EU Delegated Regulation 2019/815 (ESEF Regulation), which was adopted pursuant to the Transparency Directive. The document which has been prepared pursuant to the ESEF Regulation, is available (in Italian only) on the authorised eMarket Storage website (emarketstorage.com) and on the Company's website www.pirelli.com.

The format adopted for the Statement of Financial Position provides for the distinction of assets and liabilities according to whether they are current or non-current.

The Group has opted to present the components of the gains/losses for the financial year in a separate Income Statement, rather than include them directly in the Statement of Comprehensive Income. The Income Statement format which has been adopted provides for the classification of costs by nature.

The Group has opted to present the tax effects and the reclassifications to the Income Statement of the gains/losses recognised under Other Comprehensive Income from previous financial years, directly in the Statement of Comprehensive Income and not in the explanatory Notes.

The Statement of Changes in Equity includes, in addition to the total gains/losses for the period, the amounts for transactions with equity holders and the movements which occurred in reserves during the financial year.

In the Statement of Cash Flow, the financial flows from operating activities are reported using the indirect method, whereby the gains or losses for the financial year are adjusted by the effects of non-monetary transactions, by any deferrals or accruals of past or future collections or payments for operating activities and by revenue or expense items related to the financial flows derived from any investment or financing activity.

## SCOPE OF CONSOLIDATION

The Scope of Consolidation includes the subsidiaries, associates and agreements for joint control (joint arrangements).

Subsidiaries are defined as all the companies over which the Group simultaneously holds:

- the power of decision making, or rather the ability to direct the relevant activities of the investee, that is those activities that have a significant influence on the results of the investee company itself;
- the exposure or the right to the variable (positive or negative) results from the investment in the entity;
- the ability to exercise its decision making power to determine the amount of the results deriving from the investment in the entity.

The financial statements of subsidiaries are included in the Consolidated Financial Statements as of the date when control is assumed, until such time when control ceases to exist. The portion of equity and of the results attributable to minority shareholders, are reported separately and respectively in the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, and in Equity.

All companies over which the Group is able to exercise significant influence as defined by IAS 28 - Investments in Associates and Joint Ventures, qualify as associates. This influence is legally presumed to exist when the Group holds a percentage of voting rights of between 20% and 50%, or when - even in the case of a lower share of voting rights – it has the power to participate in determining financial and operating policies by virtue of specific legal relationships, such as, for example, the participation in Shareholders' Agreements together with other forms of the significant exercise of corporate governance rights.

Joint arrangements are agreements under which two or more parties have joint control under a contract. Joint control is the shared control of a business activity, established by an agreement, and which exists only when decisions relative to the activity, require the unanimous consent of all parties who share control. These agreements may give rise to joint ventures or joint operations.

A joint venture is an agreement for the joint control of an entity whereby the parties that have joint control, have rights to the net assets of the said entity. Joint ventures are distinguished from joint operations which instead are configured as agreements which give the parties of the agreement, which have joint control of the initiative, the rights to the individual assets and the obligations of the individual liabilities relative to the agreement. The Group does not currently have any agreements in place for joint operations.

The following is a summary of the changes in the scope of consolidation, with reference to the subsidiaries:

- the acquisition of the company Telco S.r.l., on January 13, 2025;
- the liquidation of the company CTC 2008 Ltd., on May 29, 2025;
- the disposal of the company Däckia Aktiebolag, on June 18, 2025;
- the liquidation of the company NewCo Micromobility S.r.l., on August 8, 2025.

## INFORMATION ON SUBSIDIARIES

The Consolidated Financial Statements include the assets and liabilities of 83 legal entities. The significant subsidiaries are listed below:

| | Headquarters | 12/31/2025 | | 12/31/2024 | |
|---|---|---|---|---|---|
| | | % Group | % non-controlling interests | % Group | % non-controlling interests |
| Pirelli Tyre Co. Ltd. | Yanzhou (Cina) | 90.00% | 10.00% | 90.00% | 10.00% |
| Pirelli Deutschland GmbH | Breuberg/Odenwald (Germany) | 100.00% | | 100.00% | |
| Pirelli Tyre S.p.A. | Milan (Italy) | 100.00% | | 100.00% | |
| Pirelli Industrie Pneumatici S.r.l. | Settimo Torinese (Italy) | 100.00% | | 100.00% | |
| Pirelli International Treasury S.p.A. | Milan (Italy) | 100.00% | | 100.00% | |
| Pirelli Neumaticos S.A. de C.V. | Silao (Mexico) | 100.00% | | 100.00% | |
| Pirelli Pneus Ltda. | Campinas (Brazil) | 100.00% | | 100.00% | |
| Pirelli Comercial de Pneus Brasil Ltda. | Sao Paulo (Brazil) | 100.00% | | 100.00% | |
| Pirelli UK Tyres Ltd. | Burton on Trent (United Kingdom) | 100.00% | | 100.00% | |
| Pirelli Tire LLC | Rome (USA) | 100.00% | | 100.00% | |
| S.C. Pirelli Tyres Romania S.r.l. | Slatina (Romania) | 100.00% | | 100.00% | |

A complete list of subsidiaries is contained in the attachment, *"Scope of Consolidation - List of Companies included in Consolidation using the Line-by-Line Method".*

Non-controlling interests in the Group's subsidiaries were not material either individually or in their aggregate form.

## CONSOLIDATION STANDARDS

For consolidation purposes, the financial statements of the companies included in the Scope of Consolidation prepared at the reporting date of the Parent Company's financial statements are used, and are appropriately adjusted to render them compliant with the IAS/IFRS standards, as applied by the Group.

The financial statements expressed in foreign currencies have been translated into euro by applying period-end exchange rates for the items in the Statement of Financial Position, and at average exchange rates for the items of the Income Statement, with the exception of the financial statements of companies operating in hyperinflationary countries whose Income Statements have been translated at period-end exchange rates.

Differences arising from the translation of the initial equity at period-end exchange rates are recognised in the translation reserve, together with the difference arising from the translation of the result for the period at the period-end exchange rate compared to at the average exchange rate. The translation reserve is reversed to the Income Statement at the time of the disposal of the company which generated the reserve.

The criteria for consolidation can be summarised as follows:

- subsidiaries are consolidated using the line-by-line method on the basis of which:
  - the assets and liabilities, costs and revenues of the financial statements of the subsidiaries are taken into account in their entirety, irrespective of the extent of the interest (investment) held;
  - the carrying amount of investments is eliminated against the corresponding portions of equity;
  - the Statement of Financial Position and Income Statement transactions carried out between fully consolidated companies, including dividends distributed within the Group and the unrealised margin on intercompany transactions, are eliminated;

- non-controlling interests are represented in the appropriate items under equity, and similarly, the portion of gains or losses attributable to non-controlling interests is shown separately in the Income Statement and in the Statement of Comprehensive Income;
- at the time of the disposal of an investee resulting in the loss of control, any goodwill allocable to the investee is taken into account when determining the gain on disposal (capital gain) or the loss on disposal (capital loss);
- in the case of an investment stake acquired subsequent to the obtaining of control, any difference between the cost of acquisition and the corresponding fraction of equity acquired is recognised in equity. Similarly, the effects arising from the disposal of non-controlling interests without the loss of control are recognised in equity.

- investments in associates and joint ventures are accounted for using the equity method, under which the carrying amount of the investments is adjusted to take into account:

  - the investor's share of the financial results of the investee arising after the acquisition date;
  - the investor's share of gains and losses are recognised directly in the investee's equity, in accordance with the applicable accounting standards;
  - the dividends distributed by the investee;
  - if the Group's share, if any, of the losses of an associate/joint venture exceeds the carrying amount of the investment in the financial statements, the carrying amount of the investment is reduced to zero, and the share of any additional losses is recognised under *"Provisions for liabilities and charges"*, if and to the extent that the Group is contractually or implicitly obliged to cover them;
  - the margins resulting from sales carried out by subsidiaries to joint ventures or associates are eliminated only to the extent of the ownership stake held in the acquiring company.

# 3. ADOPTED ACCOUNTING STANDARDS

Pursuant to Regulation No. 1606 issued by the European Parliament and the European Council in July 2002, the Consolidated Financial Statements of the Pirelli & C. Group have been prepared in accordance with the IFRS - International Financial Reporting Standards in force, issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union at December 31, 2025, as well as with the provisions issued in the implementation of Article 9 of Legislative Decree No. 38/2005. The terms IFRS and IAS refer to the IFRS - International Financial Reporting Standards and IAS - International Accounting Standards in force, issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union at December 31, 2025, as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The Consolidated Financial Statements have been prepared based on the historical cost criterion. The following items have instead been measured at fair value:

- derivative financial instruments;
- pension fund assets;
- other financial assets at fair value through Other Comprehensive Income;
- other financial assets at fair value through the Income Statement.

## BUSINESS COMBINATIONS

Business acquisitions are accounted for using the acquisition method.

In the case of acquiring control of a company, goodwill is calculated as the difference between:

- the fair value of the consideration plus any non-controlling interests in the acquired company measured at fair value (if this option is chosen for the acquisition in question) or in proportion to the investment stake held by the non-controlling interest in the net assets of the acquired company;
- the fair value of the assets acquired and the liabilities assumed.

In cases where the aforementioned difference is negative, this difference is immediately recognised in the Income Statement under income.

In the case of acquiring control of a company in which a non-controlling interest was previously held (acquisition in phases - step acquisition), the previously held investment is measured at fair value, and the effects of this adjustment is recognised in the Income Statement.

Costs related to Business Combination transactions are recognised in the Income Statement.

Contingent considerations, that is, the buyer's obligations to transfer additional assets or shares to the seller if certain future events occur or specific conditions are met, are recognised at fair value at the acquisition date as part of the consideration transferred in exchange for the acquisition itself. Any subsequent changes in the fair value of such agreements are recognised in the Income Statement.

## INTANGIBLE ASSETS

Intangible assets refer to assets without an identifiable physical form, which are controlled by the Group and are capable of producing future economic benefits.

Intangible assets with a finite useful life are measured at cost, net of any accumulated amortisation and impairment losses, and include costs for services provided by third parties.

Amortisation is calculated on a straight-line basis and begins when the asset becomes available for use or is capable of operating as intended by management, and ceases on the date when the asset is classified as held for sale or is de-recognised from the accounts.

Capital gains and capital losses arising from the divestment, disposal or retirement of an intangible asset are determined as the difference between the net proceeds from disposal and the carrying amount of the asset.

## GOODWILL

Goodwill is an intangible asset with an indefinite useful life and is therefore not subject to amortisation. Goodwill is subject to an evaluation aimed at identifying any impairment, at least annually or whenever there are indicators of impairment.

## TRADEMARKS AND LICENSES

Trademarks and licenses for which the conditions for classification as intangible assets with an indefinite useful life have not been met, are measured at cost, net of amortisation and net of any accumulated impairment. This cost is amortised for whichever period is shorter between, the contractual duration and the useful life of the asset. Instead, the trademarks for which the conditions for classification as intangible assets with an indefinite useful life have been met, are not systematically amortised, and are subjected to an impairment test at least once a year.

## SOFTWARE

Software license costs, including incidental expenses, are capitalised and recorded in the financial statements net of amortisation and net of any accumulated impairment. Software is amortised on the basis of its useful life.
Software as a service (*"SaaS"*), for which the Group does not control the underlying software, but only holds the right to access the software on a third-party cloud infrastructure, is not capitalised.

## CUSTOMER RELATIONSHIPS

Customer relationships mainly refer to intangible assets acquired during Business Combinations, and are recognised in the financial statements at their fair value at the acquisition date, and amortised on the basis of their useful life.

## TECHNOLOGY

The value of Technology refers mainly to product, process and product development technology acquired during Business Combinations. It is recognised in the financial statements at fair value at the date of acquisition, and is amortised on the basis of its useful life.

## RESEARCH AND DEVELOPMENT EXPENSES

Research costs refer to product innovation, innovation in production processes and research into new materials. These are expensed as they are incurred. There were no product development costs that satisfied the requisites for capitalisation as provided for by IAS 38.

## OWNED TANGIBLE ASSETS

Property, plant and equipment are recognised at their acquisition cost or production cost, including any directly attributable incidental expenses.

Any costs incurred subsequent to the acquisition of assets and the cost for replacing certain parts of the assets recognised in this category, are capitalised only if they increase the future financial benefits inherent in the asset to which they relate. All other costs are recognised in the Income Statement as they are incurred. When the replacement cost of certain parts of assets is capitalised, the residual value of the replaced parts is recognised in the Income Statement.

Property, plant and equipment are measured at cost, net of depreciation and net of any accumulated impairment, except for land which is not depreciated but is valued at cost net of any accumulated impairment.

Depreciation is accounted for starting from the month in which the asset is available for use, or is potentially capable of providing the financial benefits associated with it.

Depreciation is recognised on a monthly basis using the straight-line method at rates that allow assets to be depreciated until the end of their useful life or, in the case of disposals, until the final month of use.

**Depreciation rates** were as follows:

| | |
|---|---|
| Buildings | 3% - 10% |
| Plants | 7% - 20% |
| Machinery | 5% - 20% |
| Equipment | 10% - 33% |
| Office equipment | 25% - 50% |
| Furniture | 10% - 33% |
| Motor vehicles | 10% - 25% |

The Group annually revises the expected useful life of property, plant and equipment.

Leasehold improvements are classified as tangible assets (property, plant and equipment), consistent with the nature of the cost incurred. The depreciation period corresponds to whichever is shorter between the remaining useful life of the tangible asset and the remaining duration of the lease contract.

Spare parts of significant value are capitalised and depreciated based on the useful life of the asset to which they relate.

Any dismantling costs (decommissioning costs) are estimated and added to the tangible assets (property, plant and equipment), with a corresponding entry to the provision for liabilities and charges, if the requirements for the recognition of a provision for liabilities and charges are met. They are then depreciated for the duration of the remaining useful life of the respective asset.

Tangible assets (property, plant and equipment), are de-recognised from the Statement of Financial Position at the time of their disposal or when they are permanently withdrawn from use and, as a consequence, no future financial benefits are expected to be derived from their disposal or use.

Any gains on disposal (capital gains) or the losses on disposal (capital losses) arising from the derecognition or disposal of property, plant and equipment are determined as the difference between the net proceeds from disposal, and the carrying amount of the asset.

Property, plant and equipment under construction are recognised at cost, net of any impairment. When property, plant and equipment under construction is ready for use, it is reclassified to the relevant category, and begins to be depreciated based of the useful lives of the Group.

## RIGHT OF USE

At the date on which the assets subject to the lease contract become available for use by the Group, lease contracts are recognised as right-of-use assets under non-current assets, with a corresponding entry for the financial liability.

The cost of the lease payment is separated into its components, namely a financial expense which is recognised in the Income Statement for the duration of the contract and a repayment of the principal, which is recorded as a reduction of the financial liability.

The right of use is depreciated on a monthly basis using the straight-line method, for whichever period is shorter between the useful life of the asset and the duration of the contract.

Right of use and financial liabilities are initially measured at the present value of future payments.

The present value of the financial liabilities for lease contracts includes the following payments:

- → fixed payments;
- → variable payments based on an index or rate;
- → the exercise price of a redemption option, if the exercise of the option is considered reasonably certain;
- → the payment of penalties for terminating the contract, if the exercise of the option is considered reasonably certain;
- → optional payments subsequent to the non-cancellable period, if the extension of the contract beyond the non-cancellable period is considered reasonably certain.

Future payments are discounted using the incremental borrowing rate. This rate consists of the risk-free rate of the country in which the contract is negotiated and is based on the duration of the contract itself. It is then adjusted according to the Group's credit spread and to the local credit spread.

The right of use is measured at cost, and is composed of the following elements:

- the initial amount of the financial liability;
- the payments made before the start of the contract net of the lease incentives received;
- the directly attributable ancillary costs;
- the estimated costs for dismantling (decommissioning) or restoration.

The lease payments associated with the following types of lease contracts are recognised in the Income Statement on a straight-line basis for the duration of the respective contracts:

- contracts with a duration of less than twelve months for all asset classes;
- contracts for which the underlying asset is configured as a low-value asset, that is, the unit value of the underlying assets is not greater than euro 8 thousand when new;
- contracts where the payment for the right of use of the underlying asset varies due to changes in the facts or circumstances (not linked to an index or a rate), that were not foreseeable at the start date.

Low-value contracts are mainly related to the following categories of goods:

- computers, telephones and tablets;
- office and multi-function printers;
- other electronic devices.

## IMPAIRMENT OF ASSETS

### PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT OF USE

In the presence of specific indicators of impairment, and at least on an annual basis, intangible assets with an indefinite useful life, including goodwill, tangible assets (property, plant and equipment), intangible assets and right of use are subject to an impairment test.

The test involves estimating the recoverable amount of the asset and comparing it with its carrying amount.
The recoverable amount of an asset corresponds to the higher amount between the fair value less the costs of sale, and the value in use.

It is not necessary to estimate both value configurations since, in order to verify the absence of impairment of the asset, it is sufficient that one of the two value configurations is higher than the carrying amount.

The value in use for tangible assets (property plant and equipment) and intangible assets, is the present value of the estimated future financial flows generated by the use of the asset and those arising from its disposal at the end of its useful life, net of taxes and discounted using a rate that reflects the current market assessment of the time value of money and of the risks specific to the asset.

For the right of use, the value in use is the present value of the estimated future financial flows originating from the right of use asset, for the duration of the lease contract, and those outflows for the replacement of the right of use asset at the end of the lease term (for example, the acquisition cost of an asset to replace the one that is leased).

If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is reduced and adjusted to the recoverable amount. This reduction in value constitutes an impairment loss which is recognised in the Income Statement.

For the purpose of assessing impairment losses, assets are aggregated at the lowest level at which independent cash flows can be separately identified (cash generating unit).

With specific reference to goodwill, for the purpose of the impairment test, the allocation is made at the Group level of the *"Consumer Activities"* CGU. The latter represents the minimum level at which goodwill is monitored for internal management control purposes.

In the presence of indications that an impairment loss that was recognised in previous years relating to tangible or intangible assets other than goodwill or the right of use, may no longer exist or may have decreased, the recoverable amount of the asset is re-estimated, and if it results as being higher than the carrying amount, the carrying amount is increased up to the recoverable amount.

The reversal of an impairment cannot exceed the carrying amount that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised in previous financial years.

The reversal of the impairment of an asset other than goodwill is recognised in the Income Statement.

An impairment loss recognised for goodwill cannot be reversed in subsequent periods.

An impairment loss recognised in an interim (half-yearly) financial statement for goodwill cannot be reversed in the Income Statement in the following financial year.

### INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Subsequent to the application of the equity method, in the presence of indicators of impairment, the value of investments in associates and joint ventures must be compared with the recoverable amount (the so-called impairment test). The recoverable amount corresponds to the higher amount between the fair value minus the selling costs, and the value in use.

For the purpose of the impairment test, the fair value of an investment in an associate or joint venture with shares listed on an active market is always equal to its market value. In the case of investments in unlisted companies, the fair value is determined based on estimates using the best available information.

For the purposes of determining the value in use of an associate or joint venture, the estimate for future net operating cash flows is discounted, net of the net financial position of the company in question, at the date of the estimate (the so-called Discounted Cash Flow - Asset Side Method).

In the presence of indications that an impairment loss recognised in previous years may no longer exist or may have decreased, the recoverable amount of the investment is re-estimated and, if it exceeds the carrying amount of the investment, the latter is increased up to the recoverable amount.

The reversal of impairment cannot exceed the carrying amount of the investment that would have been determined (net of impairment) had no impairment loss been recognised in previous financial years.

The reversal of impairment for investments in associates and joint ventures is recognised in the Income Statement.

## OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

This category includes the equity instruments for which the Group, at initial recognition, has exercised the irrevocable option to present gains and losses arising from changes in their fair value in equity (FVOCI), as these are financial assets that do not belong to the Group's core business. They are classified as non-current assets under the item "Other financial assets at fair value through Other Comprehensive Income".

They are initially recognised at fair value, including transaction costs directly attributable to the acquisition.

They are subsequently measured at their fair value, and any gains and losses arising from any changes in their fair value are recognised in a specific equity reserve. This reserve is not reclassified to the Income Statement. In the event of the disposal of the financial asset, the amount suspended in equity is reclassified to retained earnings.

Dividends arising from these financial assets are recognised in the Income Statement at the moment in which the right to collection arises, unless they represent a recovery of the cost of the investment. In such case, they directly reduce the carrying amount of the investment.

## OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH THE INCOME STATEMENT (FVPL)

The items which fall within this assessment category are:

- equity instruments for which the Group - at the time of initial recognition - has not exercised the irrevocable option to present the gains and losses arising from changes in their fair value in equity. These are classified as non-current assets under the item "Other financial assets at fair value through the Income Statement";
- debt instruments, for which the Group's asset management business model provides that the sale of the debt instruments and the cash flows associated with the financial asset, represent the payment of the outstanding principal. These are classified as current assets under the item *"Other financial assets at fair value through the Income Statement"*;
- debt instruments for which the fair value option has been exercised to eliminate an accounting mismatch;
- derivative instruments, except those designated as hedging instruments.

These are initially recognised at fair value. Transaction costs directly attributable to the acquisition are recognised in the Income Statement.

They are subsequently measured at fair value, and any gains or losses arising from any changes in their fair value are recognised in the Income Statement.

## INVENTORIES

Warehouse inventories are valued at whichever is lower, between their cost and their presumed realisable value.

The cost is calculated using the FIFO method, and in the case of finished and semi-finished products, in addition to the costs of materials, the direct costs of labour as well as indirect costs, are also included.

The cost of inventories also includes the transfer from Other Comprehensive Income, of the gains and losses arising from qualified cash flow hedging transactions related to the purchase of raw materials, typically natural rubber.

The cost is increased by incremental expenses, in the same way as described for property, plant and equipment.

The realisable value represents the estimated selling price, net of all estimated costs to complete the asset and the costs of selling and distribution that will be incurred.

Provisions for the impairment of inventories are calculated for items considered to be obsolete or slow-moving, taking into account their estimated future use and their realisable value.

## RECEIVABLES

Receivables are initially recognised at their fair value, which is normally represented by the agreed consideration or the present value of the amount to be collected. They are subsequently measured at amortised cost, which is reduced in the event of impairment losses. Amortised cost is calculated by using the effective interest rate method, which is equivalent to the discount rate that, when applied to the future cash flows, results in the present carrying amount of those cash flows which is equal to the initial fair value. Receivables denominated in a currency other than the functional currency of the individual entities, are adjusted to the period-end exchange rates with the corresponding entry in the Income Statement.

Receivables are de-recognised when the right to receive cash flows is extinguished, when all the risks and benefits associated with the holding of the receivable have been substantially transferred, or in cases where the receivable is considered definitively irrecoverable, after all necessary recovery procedures have been completed.

## IMPAIRMENT OF RECEIVABLES

For trade receivables, the Group applies a simplified approach, which calculates the expected credit losses over the life of the receivables from the moment of initial recognition. The Group uses a matrix based on historical experience, linked to the ageing of the receivables themselves and the credit rating of the customers, adjusted to take into account forecast factors specific to certain creditors. Trade receivables are grouped on the basis of similar risk characteristics. The

grouping is based on the original due date of the receivable and the creditworthiness of the customers as assigned by independent market operators. For financial receivables, the impairment calculation is made with reference to the expected credit losses over the next twelve months. This calculation is based on a matrix that includes the credit rating of customers provided by independent market operators. In the case of a significant increase in credit risk subsequent to the origination date of the receivable, the expected loss is calculated over the entire life of the receivable. The Group assumes that the credit risk of a financial instrument has not increased significantly after its initial recognition, if it is determined that the financial instrument has a low credit risk at the reporting date of the Financial Statements. The Group assesses whether there has been a significant increase in credit risk when the customer's rating, assigned by independent market operators, changes in a way that indicates an increase in the probability of default. The Group considers a financial asset to be in default when internal or external information indicates that it is unlikely the Group will receive the full contractual amount that is past due (for example, when receivables have been referred to the legal department).

## PAYABLES

Payables are initially recorded at their fair value, which is normally represented by the agreed consideration or the present value of the amount to be paid. They are subsequently measured at the amortised cost. Amortised cost is calculated by using the effective interest rate method, which is equivalent to the discount rate that, when applied to the future cash flows, results in the present carrying amount of those cash flows which is equal to the initial fair value. Payables, denominated in a currency other than the functional currency of the individual entities are adjusted to the exchange rates at the period-end, with the corresponding entry in the Income Statement.

Payables are de-recognised from financial statements when the specific contractual obligation is extinguished. In the event of a change in a financial liability that does not result in its cancellation, the gain or loss resulting from the change is calculated by discounting the change in the contractual cash flows using the original effective interest rate and is immediately recognised in the Income Statement.

The fair value of the debt component of a convertible bond is equal to the fair value of a liability issued under substantially equivalent market terms, without the right of conversion. This component is subsequently measured at amortised cost until extinguished at the time of conversion or until the maturity of the bonds. The remaining portion, up to the value equal to the amount collected, is recognised as a component of equity. Issuance costs are allocated proportionally to the debt component and to the equity component.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank deposits, postal deposits, cash and valuables on hand, and other forms of short-term investments with an original maturity of three months or less, which are readily convertible into a given amount of cash and subject to an insignificant risk of changes in value. Overdrafts are classified as financial payables under current liabilities.

The items included in cash and cash equivalents are measured at their fair value, and any related changes are recognised in the Income Statement.

For the purposes of their representation in the Consolidated Statement of Cash Flow, cash and cash equivalents are represented by the liquid assets, as previously defined, net of current account overdrafts.

## CONTINGENT ASSETS

Any contingent assets, which arise from past events and whose realisation depends on the occurrence or non-occurrence of unforeseeable future events, are not recognised in the financial statements unless the realisation of revenue is virtually certain.

## CONTINGENT LIABILITIES

Contingent liabilities, that is, contingent or present obligations that are not probable or cannot be reliably measured, are not recognised in the financial statements but are given disclosure, unless the possibility of an outflow of economic resources is remote.

## PROVISIONS FOR LIABILITIES AND CHARGES

The provisions for liabilities and charges include the provisions for present obligations (legal or implicit) arising from a past event, for the settlement of which it is probable that the use of resources will be required, the amount of which can be reliably estimated. Changes in estimates are recognised in the Income Statement for the financial year in which the change occurred. If the effect of discounting is significant, provisions are stated at their present value. A provision for restructuring is only recognised if, in addition to meeting the requisite conditions for the accrual of provisions for liabilities and charges, there is a detailed formal plan for the restructuring, and the third parties involved have a valid expectation that the restructuring will take place.

## EMPLOYEE BENEFITS

Employee benefits paid after the termination of the employment relationship, of the defined benefit plan type (defined benefit plans) and other long-term benefits (other long-term benefits) are subject to actuarial valuations. The liability recognised in the financial statements represents the present value of the Group's obligation, net of the fair value of any plan assets. For defined benefit plans, the actuarial gains and losses arising from adjustments based on past experience and from any changes in the actuarial assumptions, are recognised in full under Other Comprehensive Income. For other long-term benefits, actuarial gains and losses are recognised immediately in the Income Statement.

The provision for employees' leaving indemnities (TFR) of Italian companies with at least 50 employees is considered a defined benefit plan solely for the amounts accrued before January 1, 2007 (and not yet settled at the reporting date), while amounts accrued after that date qualify under the defined benefit plan.

The net interest calculated on the net liability is classified under financial expenses.

Costs relative to the defined contribution plans are recognised in the Income Statement when incurred.

In the event that the plan assets of defined benefits exceed the liabilities, the asset is recognised to the extent that the economic benefit, in the form of a refund or a reduction of future contributions and is available to the Group under the

regulations of the plan itself and pursuant to the provisions in force in the jurisdiction where the plan operates.

This refund is considered available to the Group, if the Group has an unconditional right to the reimbursement in any of the following circumstances:

- during the life of the plan, without assuming that the plan's liabilities must be settled in order to obtain the refund (for example, in some jurisdictions, the entity may be entitled to a refund during the life of the plan, regardless of whether the plan's liabilities are settled);
- assuming the gradual settlement of the plan's liabilities over time until all members have left the plan; or
- assuming the full settlement of the plan's liabilities in a single event (for example, the liquidation/closure of the plan).

In the case of the purchase of qualifying insurance policies through the use of plan assets, any additional contributions required by the insurance company are recognised under Other Comprehensive Income.

Insurance policies are recognised in the financial statements as plan assets and are measured on the same basis as the liabilities to which they relate.

## DERIVATIVE FINANCIAL INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS

In accordance with the provisions of IFRS 9, derivative financial instruments are accounted for in accordance with the methods established for hedge accounting only when:

- the hedged items and the hedging instruments meet the eligibility criteria;
- at the inception of the hedging relationship, there is the formal designation and documentation of the hedging relationship, of the Group's risk management objectives, and of the strategy for undertaking the hedge cover;
- the hedging relationship meets all the following effectiveness requirements:
  - there is a financial relationship between the hedged item and the hedging instrument;
  - the effect of credit risk is not dominant in relation to the changes associated with the risk being hedged;
  - the hedge ratio defined in the hedging relationship is adhered to, including through rebalancing actions, and is consistent with the risk management strategy adopted by the Group.

These derivative instruments are measured at fair value.

The following accounting treatments are applied on the basis of the type of coverage:

- Fair value hedge - if a derivative financial instrument is designated as a hedge against exposure to any changes in the fair value of an asset or liability attributable to a specific risk, the gain or loss arising from any subsequent changes in the fair value of the hedging instrument is recognised in the Income Statement. The gain or loss on the hedged item, for the portion attributable to the hedged risk, adjusts the carrying amount of the asset or liability (basis adjustment) and is also recognised in the Income Statement;
- Cash flow hedge - if a derivative financial instrument is designated as a hedge against exposure to the variability in the financial flows of an asset or liability recognised in the financial statements, or against a highly probable future transaction, the effective portion of the change in the fair value of the hedging derivative is recognised directly under Other Comprehensive Income, while the ineffective portion is immediately recognised in the Income Statement. The amounts recognised directly under Other Comprehensive Income are reclassified to the Income Statement for the financial year in which the hedged item produces an effect on the Income Statement. If the hedge of a highly probable future transaction subsequently results in the recognition of a non-financial asset or liability, the amounts that are suspended under Other Comprehensive Income are included in the initial carrying amount of the non-financial asset or liability.

When future transactions are hedged by forward contracts, the Group may designate to hedge accounting:

- the full fair value (including the forward points): the effective portion of changes in the fair value of the entire derivative instrument is recognised under Other Comprehensive Income (cash flow hedge reserve);
- the spot component only (excluding the forward points): the effective portion of the changes in the fair value of the single spot component, is recognised under Other Comprehensive Income in the cash flow hedge reserve, while change in the forward points related to the hedged item is recorded in the cost of hedging reserve, always under Other Comprehensive Income.

When a hedging instrument reaches maturity or is disposed of, terminated early, exercised, or no longer meets the conditions to be designated as a hedging instrument, hedge accounting is discontinued. The fair value adjustments accumulated under Other Comprehensive Income (both in the cash flow hedge reserve and the cost of hedging reserve), remain suspended under Other Comprehensive Income until the hedged item produces an effect on the Income Statement. They are subsequently reclassified to the Income Statement, for the financial years during which the acquired asset or the assumed liability produces an effect on the Income Statement. If it is expected that the hedged item will not generate any effect on the Income Statement, the fair value adjustments accumulated under Other Comprehensive Income (both in the cash flow hedge reserve and in the cost of hedging reserve) are immediately recognised in the Income Statement. For the derivative instruments that do not satisfy the requisites provided for by IFRS 9 for the adoption of hedge accounting, reference should be made to the paragraph *"Financial assets at fair value through the Income Statement"*. The purchases and sales of derivative financial instruments are recognised at the settlement date.

The hedges of net investments in foreign assets (net investment hedges) are accounted for in a manner similar to cash flow hedges.

Gains or losses on the hedging instrument related to the effective portion of the hedge are recognised in Other Comprehensive Income, while those related to the ineffective portion are immediately recognised in the Income Statement.

Gains and losses accumulated under Other Comprehensive Income are reclassified to the Income Statement when the foreign operation is disposed either partially or entirely.

## DETERMINATION OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified on the basis of the hierarchy of levels provided for by IFRS 13, which reflects the significance of the inputs used in determining the fair value. The levels are defined as follows:

- level 1 - unadjusted quoted prices in active markets for the assets or liabilities being valued;
- level 2 - inputs other than the quoted prices referred to in the previous point, which are observable on the market either directly (such as prices), or indirectly (that is, derived from prices);
- level 3 - inputs that are not based on observable market data.

The fair value of financial instruments traded in active markets (level 1 of the fair value hierarchy) is based on the published price quotations at the reporting date of the Financial Statements. The market prices used for financial assets are the bid prices, while for financial liabilities, they are the ask prices.

The fair value of financial instruments that are not traded in active markets (level 2 of the fair value hierarchy) is determined by using valuation techniques that are widely used in the financial industry and which maximise the use of observable market data:

- market prices for similar instruments;
- the fair value of interest rate swaps is calculated by discounting estimated future cash flows based on observable yield curves;
- the fair value of foreign exchange derivatives (forward contracts) is determined by using the forward exchange rate at the reporting date of the Financial Statements;
- the fair value of foreign exchange derivatives (average rate forward) is determined based on the difference between the agreed forward price and the average for the forward rates for the reporting period;
- the fair value of cross currency interest rate swaps is calculated by discounting the estimated future cash flows based on observable yield curves and converting them into euro using the exchange rate at the reporting date of the Financial Statements;
- the fair value of natural rubber futures is determined using the closing price of the contract at the reporting date of the Financial Statements.

The fair value of financial instruments non traded in active markets (level 3 of the fair value hierarchy) is determined:

- on the basis of data from the most recent available financial statements;
- the fair value of the Call Option held by Pirelli Tyre S.p.A. to increase its ownership stake in the Chinese joint venture, the Xushen Tyre (Shanghai) Co., Ltd., was determined by applying the Black-Scholes option pricing model. For this purpose, the underlying value was estimated as the pro-rata equity value of the investee, calculated using the Discounted Cash Flow - Equity Side Method, and compared with the strike price of the Option in accordance with the contractual provisions. The valuation of the Option was carried out in local currency (CNY), and the resulting fair value was subsequently converted into euro using the exchange rate at December 31, 2025.

## INCOME TAXES

Current taxes are determined on the basis of a realistic forecast of the liabilities to be settled in accordance with the applicable tax regulations of the country.

The Group periodically reviews the choices made in the determination of taxes in situations where the applicable tax legislation is subject to interpretation, and, where appropriate, adjusts its exposure to the tax authority based on the taxes it expects to pay. Any interest and penalties accrued on these taxes are recognised under Income tax in the Income Statement.

Deferred taxes are determined on the basis of the temporary differences existing between the carrying amounts of assets and liabilities in the financial statements and their tax base (global allocation method), and are classified under non-current assets and liabilities.

Deferred tax assets on tax losses carried forward, as well as on temporary differences, are only recognised when there is a likelihood of future recovery.

Current and deferred tax assets and liabilities are offset when income taxes are levied by the same tax authority and when there is a legal right to offset. Deferred tax assets and liabilities are determined using the tax rates that are expected to apply in the respective jurisdictions where the Group operates, for the financial years during which the temporary differences are expected to be realised or settled.

With regard to taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, the related deferred tax liability is not recognised if the investing entity is able to control the reversal of the temporary differences and it is probable that such a reversal will not occur in the foreseeable future.

Deferred taxes are not discounted.

Deferred tax assets and liabilities are credited or debited to Other Comprehensive Income if they relate to items that are credited or debited directly to Other Comprehensive Income during the current or previous financial years.

## INDIRECT TAXES

Costs, revenues, assets, and liabilities are recognised net of indirect taxes, such as value-added tax (IVA), with the following exceptions:

- the tax is non-deductible: in which case, it is recognised as part of the acquisition cost of the asset or as part of the cost recorded in the Income Statement;
- trade receivables and trade payables, which include the applicable indirect tax.

The net amount of indirect taxes that are recoverable or payable is recognised under other receivables or other payables, respectively.

## INTERNATIONAL TAX REFORM - PILLAR TWO MODEL

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published the new tax rules (known as the *"GloBE rules"*) based on the European model of the Pillar Two framework for the implementation of the Global Minimum Tax, aimed at ensuring that large multinational corporations are subject to a minimum tax rate of 15%. The Pillar Two rules have been adopted by several jurisdictions in which the Group operates became applicable from January 1, 2024.

With reference to the Pillar Two regulations, it should be noted that the determination of the related taxes for the Financial Statements at December 31, 2025, was made, taking into account, that Pirelli & C. S.p.A. is the Ultimate Parent Entity (UPE) of the Group.

The Pillar Two legislation provides for the possibility of applying a simplified regime (known as the *"Transitional Safe Harbours"* test– TSHs), which is based mainly on the accounting information available for each relevant jurisdiction. If at least one of the three tests is successfully passed, this will result in a reduction in compliance costs and the elimination of Pillar Two taxes.

The Group has decided to opt for the aforementioned TSHs test and, based on the 2025 data submitted by the individual subsidiaries for consolidation purposes, at least one of the relevant tests (i.e. the de minimis test, the simplified ETR test and the routine profit test) has been successfully passed for each individual country in which the Group is located. The exception are Hungary and Egypt, countries for which the Group cannot opt for the TSHs test, but where no material exposure for arises the Group in terms of Pillar 2 taxes.

In light of the above, the Group has not recognised any taxes for Pillar Two purposes.

With regard to the recognition of deferred taxes arising from the above-mentioned new tax rules, at December 31, 2025 the Group had availed itself of the temporary exception provided for by IAS 12.

## EQUITY

### TREASURY SHARES

Treasury shares are classified as a reduction in equity.

If they are sold, reissued or cancelled, the resulting earnings or losses are recognised in equity.

### COSTS OF CAPITAL TRANSACTIONS

Costs that are directly attributable to the capital transactions of the Parent Company are accounted for as a reduction in equity.

### SHARE BASED PAYMENTS (CASH SETTLED)

Additional cash settled benefits granted to some of the Group's executives are recognised under Provisions for employee benefit obligations as a counter-entry to *"Personnel expenses"*. This cost is estimated to be equal to the fair value and is accounted for over the duration of the plan in accordance with the vesting conditions at the reporting date. The estimate is revised at each reporting date up until the settlement date.

### RECOGNITION OF REVENUES

Revenues are recognised in the amount that reflects the consideration to which the Group believes it is entitled to in exchange for the transfer of goods and/or services to its customers. The variable considerations that the Group considers to be payable to direct or indirect customers are recognised as a reduction to revenues.

The Group generally acts as the principal for most of the agreements that generate revenues. However, there are contracts with customers in which the Group acts as an agent and these revenues are recognised net of costs incurred under the commercial agreements.

### PRODUCT SALES

Revenues from product sales are recognised when the performance obligations towards customers have been satisfied. A performance obligation is deemed to have been fulfilled when the control of goods has been transferred to the customer, that is, generally when the goods are delivered to the customer.

If the products are ready to be delivered, but delivery is postponed to a future date, sales revenues are recognised only if control of the products has been transferred to the customer. Control is considered to have been transferred to the customer when the following conditions have been met:

- the reasons for delivering at a future date are real (for example; the customer has requested delivery at a future date in writing);
- the products in the warehouse are separately identified as being owned by the customer;
- the products are ready to be physically delivered to the customer;
- it is not possible for the Group to use the product or to deliver it to other customers.

Retrospective discounts are applied to product sales based on the achievement of the objectives defined within commercial agreements. Sales revenues are recognised net of these discounts, which are estimated on the basis of historical experience using the expected value method, and for amounts which are not expected to be reversed. They are also recognised net of products returned and received.

Sales do not include a financial component, in that the average terms of payment applied to customers fall within the standard commercial terms for the country in which the sales occur. It should be noted that customers are not offered additional guarantees beyond those generally recognised by market standards.

### PROVISION OF SERVICES

Revenues from services rendered are recognised when the rendered service has been completed, or based on the stage of completion of the service, at the reporting date.

### ROYALTIES

Royalties are recognised in a single instalment (at a point in time) or over time (over time), on the basis of what is provided

for in the content of the relevant agreement, depending on whether it provides for the transfer to the customer respectively of the right to use the intellectual property (right to use) or of the right of access to the intellectual property (right to access).

The amounts for royalties recognised over time are estimated using the output method, and the royalties invoiced for each period are directly correlated to the value transferred to the customer.

## FINANCIAL INCOME AND EXPENSES

Financial income and expenses are recognised on an accrual basis.

## DIVIDENDS

Dividends are recognised when the right to collect is established, which normally corresponds to a resolution approved by the Shareholders for the distribution of dividends.

## GOVERNMENT GRANTS

Government grants are recognised on an accrual basis in relation to costs incurred when there is a formal resolution which approves the grant, and when the right to the grant is assured, as it is reasonably certain that the Group will comply with the conditions for obtaining the grant, and that the grant will be received.

Government capital grants are recognised as deferred income under "other payables", and classified as current or non-current for the long-term and short-term portion of these grants, respectively. Deferred income is then recognised under *"other income"* in the Income Statement on a straight-line basis, over the useful life of the asset to which the grant relates.

Government grants are recognised in the Income Statement under *"other income"*, with the exception of support programmes aimed at offsetting costs (e.g. grants to mitigate energy costs), which are recognised as a deduction from the related cost.

## EARNINGS/(LOSSES) PER SHARE

Earnings/(losses) per share - basic: basic earnings/(losses) per share are calculated by dividing the net income/(loss) attributable to the Group by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

Earnings/(losses) per share - diluted: diluted earnings/(losses) per share are calculated by dividing the net income/(loss) attributable to the Group by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares. For the purposes of calculating diluted earnings/(losses) per share, the weighted average number of shares outstanding is adjusted by assuming the exercise by all assignees of the rights, which could potentially have a dilutive effect, while the Group's net income/(loss) is adjusted to take into account any effects, net of taxes, of the exercise of these rights.

## OPERATING SEGMENTS

The operating segment is one part of the Group that engages in business activities that generate revenues and costs, the operating results of which are periodically reviewed by the Chief Executive Officer, in his role as Chief Operating Decision Maker (CODM), for the purposes of taking decisions on the resources to be allocated to the segment, and the evaluation of the results for which financial information is made available.

The activity carried out by the Group is identifiable as a single operating "Consumer Activities" segment.

## TRANSACTIONS IN FOREIGN CURRENCY

Transactions in a foreign currency are recorded at the prevailing exchange rates on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the prevailing exchange rates at the reporting date. Exchange rate differences arising from the extinguishment of monetary items or their translation at exchange rates which are different than those of their initial recognition for the financial year, or different to those at the end of the previous financial year, are recognised in the Income Statement.

If the conditions for the designation of inter-company monetary items such as *"Net Investment in Foreign Operations"* are met, the translation differences from foreign exchange rates, starting from the date of the designation, are recognised directly in the Consolidated Statement of Comprehensive Income.

## ACCOUNTING STANDARDS FOR HYPERINFLATIONARY COUNTRIES

Companies, operating in countries where the cumulative inflation rate over a three-year period approximates or exceeds 100%, adopt inflation accounting and discontinue it in the event that the cumulative inflation rate over a three-year period falls below 100%.

Group companies operating in hyperinflationary economies restate the values of non-monetary assets and liabilities in their original financial statements to eliminate the distortive effects of the loss of purchasing power of the currency, with a corresponding entry recognised under financial income and expenses.

The inflation rate used to implement hyperinflation accounting corresponds to the consumer price index.

Gains or losses on the net monetary position are recognised in the Income Statement.

The financial statements of Group companies operating in hyperinflationary countries and prepared in a currency other than the euro are translated into euros by applying the period-end exchange rates to the items of both the Statement of Financial Position and the Income Statement.

During the course of the third quarter of 2018, the inflation rate accumulated over the preceding three year period in Argentina exceeded 100%. This, together with other characteristics of the country's economy, prompted the Group to adopt, as of July 1, 2018, the accounting standard IAS 29 - Financial Reporting in Hyperinflationary Economies for the Argentine subsidiary Pirelli Neumaticos S.A.I.C. The same accounting standard was applied, commencing December 15, 2022, to the newly formed Argentine subsidiary Latam Servicios Industriales S.A.

During the course of the second quarter of 2022, Turkey's cumulative three-year inflation rate also exceeded 100%.

This, together with other characteristics of the country's economy, prompted the Group to adopt, as of June 30, 2022, the accounting standard IAS 29 - Financial Reporting in Hyperinflationary Economies for the Turkish subsidiaries Pirelli Otomobil Lastikleri A.S. and Pirelli Lastikleri Dis Ticaret A.S.

## ENVIRONMENTAL CERTIFICATES AND CONTRACTS FOR THE SUPPLY OF ENERGY

In some European countries, the Group receives greenhouse gas emission allowances free of charge, consistent with the provisions of the European Emission Trading Schemes. These allowances are received on an annual basis and must be delivered to the relevant national authority on the basis of the actual emissions produced in the country.

If the allowances received free of charge are not sufficient to cover the actual emissions produced in the country, the Group purchases the shortfall in allowances, which are recognised at cost under prepaid expenses.

Costs associated with greenhouse gas emissions are recognised on an accrual basis, in proportion to the emissions produced in the relevant country during the financial year, and are recognised under other costs with a counter-entry in a provision for risks and charges.

Prepaid expenses/deferred assets, corresponding to the purchased certificates, are eliminated with a counter-entry for the reduction of the provision for liabilities and charges, when the certificates are delivered to the competent authority.

The Group also purchases renewable energy certificates of differing types depending on the regulations applicable in the country of consumption, (for example, Guarantees of Origin – GO in the European Union, Renewable Energy Certificates – REC in the United States, Renewable Energy Guarantee of Origin - REGO in the United Kingdom, International Renewable Energy Certificates - IREC in the remaining countries where Pirelli operates), which are instruments that certify the renewable origin of the electrical energy sources, to offset the electricity consumption of the Group's companies. The relative associated cost is recognised under other costs.

With reference to electrical energy supply contracts, the Group has the option to fix the purchase price for predefined periods (monthly, quarterly, annually) through the stipulation of Power Purchase Agreements (PPAs. For these contracts, an analysis is conducted to determine whether they fall within the scope of IFRS 16 - Leases or IFRS 9 - Financial Instruments. Since the purpose of these contracts is to meet the Company's own energy purchase requirements, they do not fall within the scope of IFRS 9, as the Company benefits from the *"own use exemption".* The purchase cost of energy is recognised in the Income Statement on an accrual basis, including the cost for the certificate of origin of the purchased energy.

## 3.1 APPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS IN FORCE AS OF JANUARY 1, 2025

Pursuant to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the IFRS standards which entered into force on January 1, 2025 were as follows:

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. These amendments clarify when a currency is exchangeable for another currency and, consequently, when it is not. When a currency is not exchangeable for another, these amendments define how the exchange rate is to be determined. The amendments also specify the information that must be provided when a currency is not exchangeable. There were no impacts on the Group's Financial Statements, as the Group holds no currencies that fall within the scope of these changes.

## 3.2 INTERNATIONAL ACCOUNTING STANDARDS AND/OR INTERPRETATIONS ISSUED BUT NOT YET IN FORCE IN 2025

Pursuant to IAS 8 – *"Accounting Policies, Changes in Accounting Estimates and Errors"* - the new standards or interpretations that had already been issued, but had not yet entered into force or had not yet been approved by the European Union at December 31, 2025 and were therefore not applicable, as well as their foreseeable impact on the Consolidated Financial Statements, are indicated below.

None of these standards and interpretations were adopted in advance by the Group.

- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments. These changes concern 3 areas:

  1. The classification of financial assets with ESG features.

  The amendments clarify and provide further guidance on how to assess whether financial assets with environmental, social and governance (ESG) related features, meet the "*solely payments of principal and interest*" (SPPI) criterion, and helps determine whether such assets should be measured at amortised cost or at fair value;

  2. The derecognition of financial liabilities that are settled through electronic payment systems.

  The amendment introduced the option to derecognise financial liabilities that are settled through electronic payment systems prior to the settlement date, provided that the entity making the payment does not have:

  - the practical ability to withdraw, stop, or cancel the instruction for payment;
  - the practical ability to access the liquidity;
  - a significant settlement risk.

This exception does not apply to other payment methods, such as cheques, and must be selected for each payment system used;

3. New disclosure requirements in relation to:

- equity instruments measured at fair value through Other Comprehensive Income: the changes in fair value through Other Comprehensive Income must be disaggregated between those related to securities disposed of during the period and those related to securities still held at the reporting date;
- instruments with contractual clauses that may change financial flows as a result of events not directly related to changes in underlying credit risks (such as, for example, certain instruments with features linked to the achievement of ESG objectives). These new requirements apply both to financial assets measured at fair value through Other Comprehensive Income, and to financial assets and financial liabilities measured at amortised cost, and include:

- a qualitative description of the nature of the event;
- quantitative information on the possible changes in contractual financial flows - for example, the range of possible changes; and
- the gross carrying amount of the financial assets and the amortised cost of financial liabilities subject to such contractual provisions.

These amendments, which have been endorsed by the European Union, will enter into force on January 1, 2026. No impact on the Group's Financial Statements is expected since:

- the Group does not hold any financial assets with ESG features;
- The Group is assessing whether to make use of the option provided for payments using electronic systems;
- the additional disclosures required for financial liabilities measured at amortised cost are already included in the Notes.

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

These amendments:

- introduce guidelines for determining whether contracts to purchase electricity from natural sources fall within the definition of *"own use"* contracts. In particular, the amendments specify that such contracts fall within the definition of *"own use"* contracts if the entity is, and expects to continue to be, a *"net purchaser"* of electricity during a maximum period of 12 months, meaning if it purchases sufficient electricity to offset the sales of unused electricity on the same relevant market;
- introduce an exception to the requirement of IFRS 9, according to which a future transaction must be highly probable in order to be designated as a hedged instrument in a hedging relationship;
- require additional disclosures for physical "*Power Purchase Agreements*" which are accounted for as *"own use"* contracts.

These amendments, which will enter into force on January 1, 2026, have been approved by the European Union. The impact of these amendments on the Consolidated Financial Statements is currently under analysis and will mainly relate to the additional disclosures that are required.

- Annual Improvements, Volume 11 (issued in July 2024). These amendments provide minor clarifications regarding the following principles:

  - IFRS 1 - First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 - Financial Instruments: Disclosures, and the related guidance to the application of IFRS 7;
  - IFRS 9 - Financial Instruments;
  - IFRS 10 - Consolidated Financial Statements;
  - IAS 7 - Statement of Cash Flows.

  These amendments, which will enter into force on January 1, 2026, have been approved by the European Union. There were no impacts on the Consolidated Financial Statements as a result of these amendments.

- IFRS 18 - Presentation and Disclosure in Financial Statements.

  The key points of the new standard are as follows:

  - the structure of the Income Statement: all revenue and expense items must be classified into five categories and grouped into three subtotals. The standard provides specific guidance on the classification of the various items within each category;
  - the definition of Management Performance Measures (MPM), that is, the performance indicators defined by management and used in public disclosures. These indicators must be explained in detail in the Notes, and a reconciliation with the comparable subtotals as specified by the IFRS, must be provided;
  - guidance on how to aggregate and disaggregate information: items with similar characteristics must be aggregated, while those with dissimilar characteristics must be disaggregated.

  This standard, which will enter into force on January 1, 2027, has been approved by the European Union. To assess the impact of this standard on the Consolidated Financial Statements, an assessment project is currently underway, which will highlight the impacts in terms of the classification of Income Statement items, as well as on information systems.

- IFRS 19 - Subsidiaries without Public Accountability: Disclosures, and related amendments published in August 2025.

  The new standard reduces and simplifies the disclosure requirements for the IFRS separate financial statements for companies that have a parent company which prepares their consolidated financial statements pursuant to the IFRS, resulting in operational relief and lower costs. Entities that may apply IFRS 19, are those whose equity or debt instruments are not traded on a public market.
  This standard, which will enter into force on January 1,

2027, has not yet been approved by the European Union. The impact on the financial statements of subsidiaries which apply the IFRS standards in separate financial statements, is currently being analysed.

# 4. FINANCIAL RISK MANAGEMENT POLICIES

The financial risks to which the Group is exposed are mainly related to foreign exchange rate fluctuations, interest rates fluctuations, the price of financial assets held in portfolio, the ability of its customers to meet their obligations to the Group (credit risk), and the availability of financial resources in the market (liquidity risk).

The management of financial risks is an integral part of the Group's operations and is carried out centrally based on guidelines defined by the Finance Department, within the broader risk management strategies established by the Risk Management Committee.

## EXCHANGE RATE RISK

The diverse geographical distribution of the Group's productive and commercial activities results in exposure to exchange rate risk, both transactional and translational.

### A) TRANSACTIONAL EXCHANGE RATE RISK

This risk is generated by the commercial and financial transactions executed by the individual companies in currencies other than the functional currency of the company executing the transaction. Fluctuations in the exchange rate between the timing when the commercial/financial relationship is initiated and the timing when the transaction is completed (collection/payment), may give rise to exchange rate gains or losses.

The Group aims to minimise the impact of transactional exchange rate risk associated with volatility. In order to achieve this objective, the Group's procedures provide that the Operating Units are responsible for the collection of all information inherent to the positions subject to transactional exchange rate risk, for which hedging in the form of forward contracts is entered into with the Group Treasury.

The positions subject to managed exchange rate risk are mainly represented by receivables and payables in foreign currencies.

The Group Treasury is responsible for hedging the resulting net position for each currency and, in accordance with the established guidelines and predetermined restrictions, it in turn closes out all risk positions by negotiating hedging derivative contracts on the market, typically forward contracts.

For these contracts, the Group does not deem it appropriate to activate the hedge accounting option as provided for by IFRS 9, in that the recognition of the effects on the Income Statement and on the Statement of Financial Position, of the hedging strategy for transactional exchange rate risk is in any case substantially guaranteed, even without the Group availing itself of the aforementioned option.

It should also be noted that, as part of the annual and multi-year planning process, the Group formulates exchange rate forecasts for these time frames based on the best information available on the market. Fluctuations in the exchange rate between the time the forecast is made and the time the commercial or financial transaction takes place, represents the transactional exchange rate risk on future transactions.

The Group assesses, on a case-by-case basis, the opportunity to carry out hedging transactions on future transactions, for which it typically uses both forward buy or sell transactions (including average rate forwards) and optional risk-reversal type instruments (for example; zero cost collars). If the requirements as provided for by IFRS 9 are met, hedge accounting is activated.

### B) TRANSLATIONAL EXCHANGE RATE RISK

The Group holds controlling interests in companies that prepare their financial statements in currencies other than the euro, which is the currency used to prepare the Consolidated Financial Statements. This exposes the Group to translational exchange rate risk, which arise from the conversion into euro of the assets and liabilities of these subsidiaries operating. The main exposures to translational exchange rate risk are continuously monitored.

At December 31, 2025, approximately 34% of the consolidated total equity was expressed in euro (approximately 31.7% at December 31, 2024). The most significant currencies for the Group, in terms of the absolute value of net assets, other than the euro, were the Chinese renminbi (16.2%; 16.9% at December 31, 2024), the Brazilian real (12.5%; 10.4% at December 31, 2024), the Mexican peso (10.5%; 4.6% at December 31, 2024), the Romanian leu (10.1%; 11.5% at December 31, 2024), the US dollar (4.6%; 6.4% at December 31, 2024), the British pound sterling (3.0%; 2.5% at December 31, 2024), the Argentine peso (2.9%; 4.6% at December 31, 2024), the Russian rouble (2.8%; 2.3% at December 31, 2024), the South African rand (1.5%; 1.3% at December 31, 2024) and the Turkish lira (0.9%; 0.7% at December 31, 2024).

The effects on consolidated equity deriving from a hypothetical appreciation/depreciation of the euro against the aforementioned currencies - all other conditions being equal, were as follows:

(in thousands of euro)

| | Appreciation of 10% | | Depreciation of 10% | |
|---|---|---|---|---|
| | 12/31/2025 | 12/31/2024 | 12/31/2025 | 12/31/2024 |
| Chinese Renminbi | 115,941 | 111,249 | (94,861) | (91,022) |
| Brazilian Real | 89,966 | 68,575 | (73,609) | (56,107) |
| Mexican Peso | 75,465 | 70,577 | (61,744) | (57,745) |
| Romanian Leu | 72,392 | 75,428 | (59,230) | (61,714) |
| US Dollar | 32,925 | 42,063 | (26,939) | (34,415) |
| British Pound Sterling | 21,555 | 16,408 | (17,636) | (13,425) |
| Argentinian Peso | 21,033 | 30,251 | (17,209) | (24,750) |
| Russian Rouble | 20,308 | 15,097 | (16,616) | (12,352) |
| South African Rand | 10,487 | 8,453 | (8,580) | (6,916) |
| Turkish Lira | 6,112 | 4,739 | (5,001) | (3,877) |
| **Total impact on consolidated equity** | **466,184** | **442,839** | **(286,564)** | **(362,323)** |

It is to be noted that, during 2025, the Chinese renminbi, the Turkish lira, and the Argentine peso depreciated by more than -10% (the Chinese renminbi by -11%, the Turkish lira by -37%, and the Argentine peso by -59%). The depreciations of the Turkish lira and the Argentine peso were more than offset by the application of hyperinflation accounting. For information on the effect on equity, reference should be made to Note 21, *"Equity".*

## INTEREST RATE RISK

Interest rate risk is represented by the exposure to the variability of the fair value or of the future cash flows of financial assets or liabilities, due to changes in market interest rates. The Group evaluates, based on market circumstances, whether to enter into derivative contracts for the purpose of hedging interest rate risk, for which hedge accounting is applied when the conditions as provided for by IFRS 9 are met.

The table below shows the effects on the net income/(loss) resulting from an increase or decrease of 0.50% in the level of interest rates of all currencies to which the Group is exposed - all other conditions being equal:

(in thousands of euro)

| | +0,50% | | -0,50% | |
|---|---|---|---|---|
| | 12/31/2025 | 12/31/2024 | 12/31/2025 | 12/31/2024 |
| Impact on Net income/(loss) | (3,702) | (5,993) | 3,702 | 5,993 |

The effects on the Group's equity resulting from changes in the EURIBOR rate, calculated on interest rate hedging instruments in place at December 31, 2025 was not material. The Group has no derivatives or other optional structures in place that impact the linearity of the interest rate sensitivity on debt.

## RISK OF FAILURE TO ACHIEVE THE SUSTAINABILITY TARGETS EXPECTED IN BORROWINGS FROM BANKS AND BOND LOANS

As reported in Note 24, *"Borrowings from Banks and Other Financial Institutions"* to which reference should be made for further details, the Group has outstanding *"sustainable"* bank facilities of euro 2.7 billion, of which euro 1.2 billion resulted as used at December 31, 2025, and euro 1.5 billion was available in the form of a revolving committed credit facility, as well as bonds linked to sustainability targets (so-called Sustainability Linked Bonds, SLBs) in the amount of euro 1.2 billion.

The failure to meet these targets would result in an increase in the contractually agreed interest rate and, consequently, an increase in financial expenses and future cash flows compared to those expected with the achievement of the sustainability targets, which is not material for the Group.

## PRICE RISK ASSOCIATED WITH FINANCIAL ASSETS

The Group's exposure to price risk is limited to the volatility of financial assets such as listed equity securities and bonds which amounted to approximately 0.61% of total consolidated assets at December 31, 2025, (1.45% at December 31, 2024). These assets were classified as other financial assets at fair value through Other Comprehensive Income and other financial assets at fair value through the Income Statement.

No derivatives were entered into for these assets to limit the risk of volatility.

Financial assets which are exposed to price risk, are subdivided as follows:

- financial assets at fair value through Other Comprehensive Income represented by listed equity securities (the RCS MediaGroup S.p.A.) which amounted to euro 24,325 thousand (euro 21,929 thousand at December 31, 2024);
- financial assets at fair value through the Income Statement which amounted to euro 56,896 thousand and are represented by Argentine dollar-linked bonds (euro 147,079 thousand at December 31, 2024).

Financial assets at fair value through Other Comprehensive Income constituted 29.9% of the total financial assets subject to price risk (25.8% at December 31, 2024). A change of +5% in the price of the aforesaid financial assets, all other conditions being equal, would result in a positive change to the Company's equity of euro 1,216 thousand (positive to the amount of euro 2,561 thousand at December 31, 2024), while, a negative change of -5% in the price of the aforementioned financial assets, all other conditions being equal, would result in a negative change to the Company's equity of euro 1,216 thousand (negative to the amount of euro 2,561 thousand to the Company's equity at December 31, 2024).

Financial assets at fair value through the Income Statement constituted 70.1% of the total financial assets subject to price risk (74.2% at December 31, 2024). A change of +10% in the price of the aforementioned financial assets would result in a positive change of euro 6,984 thousand in the Group's net income/(loss) (euro 16,769 thousand at December 31, 2024), while a change of -10% in the price of the aforementioned financial assets, all other conditions being equal, would result in a negative change of euro 6,984 thousand in the Group's net income/(loss) (euro 16,769 thousand at December 31, 2024).

## CREDIT RISK

Credit risk represents the Group's exposure to potential losses resulting from the non-fulfilment of the commercial and financial obligations undertaken by counterparties. As regards these commercial counterparties, in order to limit this risk, Pirelli has put in place procedures to assess the potential and financial creditworthiness of its customers, to monitor expected cash inflows and to take any recovery action. The aim of these procedures is to define customer credit limits, whereby in the event that those limits are exceeded, the rule to withhold further supplies is activated. In some cases, customers are asked to provide guarantees, mainly bank guarantees issued by parties of the highest credit or personal standing. Less frequently, mortgage guarantees may be requested.

Another instrument utilised for the management of commercial credit risk is the taking out of insurance policies. For more than 10 years, a master agreement has been in place, renewed until December 31, 2026, with a leading insurance company with a credit rating of AA according to the assessments of Standard & Poor's, for the worldwide coverage of the credit risk related primarily to sales through the Replacement channel (the coverage ratio at December 31, 2025 was approximately 70%). In addition, a top-up insurance contract was entered into during 2025, which expires on December 31, 2026, aimed at improving credit risk coverage on some customers located in Europe and North America.

However, as regards the financial counterparties for the management of its temporary cash surpluses, or for the negotiation of derivative instruments, the Group deals only with entities of the highest credit standing. Pirelli constantly monitors its net credit exposure to the banking system, and does not show any significant concentrations of credit risk.

Expected losses on trade receivables are calculated throughout the life of the receivables, starting from the moment of initial recognition, using a matrix based on the customer's credit rating and the ageing of the receivables which is adjusted to account for forward looking factors specific to certain debtors and the presence of any collateral and other credit risk mitigation instruments, such as the aforementioned insurance coverages. The calculation of expected losses is based on (i) a matrix which includes the credit ratings of customers provided by independent market assessors, and on (ii) the value of receivables, which takes the collateral and related insurance coverage into account. The credit ratings of customers take into account, among other factors, the effects of exogenous risks, which include, if the customers are exposed in the specific markets in which they operate, risks related to climate change, which determine the probability of default used in the calculation, and impact the credit limits granted by the insurance company to each counterparty.

The bad debt provision at December 31, 2025, was calculated according to the method described above, and was composed as follows:

(in thousands of euro)

| | Current | Past due > 30 days | Past due > 90 days | Past due > 180 days | Total |
|---|---|---|---|---|---|
| *Expected loss rate* | 3.9% | 5.8% | 7.6% | 74.6% | 9.7% |
| Exposure net of credit enhancements | 536,245 | 37,973 | 23,394 | 50,955 | 648,567 |
| Bad debt provision | (21,025) | (2,189) | (1,772) | (38,020) | (63,007) |

The positioning at December 31, 2024 was as follows:

(in thousands of euro)

| | Current | Past due > 30 days | Past due > 90 days | Past due > 180 days | Total |
|---|---|---|---|---|---|
| *Expected loss rate* | 4.1% | 8.4% | 9.7% | 81.7% | 10.5% |
| Exposure net of credit enhancements | 601,981 | 26,998 | 14,778 | 55,064 | 698,820 |
| Bad debt provision | (24,610) | (2,265) | (1,433) | (44,974) | (73,283) |

At December 31, 2025, the exposure gross of credit enhancements amounted to euro 1,093,557 thousand. The bad debt provision, which was calculated without taking into account the presence of any collateral securities and other credit enhancement instruments, amounted to euro 81,752 thousand.

The difference between the exposure gross of credit enhancements amounting to euro 1,093,557 thousand and the value of the trade receivables amounting to euro 691,555 thousand reported in Note 15, *"Trade Receivables"*, was mainly due to credit notes to be issued, which are not considered for the calculation of the provision for bad debts.

## LIQUIDITY RISK

Liquidity risk represents the risk that available financial resources may not be sufficient to meet financial and commercial obligations within the due terms and deadlines.

The main instruments used by the Group to manage liquidity risk consist of annual and multi-year financial plans, as well as treasury plans, to allow for the complete and accurate recording and measurement of monetary inflows and outflows. The differences between the planned and actual final data are subjected to constant analysis.

The Group has implemented a centralised system for the management of cash inflows and outflows in compliance with the various local currency and tax regulations. The negotiation and management of banking relationships is carried out centrally, in order to ensure coverage for short and medium-term financial needs at the lowest possible cost. The raising of medium to long-term resources on the capital market is also optimised through centralised management.

The prudent management of the risk described above involves maintaining an adequate level of cash or cash equivalents and/or easily liquidated short-term securities, the availability of funds obtainable through an adequate amount of committed credit lines and/or the possibility of resorting to the capital market, and diversifying products and maturities to seize the best opportunities available.

Furthermore, the Group has adopted an extremely prudent approach to the maturities of its financial debt, refinancing them well in advance in order to minimise the risks associated with liquidity crises or market shut-downs.

At December 31, 2025, the Group had a liquidity margin of euro 3,105,790 thousand, calculated as the sum of cash and cash equivalents which equalled euro 1,525,886 thousand (euro 1,502,741 thousand at December 31, 2024), other current financial assets at fair value through the Income Statement to the amount of euro 79,904 thousand (euro 165,965 thousand at December 31, 2024) and unutilised credit facilities of euro 1,500,000 thousand. The above-mentioned liquidity margin is sufficient to cover financial debt maturities to beyond the end of the third quarter of 2029.

**Maturities for financial liabilities at December 31, 2025** can be summarised as follows:

(in thousands of euro)

| | within 1 year | 1 to 2 years | 2 to 5 years | over 5 years | Total |
|---|---|---|---|---|---|
| Trade payables | 2,082,442 | - | - | - | 2,082,442 |
| Other payables | 375,586 | 13,925 | 23,144 | 40,986 | 453,641 |
| Derivative financial instruments | 6,134 | - | - | - | 6,134 |
| Borrowings from banks and other financial institutions | 277,712 | 778,305 | 2,064,967 | 167,084 | 3,288,068 |
| *of which lease liabilities* | *123,289* | *105,995* | *176,410* | *167,084* | *572,777* |
| | **2,741,874** | **792,230** | **2,088,111** | **208,069** | **5,830,285** |

**Maturities for financial liabilities at December 31, 2024** were summarised as follows:

(in thousands of euro)

| | within 1 year | 1 to 2 years | 2 to 5 years | over 5 years | Total |
|---|---|---|---|---|---|
| Trade payables | 2,081,617 | - | - | - | 2,081,617 |
| Other payables | 392,744 | 14,266 | 23,710 | 41,971 | 472,691 |
| Derivative financial instruments | 10,121 | - | - | - | 10,121 |
| Borrowings from banks and other financial institutions | 842,541 | 492,207 | 2,773,163 | 148,663 | 4,256,574 |
| *of which lease liabilities* | *124,866* | *104,185* | *206,944* | *148,663* | *584,658* |
| | **3,327,022** | **506,473** | **2,796,874** | **190,634** | **6,821,002** |

# 5. INFORMATION ON FAIR VALUE

## 5.1 FAIR VALUE MEASUREMENT

The following table shows the **assets and liabilities measured at fair value at December 31, 2025**, subdivided into three levels:

(in thousands of euro)

| | Note | Carrying amount at 12/31/2025 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **FINANCIAL ASSETS:** | | | | | |
| **Financial assets at fair value through Income Statement:** | | | | | |
| Other current financial assets at fair value through Income Statement | 19 | 79,904 | 56,897 | 23,007 | - |
| Current derivative financial instruments | 28 | 23,265 | - | 9,365 | 13,900 |
| **Derivative hedging instruments:** | | | | | |
| Current derivative financial instruments | 28 | 2,285 | 1,778 | 507 | - |
| **Other financial assets at fair value through Other Comprehensive Income:** | | | | | |
| Securities and shares | 13 | 37,599 | 24,325 | - | 13,274 |
| **TOTAL ASSETS** | | **143,053** | **83,000** | **32,879** | **27,174** |
| **FINANCIAL LIABILITIES:** | | | | | |
| **Financial assets at fair value through Income Statement:** | | | | | |
| Current derivative financial instruments | 28 | (5,570) | - | (5,570) | - |
| **Derivative hedging instruments:** | | | | | |
| Current derivative financial instruments | 28 | (564) | - | (564) | - |
| **TOTAL LIABILITIES** | | **(6,134)** | **-** | **(6,134)** | **-** |

The following table shows the **assets and liabilities measured at fair value at December 31, 2024**, subdivided into the three levels defined above:

(in thousands of euro)

| | Note | Carrying amount at 12/31/2024 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **FINANCIAL ASSETS:** | | | | | |
| **Financial assets at fair value through Income Statement:** | | | | | |
| Other current financial assets at fair value through Income Statement | 19 | 165,965 | 147,079 | 18,886 | - |
| Current derivative financial instruments | 28 | 22,323 | - | 22,323 | - |
| **Derivative hedging instruments:** | | | | | |
| Non-current derivative financial instruments | 28 | 4,326 | - | 4,326 | - |
| **Other financial assets at fair value through Other Comprehensive Income:** | | | | | |
| Securities and shares | 13 | 63,294 | 21,929 | 29,297 | 12,068 |
| **TOTAL ASSETS** | | **255,908** | **169,008** | **74,832** | **12,068** |
| **FINANCIAL LIABILITIES:** | | | | | |
| **Financial assets at fair value through Income Statement:** | | | | | |
| Current derivative financial instruments | 28 | (8,816) | - | (8,816) | - |
| **Derivative hedging instruments:** | | | | | |
| Current derivative financial instruments | 28 | (1,305) | - | (1,305) | - |
| **TOTAL LIABILITIES** | | **(10,121)** | **-** | **(10,121)** | **-** |

The financial instruments, included in level 1, include the equity investments classified as financial assets at fair value through Other Comprehensive Income, and the listed Argentine dollar-linked bond instruments classified as financial assets at fair value through the Income Statement. Since the objective of the Argentine instruments was to mitigate the effects of depreciation in the local currency, which was recorded as a loss/gain in the net monetary position, the option was exercised to also recognise the change in the fair value of these instruments in the Income Statement. For further information, reference should be made to Note 37, *"Financial Income"* and Note 38, *"Financial Expenses".*

The following table shows **changes that occurred in the financial assets** classified **in level 3, during the course of 2025**:

(in thousands of euro)

| | |
|---|---|
| **Opening balance 01/01/2025** | **12,068** |
| Translation differences | (10) |
| Increases | 15,205 |
| Fair value adjustments through Other Comprehensive Income | 372 |
| Other changes | (461) |
| **Closing balance 12/31/2025** | **27,174** |

These financial assets are mainly represented by equity investments in the Istituto Europeo di Oncologia (European Institute of Oncology) (euro 8,906 thousand), in Nomisma S.p.A (euro 486 thousand), in Genextra S.p.A (euro 301 thousand) and in TIcom I LP (euro 189 thousand), as well as by the fair value of the Call Option on the Chinese joint venture, the Xushen Tyre (Shanghai) Co., Ltd.
The current derivative financial instruments included in Level 3 consist of a purchase option held

by Pirelli Tyre S.p.A. to increase its ownership stake in the Chinese joint venture, the Xushen Tyre (Shanghai) Co., Ltd. (For further information, reference should be made to Note 12 *"Investments in Associates and Joint Ventures"* and Note 28 *"Derivative financial instruments"*).

During the course of 2025 there were no transfers from level 1 to level 2 or vice versa, nor from level 3 to other levels and vice versa.

## 5.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The table below shows the carrying amounts for each class of financial assets and liabilities as identified by IFRS 9:

(in thousands of euro)

| | Note | Carrying amount at 12/31/2025 | Carrying amount at 12/31/2024 |
|---|---|---|---|
| **FINANCIAL ASSETS** | | | |
| **Financial assets at fair value through Income Statement** | | | |
| Other financial assets at fair value through Income Statement | 19 | 79,904 | 165,965 |
| Current derivative financial instruments | 28 | 23,265 | 22,323 |
| | | *103,169* | *188,288* |
| **Financial assets at amortised cost** | | | |
| Other non-current receivables | 16 | 322,004 | 309,526 |
| Current trade receivables | 15 | 628,548 | 622,915 |
| Other current receivables | 16 | 384,139 | 444,010 |
| Cash and cash equivalents | 20 | 1,525,886 | 1,502,741 |
| | | *2,860,577* | *2,879,192* |
| **Financial assets at fair value through Other Comprehensive Income (FVOCI)** | | | |
| Other financial assets at fair value through Other Comprehensive Income | 13 | 37,599 | 63,294 |
| **Financial hedging derivative instruments** | | | |
| Current derivative financial instruments | 28 | 2,284 | - |
| Non-current derivative financial instruments | 28 | - | 4,326 |
| **TOTAL FINANCIAL ASSETS** | | **3,003,629** | **3,135,100** |

(in thousands of euro)

| | Note | Carrying amount at 12/31/2025 | Carrying amount at 12/31/2024 |
|---|---|---|---|
| **FINANCIAL LIABILITIES** | | | |
| **Financial liabilities at fair value through Income Statement** | | | |
| Current derivative financial instruments | 28 | 5,570 | 8,816 |
| **Financial liabilities valuated at amortised cost** | | | |
| Non-current borrowings from banks and other financial institutions (excl. lease liabilities) | 24 | 2,391,105 | 2,688,131 |
| Other non-current payables | 26 | 78,055 | 79,947 |
| Current borrowings from banks and other financial institutions (excl. lease liabilities) | 24 | 108,385 | 655,696 |
| Current trade payables | 25 | 2,082,442 | 2,081,617 |
| Other current payables | 26 | 375,586 | 392,744 |
| | | *5,035,573* | *5,898,135* |
| **Lease liabilities** | | | |
| Non-current lease liabilities | 24 | 356,087 | 380,467 |
| Current lease liabilities | 24 | 102,218 | 105,161 |
| | | *458,305* | *485,628* |
| **Derivative financial hedging instruments** | | | |
| Current derivative financial instruments | 28 | 564 | 1,305 |
| **TOTAL FINANCIAL LIABILITIES** | | **5,500,012** | **6,393,884** |

# 6. CAPITAL MANAGEMENT POLICY

The Group's objective is to maximize the return on net invested capital while maintaining the ability to operate over time, ensuring adequate returns for shareholders and benefits for other stakeholders.

# 7. ESTIMATES AND ASSUMPTIONS

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions that, in certain circumstances, are based on difficult and subjective valuations and estimates based on historical experience, and assumptions that are, from time to time, considered reasonable and realistic under the circumstances. The results that are realised may therefore differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of any changes made to them are reflected in the Income Statement for the period in which the estimate is revised. If in the future the estimates and assumptions, based on the best available valuation at the time, should differ from the actual circumstances, they are modified accordingly for the period in which the circumstances change. The estimates and assumptions mainly refer to the assessment of the recoverability of goodwill and other intangible assets with an indefinite useful life, as well as tangible assets, and the determination of the useful lives of tangible and intangible assets, the recoverability of receivables, the determination of taxes (current and deferred), the valuation of pension plans and other post-employment benefits, and the recognition/valuation of provisions for liabilities and charges.

## GOODWILL

In accordance with the accounting standards adopted for the preparation of the Financial Statements, goodwill is tested at least annually in order to ascertain the existence of any impairment. Specifically, testing involves the allocation of goodwill to the groups of cash generating units (which for the Group coincides with the only operating segment), and the subsequent determination of the related recoverable amount, being the higher amount between the fair value and the value in use.

If the recoverable amount is lower than the carrying amount of the group of cash generating units to which goodwill has been allocated, an impairment loss is recognised for the goodwill allocated to those units.

The value configuration used to determine the recoverable amount for Consumer Activities at December 31, 2025, is the value in use, which corresponds to the present value of the future financial flows which are expected to be generated by the group of CGUs, using a rate that reflects the specific risks of the group of CGUs at the valuation date.

The key assumptions used by management were the estimated future increases in sales, in operating cash flows and in the growth rate of operating cash flows beyond the explicit forecast period for the estimation of the terminal value and the weighted average cost of capital (discount rate).

## PIRELLI BRAND (INTANGIBLE ASSET WITH AN INDEFINITE USEFUL LIFE)

The Pirelli Brand is an intangible asset with an indefinite useful life, which is not subject to amortisation but, pursuant to IAS 36, is tested for impairment on an annual basis or more frequently, if specific events or circumstances arise that may suggest a potential impairment.

The configuration of the recoverable amount for impairment testing purposes at December 31, 2025, was the fair value calculated using the income approach (the so-called level 3 of the IFRS 13 – *Fair Value* Measurement hierarchy).

The key assumptions used by management the estimate of future increases in sales and operating cash flows, and the related growth rates beyond the explicit forecast period for the purpose of estimating the terminal value, as well as the discount rate, which is based on the weighted average cost of capital plus a premium determined according to the risk profile of the specific asset.

## OWNED TANGIBLE ASSETS

In accordance with the relevant accounting standards, fixed assets are subject to an impairment test in order to ascertain whether an impairment loss has occurred, whenever there are indicators that predict difficulties in recovering the carrying amount of the asset through its use. The verification of the existence of the aforementioned impairment indicators, requires the Directors to make subjective judgements based on the information available from both internal and external sources, as well as on historical experience. In addition, if it is determined that a potential impairment loss may have been generated, the impairment is calculated using appropriate evaluation techniques. The accurate identification of the indicators of a potential impairment loss, as well as the estimates for determining it, depend on subjective judgements and factors that may change over time and which influence the valuations and estimates made by Management.

For the determination of the useful lives of tangible assets, many factors must be taken into account, including for example, obsolescence, and any legal restrictions on the use of assets due to climatic factors. The estimation of useful lives also requires judgement on the part of management.

For these reasons, the useful lives of assets are reviewed and, if necessary, adjusted at the end of each relevant reporting period.

## RIGHT OF USE AND LEASE LIABILITIES

As regards the estimates and assumptions used to determine lease liabilities and right of use assets, the application of IFRS 16 has introduced certain elements of professional judgement and the use of assumptions and estimates, which are summarised below:

- renewal clauses in contracts are taken into account for the purposes of determining the duration of the contract (lease term), that is, when the Group has the option to exercise these clauses without the need to obtain the consent of the other party, and when their exercise is considered reasonably certain. In the case of clauses which provide for multiple renewals that can be exercised unilaterally by the Group, only the first extension period is considered;
- automatic renewal clauses in contracts, in which both parties have the right to terminate the contract, are not taken into account for the purposes of determining the duration of the contract, as the ability to extend the duration is not under the unilateral control of the Group, and the penalty to which the lessor could be exposed is considered insignificant. However, in the

event that the lessor is exposed to a significant penalty, the Group evaluates the inclusion of the renewal option in the determination of the duration of the contract. This assessment is also carried out by taking into consideration the degree of customisation of the leased asset. If the degree of customisation is high, the lessor could incur a significant penalty if they oppose renewal;

- early termination clauses in contracts: such clauses are not taken into account in determining the duration of the contract if they are exercisable only by the lessor or by both parties. In cases where they can be unilaterally exercised by the Group, specific assessments are made on a contract-by-contract (lease-by-lease) basis, (for example, if the Group is already negotiating a new contract or has already given notice to the lessor);
- the incremental borrowing rate is the risk-free rate of the country in which the contract is negotiated and is based on the duration of the contract itself. It is then adjusted according to the Group's credit spread and to the local credit spread.

## INCOME TAXES (CURRENT AND DEFERRED)

Income taxes (current and deferred) are determined in each country where the Group operates in accordance with the interpretation of the applicable tax regulations. This process sometimes involves complex estimates in determining taxable income and deductible and taxable temporary differences between carrying amounts and tax amounts. In particular, deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered. With regard to situations where the applicable tax legislation in force lends itself to interpretation, if the Group considers it probable (greater than 50%), that the tax authority will accept the tax treatment adopted, the pre-tax result and taxes are determined in accordance with the tax treatment applied in the tax return, otherwise the effect of any uncertainty is reflected in the determination of the pre-tax result. The probability refers to the likelihood that the tax authority will not accept the tax treatment adopted, and not to the likelihood of the assessment.

## PENSION FUNDS

Some of the companies of the Group have put in place, pension plans, health insurance plans and other defined benefit plans for their employees, primarily in the United Kingdom and the United States. These funds were closed to new entrants, and therefore the financial and actuarial risk refers only to past obligations. Management, with the assistance of leading actuarial services firms, uses actuarial assumptions to calculate the liabilities and assets servicing these pension plans. The actuarial assumptions of a financial nature concern the discount rate, the inflation rate, and trends in medical care costs. The actuarial assumptions of a demographic nature primarily concern mortality rates. The Group has identified discount rates that it considered balanced, given the context.

## PROVISIONS FOR LIABILITIES AND CHARGES

Provisions are recognised for legal and tax risks related to indirect taxes, representing the risk of losing legal cases. The value of the provisions recognised in the financial statements for these risks represents the best estimate made by Management, for potential legal and tax disputes concerning a wide range of issues, which fall under the jurisdiction of various countries.

# 8. DISPOSALS AND ACQUISITIONS

## DISPOSAL OF DÄCKIA AB

On June 18, 2025, the closing was signed for the sale of Däckia AB to CTS, an independent operator specialising in tyre retail and services operating in Northern Europe.

The sale price, which included post-closing adjustments, was euro 22.9 million, while the net assets sold amounted to euro 17.5 million. The net impact of euro 2.3 million recorded in the Income Statement, refers to euro 5.4 million, which is the difference between the sale price and the net assets sold, and to euro -3.1 million in losses from the foreign currency translation into euro of the subsidiary's financial statements accrued in previous financial years, which were recognised in equity and reclassified to the Income Statement.

Details of the assets and liabilities that were disposed of are listed as financial statement items as per below:

(in thousands of euro)

| | **Book value at the date of disposal** |
|---|---|
| Tangible assets | 21,930 |
| Intangible assets | 9,954 |
| Inventories | 16,306 |
| Trade receivables | 3,780 |
| Other receivables | 2,261 |
| Cash and cash equivalents | 4,266 |
| **TOTAL ASSETS** | **58,497** |
| Provisions for employee benefit obligations | (2,047) |
| Trade payables | (11,766) |
| Borrowings from banks and other financial institutions | (24,165) |
| Other payables | (1,863) |
| Deferred tax liabilities | (1,199) |
| **TOTAL LIABILITIES** | **(41,039)** |
| **TOTAL NET ASSETS** | **17,458** |

## ACQUISITION OF TELCO S.R.L.

On January 13, 2025, Pirelli acquired a 75% stake for a total of euro 7.2 million in Telco S.r.l., a company in which it already held a 5% stake. Telco specialises in the design and construction of hardware and software systems for industrial automation in the rubber, chemical, pharmaceutical and food sectors. This acquisition will allow Pirelli to accelerate the development of innovative projects in the area of mixing, and to and to directly make use of, as well as co-develop algorithms, for industrial automation applications. The fair value of the assets and liabilities acquired, is shown in the table below:

(in thousands of euro)

| | Fair value recognised at the acquisition date |
|---|---|
| Tangible assets | 1,262 |
| Intangible assets - Technology | 4,138 |
| Inventories | 1,804 |
| Receivables | 3,283 |
| Cash and cash equivalents | 3,332 |
| **TOTAL ASSETS** | **13,819** |
| Deferred tax liabilities | (1,152) |
| Payables | (5,721) |
| Provisions for employee benefit obligations | (958) |
| **TOTAL LIABILITIES** | **(7,831)** |
| **TOTAL NET ASSETS ACQUIRED** | **5,988** |
| *- of which attributable to the Group (80%):* | *4,791* |
| Goodwill | 2,813 |
| **TOTAL PAID** | **7,604** |

The process of allocating the purchase price paid to the fair value of the net assets acquired (Purchase Price Allocation - PPA), pursuant to the provisions of IFRS 3 (Business Combinations), has been completed. The resulting determination of the goodwill arising from the acquisition is therefore to be considered final.

# 9. OPERATING SEGMENTS

IFRS 8 - Operating segments, defines an operating segment as a component:

- which involves entrepreneurial activities which generate revenues and costs;
- whose operating results are periodically reviewed by the Chief Executive Officer, in his role as Chief Operating Decision Maker (CODM);
- for which separate Income Statement, Statement of Financial Position and other financial data is available.

For the purposes of IFRS 8, the activities performed by Consumer Activities are identifiable in a single operating segment.

Revenues from **sales and services by destination according to geographical region,** were as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Europe | 2,623,651 | 2,643,756 |
| North America | 1,783,159 | 1,706,278 |
| APAC | 1,197,378 | 1,149,044 |
| South America | 686,227 | 798,807 |
| Russia and MEAI | 485,742 | 475,439 |
| **Total** | **6,776,157** | **6,773,324** |

**Tangible and intangible assets by geographic region** allocated based on the country in which the assets are located, were as follows.

(in thousands of euro)

| | 12/31/2025 | | 12/31/2024 | |
|---|---|---|---|---|
| Europe | 4,955,885 | 58.89% | 5,092,403 | 59.30% |
| North America | 586,094 | 6.97% | 572,200 | 6.66% |
| APAC | 409,852 | 4.87% | 475,152 | 5.53% |
| South America | 461,555 | 5.49% | 457,761 | 5.33% |
| Russia and MEAI | 120,515 | 1.43% | 103,258 | 1.20% |
| Non-current unallocated assets | 1,880,250 | 22.35% | 1,886,711 | 21.98% |
| **Total** | **8,414,151** | **100.00%** | **8,587,485** | **100.00%** |

The **non-current allocated assets** reported in the preceding table consist of property, plant and equipment and intangible assets, excluding goodwill. The **non-current unallocated assets** are relative to goodwill.

# 10. PROPERTY, PLANT AND EQUIPMENT

Their composition was as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Total Net Value:** | **3,366,385** | **3,427,756** |
| - Owned tangible assets | 2,953,872 | 2,984,811 |
| - Right of use | 412,513 | 442,945 |

## 10.1 OWNED TANGIBLE ASSETS

Their composition and changes were as follows:

(in thousands of euro)

| | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | **Gross Value** | **Accumulated Depreciation** | **Net Value** | **Gross Value** | **Accumulated Depreciation** | **Net Value** |
| Land | 150,509 | - | **150,509** | 152,576 | - | **152,576** |
| Buildings | 943,516 | (319,042) | **624,474** | 945,388 | (293,133) | **652,255** |
| Plants and machinery | 3,471,955 | (1,635,660) | **1,836,295** | 3,343,289 | (1,497,737) | **1,845,552** |
| Industrial and trade equipment | 852,910 | (580,502) | **272,408** | 784,134 | (535,709) | **248,425** |
| Other assets | 154,827 | (84,641) | **70,186** | 169,483 | (83,480) | **86,003** |
| **Total** | **5,573,717** | **(2,619,845)** | **2,953,872** | **5,394,870** | **(2,410,059)** | **2,984,811** |

### NET VALUE

(in thousands of euro)

| | 12/31/2024 | Hyperinflation Argentina and Turkey | Currency translation differences | Change in consolidation scope | Increases | Decreases | Depreciation | Devaluation | Recl./ Other | 12/31/2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Land | **152,576** | 336 | (2,749) | - | 278 | - | - | - | 68 | **150,509** |
| Buildings | **652,255** | 2,657 | (17,502) | (334) | 23,257 | (508) | (35,127) | (224) | - | **624,474** |
| Plants and machinery | **1,845,552** | 16,466 | (68,131) | 1 | 265,075 | (1,011) | (209,796) | (13,761) | 1,900 | **1,836,295** |
| Industrial and trade equipment | **248,425** | 5,131 | (6,565) | (2,521) | 102,203 | (492) | (72,315) | (686) | (772) | **272,408** |
| Other assets | **86,003** | 1,915 | (4,806) | (391) | 3,304 | (160) | (12,059) | (64) | (3,556) | **70,186** |
| **Total** | **2,984,811** | **26,505** | **(99,753)** | **(3,245)** | **394,117** | **(2,171)** | **(329,297)** | **(14,735)** | **(2,360)** | **2,953,872** |

## NET VALUE

(in thousands of euro)

| | 12/31/2023 | Hyperinflation Argentina and Turkey | Currency translation differences | Businnes combination | Increases | Decreases | Depreciation | Reinstatement | Devaluation | Recl./ Other | 12/31/2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Land | **150,747** | 2,085 | (10,127) | 3,440 | 7,081 | (653) | - | - | - | 3 | **152,576** |
| Buildings | **645,849** | 9,263 | (29,138) | 4,906 | 60,713 | 338 | (35,625) | - | - | (4,051) | **652,255** |
| Plants and machinery | **1,873,739** | 33,281 | (66,451) | 1,982 | 196,410 | (3,037) | (204,409) | 3,192 | (1,756) | 12,601 | **1,845,552** |
| Industrial and trade equipment | **226,381** | 9,130 | (9,898) | - | 97,797 | (803) | (69,954) | - | (8) | (4,220) | **248,425** |
| Other assets | **71,862** | 6,618 | (2,164) | 61 | 25,307 | (87) | (13,037) | - | (1) | (2,556) | **86,003** |
| **Total** | **2,968,578** | **60,377** | **(117,778)** | **10,389** | **387,308** | **(4,242)** | **(323,025)** | **3,192** | **(1,765)** | **1,777** | **2,984,811** |

The item **Hyperinflation Argentina and Turkey** refers to the revaluation of the assets held by the Argentine and Turkish subsidiaries as a consequence of the application of the IAS 29 accounting standard - Financial Reporting in Hyperinflationary Economies, (euro 18,943 thousand for Argentina and euro 7,562 thousand for Turkey). The effect partially balanced the negative **foreign currency translation differences** (euro -35,100 thousand for Argentina and euro -9,193 thousand for Turkey).

**Increases**, totalling euro 394,117 thousand, were primarily aimed at the High Value segment, at the continuous improvement in the mix and quality in the manufacturing plants, as well as projects for greater energy efficiency and the electrification of the vulcanisation presses.

For 2025, the ratio of investments to depreciation was equal to 1.20 (1.20 for 2024 as well).

The item **devaluation**, totalling euro 14,735 thousand, refers mainly to plants and machinery in operation in the subsidiaries in Brazil (euro 3,972 thousand), Argentina (euro 3,008 thousand), in Germany (euro 3,682 thousand), in China (euro 1,570 thousand), and in Russia (euro 1,498 thousand).

**Property, plant and equipment in progress** at December 31, 2025, included in the individual fixed asset categories, amounted to euro 262,774 thousand, (euro 247,636 thousand at December 31, 2024). The main projects included under property, plant and equipment in progress relate to High Value activities, the ongoing technological upgrade of factories and machinery aimed at enhancing safety from an Environmental, Health and Safety (EHS) perspective, and investments in machinery for the development of new product lines as well as for the improvement of existing products. These investments are concentrated in Romania, Germany, Italy, Mexico, the United States and China.

It should be noted that the companies of the Group did not pledge any property, plant and equipment as collateral.

## 10.2 RIGHT OF USE

The net value of the assets for which the Group has entered into lease contracts, is detailed as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Right of use land | 13.221 | 15.475 |
| Right of use buildings | 326.698 | 348.884 |
| Right of use plants and machinery | 13.717 | 15.020 |
| Right of use other assets | 58.877 | 63.566 |
| **Total net right of use** | **412.513** | **442.945** |

The item **right of use buildings** mainly refers to contracts relative to offices, warehouses and points of sale.

The item **right of use other assets** mainly refers to contracts relative to motor vehicles and transport equipment. These contracts also include a service component (non-lease component).

Lease contracts are negotiated on an individual basis and include a wide variety of terms and conditions.

**Increases** in the right of use for the 2025 financial year, also including remeasurements, amounted to euro 112,903 thousand (euro 118,762 thousand for 2024) and were mainly due to:

- a new lease contract for a warehouse in Campinas, Brazil, for approximately euro 25,139 thousand;
- new contracts and extensions for car and forklift truck hire for euro 20,918 thousand;
- the extension of lease contracts for two warehouses in the US for euro 17,441 thousand;
- new lease contracts for two warehouses in Romania for euro 8,319 thousand;
- contracts for the leasing of plant and machinery in Germany for euro 3,135 thousand, of which euro 1,725 thousand is related to energy projects;
- the extension of a contract for a warehouse in China for euro 2,733 thousand;
- new contracts for guest houses in China for euro 2,596 thousand;
- a new contract for a warehouse in Germany for euro 2,545 thousand;
- new contracts for points of sale and the extension of existing contracts in Brazil for euro 2,168 thousand;
- contracts for the leasing of industrial equipment in Argentina for euro 2,037 thousand;
- a new lease contract for a warehouse in Poland for euro 1,034 thousand.

These increases also included the adjustment for inflation, where contractually provided for.

In 2025, there were no contracts subject to reassessment or significant changes.

The disposal of Däckia AB resulted in a decrease in the net value of the right of use by euro 18,481 thousand.

The **depreciation of the right of use** recognised in the Income Statement and included under the item *"Depreciation, Amortisation and Impairments"* (Note 33), was composed as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Land | 1,640 | 1,633 |
| Buildings | 81,462 | 82,192 |
| Plants and machinery | 4,818 | 4,823 |
| Other assets | 23,794 | 23,053 |
| **Total depreciation of right of use** | **111,714** | **111,701** |

For interest on lease liabilities, reference should be made to Note 38, *"Financial Expenses".*

Information on the costs for lease contracts with a duration of less than twelve months, lease contracts for assets with a low unit value, and lease contracts with variable rates, is included in Note 34, *"Other Costs".*

# 11. INTANGIBLE ASSETS

Their composition and changes were as follows:

## NET VALUE

(in thousands of euro)

| | 12/31/2024 | Currency translation differences | Change in consolidation scope | Increase | Amortisation | Impairment | Recl./Other | 12/31/2025 |
|---|---|---|---|---|---|---|---|---|
| Concessions, licenses and trademarks - finite useful life | **63,818** | (1,338) | - | 146 | (4,121) | - | 213 | **58,718** |
| Pirelli Brand - indefinite useful life | **2,270,000** | - | - | - | - | - | - | **2,270,000** |
| Goodwill | **1,886,711** | (48) | (6,413) | - | - | - | - | **1,880,250** |
| Customer relationships | **135,147** | (16) | - | - | (26,748) | (578) | - | **107,805** |
| Technology | **738,067** | - | 4,129 | - | (77,623) | - | - | **664,573** |
| Software applications | **49,748** | (39) | 8 | 21,737 | (21,603) | (808) | (34) | **49,009** |
| Patents and design patent rights | **16,172** | - | - | 3,662 | (2,505) | - | - | **17,329** |
| Other intangible assets | **66** | (32) | - | 35 | - | - | 13 | **82** |
| **Total** | **5,159,729** | **(1,473)** | **(2,276)** | **25,580** | **(132,600)** | **(1,386)** | **192** | **5,047,766** |

## NET VALUE

(in thousands of euro)

| | 12/31/2023 | Currency translation differences | Business combination | Increase | Decrease | Amortisation | Impairment | Recl./Other | 12/31/2024 |
|---|---|---|---|---|---|---|---|---|---|
| Concessions, licenses and trademarks - finite useful life | **64,613** | 314 | 2,118 | 262 | - | (4,064) | - | 575 | **63,818** |
| Pirelli Brand - indefinite useful life | **2,270,000** | - | - | - | - | - | - | - | **2,270,000** |
| Goodwill | **1,884,925** | (1,883) | 3,669 | - | - | - | - | - | **1,886,711** |
| Customer relationships | **169,453** | (479) | 462 | - | - | (34,419) | - | 130 | **135,147** |
| Technology | **814,917** | - | - | - | - | (76,850) | - | - | **738,067** |
| Software applications | **45,020** | (245) | 26 | 23,461 | - | (20,246) | (319) | 2,051 | **49,748** |
| Patents and design patent rights | **14,455** | - | - | 3,874 | - | (2,157) | - | - | **16,172** |
| Other intangible assets | **404** | (50) | - | - | (4) | (258) | (13) | (13) | **66** |
| **Total** | **5,263,787** | **(2,343)** | **6,275** | **27,597** | **(4)** | **(137,994)** | **(332)** | **2,743** | **5,159,729** |

Intangible assets were composed as follows:

- the Pirelli Brand (indefinite useful life) to the amount of euro 2,270,000 thousand. It should be noted that the valuation of the useful life of trademarks is based on a number of factors, including: the competitive environment, the market share, the history of the Brand, the life cycles of the underlying product, the operational plans, and the macroeconomic environment of the countries in which the related products are sold. Specifically, the useful life of the Pirelli Brand was assessed as indefinite based on its history of one hundred and fifty years of success (established in 1872), and on the intention and ability of the Group to continue investing in order to support and maintain the Brand;
- the Metzeler Brand (useful life of 20 years) to the amount of euro 36,850 thousand which is included under the item "*Concessions, licenses and trademarks - finite useful life*";
- Customer Relationships (useful life of 20 years) which mainly includes the value of commercial relationships for the Replacement channel;

- Technology which mainly includes the value of both product and process technologies as well the value of the *In-Process R&D* (being formed at the time of the acquisition of the Group in 2015 by Marco Polo Industrial Holding S.p.A.) amounted to euro 646,217 thousand and euro 15,000 thousand respectively. The useful life of product and process technology was determined to be 20 years, while the useful life of In-Process R&D was determined to be 10 years;
- Goodwill to the amount of euro 1,880,250 thousand, of which euro 1,868,137 thousand was recognised at the time of the acquisition of the Group in September 2015. The remaining portion refers to the goodwill determined as part of the acquisition of the company JMC Pneus Comércio Importação e Exportação Ltda. which occurred in 2018, and the acquisition of the company Hevea-Tec Indústria E Comércio Ltda., at the beginning of 2024. The change in the scope of consolidation in 2025 amounted to euro 6,413 thousand, which refers to the balance of the Group's acquisitions and disposals that led to a decrease in goodwill, following the disposal of the subsidiary Däckia AB for euro 9,226 thousand, and an increase in goodwill due to the acquisition of Telco S.r.l. for euro 2,813 thousand.

The increases which totalled euro 25,580 thousand, mainly refers to application software (euro 21,737 thousand), which was mainly carried out to implement the Company's digitisation programme.

## IMPAIRMENT TESTING OF GOODWILL

Pursuant to IAS 36, goodwill is not subject to amortisation, but is tested for impairment on an annual basis or more frequently, if specific events or circumstances arise that that might indicate a potential impairment.

Goodwill, which amounted to euro 1,880,250 thousand was allocated to the *"Consumer Activities"* group of CGUs, which represent the sole business segment in which the Group operates, and is considered the lowest level at which goodwill is monitored for internal management control purposes.

The impairment test consists of comparing the recoverable amount for Consumer Activities with their carrying amount, including both their operational assets and goodwill.

The value configuration used to determine the recoverable amount for Consumer Activities at December 31, 2025 is the value in use, which corresponds to the present value of the future financial flows which are expected to be generated by the group of CGUs, using a discount rate that reflects the risks specific to the group of CGUs at the valuation date.

The forecasts are based on the flows of the EBITDA adjusted from the 2026 Management Plan, approved by the Board of Directors of the Parent Company on February 25, 2026, – and subsequently confirmed at the date of this document – which was prepared on the basis of the new market conditions. The figures for 2026 have been revised downward to take into account the consensus estimates of analysts that were updated following the presentation of the Plan, as these constitute external evidence. With reference to 2027, the consensus estimates of analysts were used.

The prospective flows, which reflect the Group's market positioning thanks to its strategy of focusing on High Value, have been sterilised pursuant to IAS 36.44, to exclude cash flows related to expansion investments, restructuring expenses, and related benefits, to which the Company had not yet committed at December 31, 2025.

The flows used for the determination of the recoverable amount, reflect a compound annual growth rate (CAGR) for the revenues of the 2026-2027 two-year period of 1.5%, compared to 2025, and an average EBITDA margin adjusted for the period of 23.1%.

The impairment test at December 31, 2025 was performed using the assistance of an independent third-party professional.

The discount rate, defined as the weighted average cost of capital (WACC) net of taxes, applied to the prospective cash flows was equal to 8.00%. The pre-tax rate that equates the value in use, estimated using cash flows net of taxes discounted at the pre-tax WACC, to the value in use, estimated by using pre-tax flows discounted at the pre-tax WACC, was equal to 11.93%. The growth rate of operating cash flows, used to estimate the terminal value ("*g*") was equal to 0.50%. The capitalisation rate for operating cash flows (WACC - g) was therefore equal to 7.50%, consistent with the capitalisation rate of the consensus estimates of analysts.

Based on the results of the tests carried out, no impairment was identified.

The recoverable amount is greater than the carrying amount for Consumer Activities by 20%. In order for the value in use to be equal to the carrying amount, there must be a negative change in the key parameters, in particular:

- an increase in the discount rate of 153 basis points in both the explicit forecast period and terminal value;
- a decrease in the annual growth rate ("*g*") beyond the explicit forecast period equal to a negative -167 basis points;
- a decrease in the average EBITDA margin of 250 basis points in both the explicit forecast period and in the terminal value.

With regard to climate change issues, given that, the Group expects net benefits from operating cash flows in the medium term, based on the internal estimates of the impacts of climate change, these benefits were not included in the flows used for the impairment test. In addition, a stress test was carried out to assess the sustainability of the recoverable amount by using, in the calculation of the terminal value, the most conservative cash flow forecast from analysts as a negative scenario, which is assumed to also incorporate the effects of climate change. The calculation used is based on the assumption that, once the scenario occurs, it will persist over time.

From the above-mentioned calculation, a recoverable amount emerges that is 10% higher than the carrying amount of the Consumer Activities.

For the sake of completeness, it should be noted that at December 31, 2025, the market capitalisation was substantially in line with the Equity of the Parent Company (+1.3%).

## IMPAIRMENT TESTING OF THE PIRELLI BRAND (INTANGIBLE ASSET WITH AN INDEFINITE USEFUL LIFE)

The Pirelli Brand, valued at euro 2,270,000 thousand is an intangible asset with an indefinite useful life, and as such is not subject to amortisation, but pursuant to IAS 36, is tested for impairment on an annual basis or more frequently, if specific events or circumstances arise that may indicate a potential impairment.

The impairment test at December 31, 2025 was performed using the assistance of an independent third-party professional.

The configuration of the recoverable amount for impairment testing purposes at December 31, 2025, was the fair value calculated using the income approach (the so-called level 3 of the IFRS 13 – Fair Value Measurement hierarchy). The fair value estimate is therefore based on:

- the same flows used for the impairment testing of goodwill, that is, the forecasts made by management based on the flows of the EBITDA adjusted from the 2026 Management Plan, that were adjusted downward, without sterilising the effects of expansion investments, in order to take into account the consensus estimates of analysts that were updated after the presentation of the Plan and the consensus estimates of analysts for 2027;
- a valuation criterion based on the sum of the parts, which also takes into account the contribution of royalties from the Prometeon Tyre Group for the use of the Pirelli Brand in relation to the Industrial segment, as forecast in the management's projections;
- the excess earnings attributable to the Pirelli Brand, derived by deducting the notional royalty fee or the royalty rate of the Group's operating activities unrelated to the Brand, expressed at fair value, from the prospective operating income;
- a discount rate of 9.88%, which includes, in addition to the WACC, a premium determined based on the riskiness of the specific asset and the growth rate *("g")* in the terminal value of 0.50%. The pre-tax rate that equates the fair value, estimated using cash flows net of taxes discounted at the net-of-taxes discount rate, to the fair value estimated using pre-tax cash flows discounted at the pre-tax discount rate, was equal to 14.90%.
- the TAB (Tax Amortisation Benefit) that is, the tax benefit that a market participant would receive if they were to acquire the asset separately, due to the possibility of amortising the asset for tax purposes.

For the purposes of impairment testing, the recoverable amount of the Pirelli Brand including the Tax Amortization Benefit (TAB), was compared with its respective carrying amount (including the TAB), and no impairment losses were identified.
The recoverable amount is greater than the carrying amount of the Brand by 17.7%. In order for the fair value to equal the carrying amount, there must be a negative change in the key parameters, and in particular:

- a percentage decrease in revenues of 405 basis points in both the explicit forecast period and the terminal value;
- a decrease in the EBITDA margin adjusted of 71 basis points in both the explicit forecast period and the terminal value;
- an increase in the discount rate of 147 basis points in both the explicit forecast period and the terminal value;
- a decrease in the growth rate ("g") of 183 basis points beyond the explicit forecast period.

With regard to the climate change issues, the same stress test for goodwill was also carried out for the Brand, and from which emerged a recoverable amount that was higher than the carrying amount of the Pirelli Brand by 4.5%.

# 12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The changes in investments in associates and joint ventures were as follows:

(in thousands of euro)

| | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | **Associates** | **JV** | **Total** | **Associates** | **JV** | **Total** |
| **Opening balance** | **1,113** | **119,677** | **120,790** | **7,469** | **78,928** | **86,397** |
| Decreases | - | - | - | (5,201) | - | (5,201) |
| Increases | 500 | 20,534 | 21,034 | - | 12,071 | 12,071 |
| Distribution of dividends | (157) | - | (157) | (2,974) | - | (2,974) |
| Share of net income / (loss) | 215 | 15,876 | 16,091 | 1,818 | 25,638 | 27,456 |
| Share of other components recognised in Equity | - | (16,361) | (16,361) | - | 3,040 | 3,040 |
| Other | - | - | - | 1 | - | 1 |
| **Closing balance** | **1,671** | **139,726** | **141,397** | **1,113** | **119,677** | **120,790** |

## 12.1 INVESTMENTS IN ASSOCIATES

The details were as follows:

(in thousands of euro)

| | **12/31/2024** | **Increases** | **Distribution of dividends** | **Share of net income / (loss)** | **12/31/2025** |
|---|---|---|---|---|---|
| Eurostazioni S.p.A. | **39** | - | - | - | **39** |
| Investments in other associates | **1,074** | 500 | (157) | 215 | **1,632** |
| **Total** | **1,113** | **500** | **(157)** | **215** | **1,671** |

Investments in associates accounted for using the equity method are not material in terms of their impact on the total consolidated assets, either individually or in aggregate form.

## 12.2 INVESTMENTS IN JOINT VENTURES

The details were as follows:

(in thousands of euro)

| | **12/31/2024** | **Increases** | **Share of net income / (loss)** | **Share of other components recognised in Equity** | **12/31/2025** |
|---|---|---|---|---|---|
| Xushen Tyre (Shanghai) Co., Ltd. | **93,746** | - | 17,735 | (9,380) | **102,101** |
| PT Evoluzione Tyres | **15,678** | - | 1,581 | (2,611) | **14,648** |
| Middle East and North Africa Tyre Company | **10,253** | 20,534 | (3,440) | (4,370) | **22,977** |
| **Total** | **119,677** | **20,534** | **15,876** | **(16,361)** | **139,726** |

The Group holds:

- a 49% stake in the company, the Xushen Tyre (Shanghai) Co., Ltd., a joint venture which, through the company, the Jining Shenzhou Tyre Co., Ltd. owns a Consumer tyre manufacturing plant in China. The plant provides the necessary flexibility for High Value production, given the evolution of the Chinese market, the expected developments in electric vehicles and the increasing share of homologations obtained for Original Equipment in China and Korea. As announced on August 1, 2018, the joint venture agreement relative to the Xushen Tyre (Shanghai) Co., Ltd. provides for a for a Call Option in favour of Pirelli Tyre S.p.A., exercisable from January 1, 2021 until March 31, 2026, which - if exercised - would allow Pirelli Tyre S.p.A. to increase its stake in the company to up to 70%. Pirelli Tyre S.p.A. has notified the shareholders of the Xushen Tyre (Shanghai) Co., Ltd. of its intention to not exercise the option until December 31, 2025, without prejudice to the right to exercise the option thereafter, and in any case, by March 31, 2026. For further information regarding the exercise of the Call Option, reference should be made the section *"Significant Events Subsequent to the End of the Financial Year"*;
- a 63.04% stake of in PT Evoluzione Tyres, an entity which operates in Indonesia and is active in the production of tyres for motorcycles. Even though the company is 63.04% owned, due to the contractual agreements between the Shareholders, it falls under the definition of a joint venture, in that the governance rules explicitly provide for the unanimous approval of decisions regarding significant business activities;
- a 25% investment stake in the Middle East and North Africa Tyre Company, with the remaining 75% owned by Saudi Arabia's Public Investment Fund (PIF). Even though the company is 25% owned, due to the contractual agreements between the Shareholders, it falls under the definition of a joint venture, in that the governance rules explicitly provide for the unanimous consent of decisions regarding significant business activities. The joint venture, which includes the construction of a manufacturing plant, will produce high quality car tyres under the Pirelli brand, and will produce and market the tyres under a new local brand for the national and regional market. During the course of 2025, share capital increases amounting to euro 20,534 thousand were finalised.

Investments in joint ventures were not material in terms of their impact on the consolidated total assets, either individually or in aggregate form.

## 13. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Other financial assets at fair value through Other Comprehensive Income amounted to euro 37,599 thousand at December 31, 2025 (euro 63,294 thousand at December 31, 2024). Movements were as follows:

(in thousands of euro)

| | |
|---|---|
| **Opening balance at 01/01/2025** | **63,294** |
| Translation differences | (10) |
| Increases | 1,305 |
| Decreases | (13,481) |
| Fair Value adjustment through Other Comprehensive Income | (13,059) |
| Other | (450) |
| **Closing balance 12/31/2025** | **37,599** |

The composition of the item by individual security is as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Listed securities** | | |
| RCS MediaGroup S.p.A. | 24,325 | 21,929 |
| **Total** | **24,325** | **21,929** |
| **Unlisted securities** | | |
| Fin. Priv. S.r.l. | - | 29,297 |
| Istituto Europeo di Oncologia S.r.l. | 8,906 | 8,580 |
| TIcom I LP | 189 | 199 |
| Telco S.r.l. | - | 450 |
| Other companies | 4,179 | 2,839 |
| **Total** | **13,274** | **41,365** |
| **Total other financial assets at Fair Value through Other Comprehensive Income** | **37,599** | **63,294** |

The **decreases** which amounted to euro 13,481 thousand, mainly refer to the repayment of share capital and capital reserves following the distribution plan relating to Fin. Priv. S.r.l., which was placed in liquidation in October 2025. The company was placed in liquidation following the sale on the market of the entire investment held in Mediobanca S.p.A., equal to 14,340,218 shares (approximately 1.76% of the share capital).

The **fair value adjustments through Other Comprehensive Income** equalled a negative net amount of euro 13,059 thousand, and refer mainly to the RCS MediaGroup S.p.A. (positive to the amount of euro 2,395 thousand) and Fin. Priv. S.r.l. (negative to the amount of euro 15,826 thousand).

For listed securities, the fair value corresponds to the stock market price at December 31, 2025. For unlisted securities, the fair value was determined on the basis of the data from the latest available financial statements.

## 14. DEFERRED TAX ASSETS AND LIABILITIES

Their composition is as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Deferred tax assets | 210,490 | 228,740 |
| Deferred tax liabilities | (956,063) | (990,250) |
| **Total** | **(745,574)** | **(761,510)** |

Deferred tax assets and deferred tax liabilities are offset when the deferred taxes refer to the same legal entity and the same taxation authority.

The item **deferred tax liabilities** refers mainly to the difference between the tax value and the carrying amount of assets identified at the date of acquisition of the Pirelli Group by Marco Polo Industrial Holding S.p.A., recorded in the Consolidated Financial Statements following the merger by incorporation of the Parent company, Marco Polo Industrial Holding S.p.A. into Pirelli, which took place during the course of 2016.

Their composition of deferred taxes gross of the offsets carried out, was as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Deferred tax assets** | **397,297** | **447,653** |
| - of which within 12 months | 181,357 | 223,268 |
| - of which beyond 12 months | 215,941 | 224,385 |
| **Deferred tax liabilities** | **(1,142,871)** | **(1,209,163)** |
| - of which within 12 months | (220,292) | (209,360) |
| - of which beyond 12 months | (922,579) | (999,803) |
| **Total** | **(745,574)** | **(761,510)** |

The composition of deferred taxes related to temporary differences and tax losses carried forward, is shown in the following table:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Deferred tax assets** | | |
| Provisions for liabilities and charges | 71,079 | 64,725 |
| Property, plant and equipment | 13,921 | 10,968 |
| Financial assets | 1,096 | - |
| Leases | 35,212 | 52,529 |
| Provision for employee benefit obligations | 56,857 | 59,015 |
| Inventories | 61,230 | 61,215 |
| Tax losses carried forward | 107,173 | 130,396 |
| Trade receivables and other receivables | 47,222 | 36,980 |
| Trade payables and other payables | 2,926 | 10,891 |
| Other | 582 | 20,934 |
| **Total** | **397,297** | **447,653** |
| **Deferred tax liabilities** | | |
| Intangible assets | (841,056) | (871,193) |
| Property, plant and equipment | (139,308) | (150,802) |
| Leases | (43,835) | (50,005) |
| Provision for employee benefit obligations | (40,259) | (47,481) |
| Derivatives | (594) | (3,575) |
| Other | (77,819) | (86,107) |
| **Total** | **(1,142,871)** | **(1,209,163)** |

The item ***"Other"*** related to **deferred tax liabilities**, mainly includes deferred tax liabilities recorded on the undistributed gains of the subsidiaries for which distribution in future financial years is probable (euro 59,185 thousand).

The tax effect of gains and losses recognised directly in equity was positive to the amount of euro 3,080 thousand (euro 13,224 thousand for 2024), and is reported in the Statement of Comprehensive Income. These changes were mainly due to tax effects connected to actuarial gains/losses on employee benefits, and to the fair value adjustment of cash flow hedge derivatives.

At December 31, 2025 the value of unrecognised deferred tax assets on tax losses amounted to euro 108,844 thousand, while those related to temporary differences amounted to euro 42,151 thousand. This last item mainly includes deferred tax assets not recognised on the interest expenses of the company Pirelli & C. S.p.A. to the amount of euro 25,856 thousand.

Deferred tax assets were not recognised, in that no taxable income was expected in order to justify their recoverability.

The amounts for tax losses according to their expiry date, for which no deferred tax assets were recognised, are shown below:

(in thousands of euro)

| Year of expiry | 12/31/2025 | 12/31/2024 |
|---|---|---|
| 2027 | 46 | 40 |
| 2028 | 243 | 211 |
| 2029 | 44,605 | 20 |
| 2030 | 11,261 | 4 |
| With no expiry date | 375,155 | 355,842 |
| **Total** | **431,310** | **356,117** |

In details, the tax losses relate to the following subsidiaries:

| Company of origin | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Pirelli UK Ltd. | 130,911 | 137,765 |
| Pirelli Pneus Ltda. | 71,020 | 17,697 |
| Comercial e Importadora de Pneus Ltda. | 67,496 | 48,075 |
| Pirelli Neumaticos S.A.I.C. | 55,838 | - |
| Pirelli Neumaticos S.A. - Sociedad Unipersonal | 36,026 | 37,459 |
| Pirelli Latam Participaçoes Ltda. | 35,581 | 27,188 |
| Pirelli China Tyre N.V. | 17,033 | 17,033 |
| Pirelli Ltda. | 6,232 | 6,261 |
| HB Servizi S.r.l. | 4,871 | 5,062 |
| Comércio e Importação Multimarcas de Pneus Ltda. | 3,036 | 3,046 |
| Pirelli Comercial de Pneus Brasil Ltda. | 2,268 | 56,027 |
| Other | 997 | 504 |
| **Total** | **431,310** | **356,117** |

# 15. TRADE RECEIVABLES

Trade receivables were as follows:

(in thousands of euro)

| | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Total | Non-current | Current | Total | Non-current | Current |
| Trade receivables | 691,555 | - | 691,555 | 696,198 | - | 696,198 |
| Bad debt provision | (63,007) | - | (63,007) | (73,283) | - | (73,283) |
| **Total** | **628,548** | **-** | **628,548** | **622,915** | **-** | **622,915** |

The gross value of trade receivables amounted to euro 691,555 thousand (euro 696,198 thousand at December 31, 2024). At the reporting date, receivables which were past due by more than 30 days gross of credit notes to be issued and net of credit enhancement instruments, amounted to 17% of the total exposure (14% at December 31, 2024).

Receivables which were past due and not yet due were evaluated in accordance to the Group's policy described in the section on the adopted accounting standards.

The impaired receivables include both significant individual positions subject to individual impairment and positions with similar credit risk characteristics which were grouped and impaired on a collective basis. The calculation of the impairment is based on (i) a matrix which includes the credit ratings of customers, provided by independent market assessors and on (ii) the value of receivables, which takes the related collateral and insurance coverage into account. The credit ratings of customers takes into account, among other factors, the effects of exogenous risks, which could include, if the customers are exposed thereto in the specific markets in which they operate, risks related to climate change, which determine the probability of default used in the calculation, and impact the levels of credit limits granted by the insurance company to each counterparty.

The **changes in the bad debt provision** were as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Opening balance** | **73,283** | **71,000** |
| Translation differences | (1,718) | (3,220) |
| Accruals | 7,148 | 20,075 |
| Uses | (3,942) | (4,731) |
| Releases | (11,764) | (9,841) |
| **Closing balance** | **63,007** | **73,283** |

**Accruals** to the bad debt provision are recognised net of releases, in the Income Statement under *"Net Impairment of Financial Assets"*, (Note 35).

The carrying amount of trade receivables is considered to approximate their fair value.

Of the trade receivables that were fully impaired and subject to legal action, it is estimated that an amount not exceeding 10% of their gross value could be recovered.

# 16. OTHER RECEIVABLES

Other receivables were as follows:

(in thousands of euro)

| | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Total | Non-current | Current | Total | Non-current | Current |
| Financial receivables | 256,800 | 127,930 | 128,870 | 225,955 | 112,600 | 113,355 |
| Trade accruals and deferrals | 40,998 | 5,351 | 35,647 | 41,531 | 6,251 | 35,280 |
| Receivables from employees | 5,307 | 577 | 4,730 | 6,244 | 589 | 5,655 |
| Receivables from social security and welfare institutions | 706 | - | 706 | 941 | - | 941 |
| Receivables from tax authorities not related to income taxes | 318,736 | 152,916 | 165,820 | 388,198 | 161,203 | 226,995 |
| Other receivables | 92,317 | 43,459 | 48,858 | 99,529 | 37,195 | 62,334 |
| | **714,864** | **330,233** | **384,631** | **762,398** | **317,838** | **444,560** |
| Bad debt provision for other receivables and financial receivables | (8,721) | (8,229) | (492) | (8,862) | (8,312) | (550) |
| **Total** | **706,143** | **322,004** | **384,139** | **753,536** | **309,526** | **444,010** |

**Financial receivables non-current** (euro 127,930 thousand) refers mainly to euro 59,939 thousand, the sum deposited as guarantees for tax and legal disputes in relation to the subsidiary Pirelli Pneus Ltda. (Brazil) to euro 15,307 thousand, the sum deposited in escrow accounts in favour of the pension funds of Pirelli UK Ltd., to euro 17,544 thousand in contributions paid in cash at the time of signing an association in participation contract, to euro 7,031 thousand for a loan disbursed in favour of the Indonesian joint venture PT Evoluzione Tyres and to euro 12,109 thousand for a loan granted to the joint venture, the Jining Shenzhou Tyre Co., Ltd.

**Financial receivables current** (euro 128,870 thousand) refers mainly to euro 85,628 thousand for the short-term portion of loans disbursed to the joint venture, the Jining Shenzhou Tyre Co., Ltd., for which there was no significant increase in credit risk compared to the disbursement date.

The item **bad debt provision for other receivables and financial receivables** (euro 8,721 thousand) mainly includes euro 8,287 thousand related to the impairment of financial receivables.

The item **receivables from tax authorities not related to income taxes** (euro 318,736 thousand compared to euro 388,198 thousand for at December 31, 2024) is mainly comprised of receivables for IVA (value added tax) and other indirect taxes whose recoverability is expected in future financial years.

**Other receivables non-current** (euro 43,459 thousand) refers mainly to amounts deposited as guarantees for legal and tax disputes for the Brazilian companies (euro 39,806 thousand).

**Other receivables current** (euro 48,858 thousand) includes:

- advances to suppliers amounting to euro 14,212 thousand;
- receivables from associates and joint ventures to the amount of euro 10,649 thousand, mainly for royalties and the sale of materials and moulds;
- receivables to the amount of euro 4,447 thousand in yet to be collected state grants.
- receivables from the Prometeon Group to the amount of euro 3,256 thousand mainly for royalties;
- receivables for insurance reimbursements and other indemnities to the amount of euro 2,054 thousand.

For other receivables current and non-current, the carrying amount is considered to approximate their fair value.

# 17. TAX RECEIVABLES

**Tax receivables** refers to income taxes which amounted to euro 42,922 thousand (of which euro 7,835 thousand was non-current), compared to euro 46,962 thousand at December 31, 2024 (of which euro 9,973 thousand was non-current).

# 18. INVENTORIES

Inventories were as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Raw and auxiliary materials and consumables | 218,490 | 217,797 |
| Sundry materials | 21,840 | 23,750 |
| Unfinished and semi-finished products | 99,204 | 100,285 |
| Finished products | 1,116,003 | 1,125,814 |
| Advances to suppliers | 9 | 61 |
| **Total** | **1,455,546** | **1,467,707** |

The impairment loss on inventories, expressed net of reversals, amounted to euro 13,763 thousand (an impairment loss of euro 17,826 thousand in 2024).
Inventories were not subject to any guarantee restrictions.

# 19. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH THE INCOME STATEMENT

Other financial assets at fair value through the Income Statement, amounted to euro 79,904 thousand at December 31, 2025, compared to euro 165,965 thousand at December 31, 2024. These are financial assets designated as such at the time of their initial recognition.

The amount at December 31, 2025 included euro 56,896 thousand (euro 147,079 thousand at December 31, 2024), relative to investments made by the Argentine subsidiary in listed dollar-linked bond instruments, to mitigate the effects of depreciation on the local currency. The decrease compared with the amount as at December 31, 2024 was mainly due to the divestment carried out during the year for approximately euro 63.6 million, which was utilised by the Argentine subsidiary for the payment of trade payables and other pre-existing intragroup and third-party supplier payables.

For unlisted securities, the fair value was determined by using valuation techniques that are widely used in the financial industry and which maximise the use of observable market data.

Changes in the fair value for the period were recognised in the Income Statement under *"Financial Income"*, (Note 37).

# 20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents went from euro 1,502,741 thousand at December 31, 2024 to euro 1,525,886 thousand at December 31, 2025, and refers to current bank account balances and short-term bank deposits, in any case, readily convertible into cash amounts without any risk of a change in value.

Details of the change in the balance are provided in the Consolidated Statement of Cash Flows.

They are concentrated in the treasury centres of the Group, and in companies that generate liquidity and use it locally. They are essentially invested, in accordance with risk diversification principles and in compliance with minimum rating levels, on the deposits market with short-term maturities with banking counter-parties at interest rates that are aligned with the prevailing market conditions. The credit risk associated with cash and cash equivalents is considered to be limited as the counter-parties are represented by leading national and international banking institutions.

For the purposes of the Statement of Cash Flow, the balance of cash and cash equivalents was recorded net of bank overdrafts, in the amount of euro 1,817 thousand at December 31, 2025 (euro 1,467 thousand at December 31, 2024).

# 21. EQUITY

## 21.1 ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY

**Equity attributable to the Owners of the Parent Company** went from euro 5,756,071 thousand at December 31, 2024 to euro 6,277,848 thousand at December 31, 2025.

The subscribed and paid-up **share capital** at December 31, 2025 amounted to euro 2,065,651 thousand and was represented by 1,084,881,933 registered ordinary shares without indication of their nominal value. The increase compared to December 31, 2024, of euro 161,276 thousand is due to the exercise in December 2025 of the conversion option by the holders of the *"EUR 500 million Senior Unsecured Guaranteed Equity-linked Bond due 2025,"* which had been admitted to trading on the *"Vienna MTF"* of the Vienna Stock Exchange.

The **translation reserve**, generated by the conversion into euro of the financial statements of subsidiaries with a functional currency other than the euro, was negative to the amount of euro 1,100,630 thousand as of December 31, 2025. Movements for the financial year included a negative change of euro 265,631 thousand, mainly attributable to the subsidiaries in Argentina, the United States, and China.

**Other reserves with changes in the Statement of Comprehensive Income** went from a negative euro 54,438 thousand at December 31, 2024, to a negative euro 75,205 thousand at December 31, 2025, prevalently due to the negative effect of financial assets at fair value through Other Comprehensive Income (euro 12,059 thousand), of actuarial losses on pension funds (euro 5,241 thousand), and of the cash flow hedge reserve (euro 6,547 thousand), which was partially offset by the tax effect related to the actuarial losses on pension funds (positive to the amount of euro 3,080 thousand).

**Other reserves/retained earnings** went from euro 4,741,133 thousand at December 31, 2024, to euro 5,388,032 thousand at December 31, 2025, essentially due to the net income/(loss) for the financial year (positive to the amount of euro 497,527 thousand), to the impact of the conversion of the convertible bond (positive to the amount of euro 335,224 thousand), to hyperinflation in Argentina and Turkey (a positive change of euro 53,113 thousand and euro 13,082 thousand, respectively, offset by a negative translation reserve of euro 101,528 thousand and euro 12,025 thousand, respectively), and to dividends approved (negative to the amount of euro 250,360 thousand).

## 21.2 ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

**Equity attributable to Non-Controlling Interests** went from euro 156,183 thousand at December 31, 2024 to euro 178,889 thousand at December 31, 2025, an increase due to the positive change attributable to the results for the financial year of euro 33,169 thousand, net of losses from foreign currency translation differences of euro 3,112 thousand and dividends approved paid to minority shareholders to the amount of euro 8,736 thousand.

# 22. PROVISIONS FOR LIABILITIES AND CHARGES

**Movements in the non-current portion of provisions** that occurred during the period are shown below:

PROVISIONS FOR LIABILITIES AND CHARGES - NON-CURRENT PORTION (in thousands of euro)

| | 12/31/2024 | Currency translation differences | Increases | Uses | Releases | Reclass. | 12/31/2025 |
|---|---|---|---|---|---|---|---|
| Provision for labour disputes | 14,923 | (832) | 10,373 | (6,044) | (2,477) | - | 15,943 |
| Provision for tax risks not related to income taxes | 2,580 | (22) | 25 | 1 | (30) | - | 2,554 |
| Provision for environmental risks | 33,956 | 83 | 1,131 | (3,170) | (5,369) | (7,036) | 19,595 |
| Provision for other risks and expenses | 49,664 | (508) | 11,050 | (5,759) | (2,277) | (5,439) | 46,731 |
| **Total** | **101,123** | **(1,279)** | **22,579** | **(14,972)** | **(10,153)** | **(12,475)** | **84,823** |

**Increases** mainly refer to accruals to the provisions for labour disputes particularly for the Brazilian subsidiaries to the amount of euro 9,336 thousand. With regard to other risks and expenses, the increase for the period mainly refers to the STI (Short Term Incentive) and LTI (2024-2026 and 2025-2027 Long Term Incentive) Plans for the Directors participating in the plan.

**Uses** were mainly attributable to labour disputes for the settlement of ongoing litigation. With regard to other risks and expenses, the use resulted from the partial liquidation of the end-of-term indemnity provision disbursed to Directors.

The **releases** refer mainly to environmental risks following the conclusion of settlement agreements by the Parent Company, Pirelli & C. S.p.A.

**Reclassifications** relative to other risks and expenses, refer mainly to the reclassification, from non-current provisions to other payables, of the portions of the 2023-2025 LTI and STI Plan accrued in previous years, which will be settled (paid out) during the first half-year of 2026.

**Movements in the current portion of provisions** that occurred during the period, are shown below:

PROVISIONS FOR LIABILITIES AND CHARGES - CURRENT PORTION (in thousands of euro)

| | 12/31/2024 | Currency translation differences | Increases | Uses | Releases | Reclass. | 12/31/2025 |
|---|---|---|---|---|---|---|---|
| Provision for labour disputes | 209 | (29) | 227 | (100) | (16) | - | 291 |
| Provision for tax risks not related to income taxes | 3,603 | 56 | 2,536 | - | (2,183) | - | 4,012 |
| Provision for environmental risks | 2,050 | (139) | - | (472) | - | 5,623 | 7,062 |
| Provision for product claims and warranties | 11,992 | (1,235) | 2,659 | (381) | (1,201) | - | 11,834 |
| Provision for other risks and expenses | 13,509 | (54) | 18,493 | (7,122) | (744) | - | 24,082 |
| **Total** | **31,363** | **(1,401)** | **23,915** | **(8,075)** | **(4,144)** | **5,623** | **47,281** |

**Increases** for other risks include charges related to the purchase of greenhouse gas emission allowances, in line with the provisions of the European Emission Trading Schemes to the amount of euro 6,375 thousand, as well as commercial risks and to insurance risks.

**Uses** refer mainly to greenhouse gas emission allowances, consistent with the European Emission Trading Schemes, to the amount of euro 5,536 thousand and to insurance risks.

# 23. PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS AND OTHER ASSETS

## PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS AND OTHER ASSETS – NON-CURRENT PORTION

The item is composed as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Pension funds in surplus | 85,048 | 93,838 |
| **Total other assets** | **85,048** | **93,838** |
| Pension funds in deficit | 54,294 | 63,577 |
| Employees' leaving indemnities (TFR - Italian companies) | 21,388 | 20,978 |
| Healthcare plans | 9,810 | 11,434 |
| Other benefits | 86,347 | 88,051 |
| **Total provisions for employee benefit obligations** | **171,839** | **184,040** |

## PENSION FUNDS

The following table shows the **composition of pension funds at December 31, 2025:**

(in thousands of euro)

| | 12/31/2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Germany | Total unfunded pension funds | USA | UK | Switzerland | Total funded pension funds | Total |
| Present value of liabilities | 54,084 | **54,084** | 63,024 | 643,958 | 34,440 | **741,422** | **795,506** |
| Fair value of plan assets | | | (64,364) | (727,666) | (34,230) | **(826,260)** | **(826,260)** |
| **Total Assets in surplus** | | | (1,340) | (83,708) | | **(85,048)** | **(85,048)** |
| **Total Liabilities in deficit** | 54,084 | **54,084** | | | 210 | **210** | **54,294** |
| **Total pension funds** | | | | | | | **(30,754)** |

The following table shows the **composition of pension funds at December 31, 2024:**

(in thousands of euro)

| | 12/31/2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Germany | Sweden | Total unfunded pension funds | USA | UK | Switzerland | Total funded pension funds | Total |
| Present value of liabilities | 59,483 | 2,068 | **61,551** | 75,160 | 685,282 | 34,084 | **794,526** | **856,077** |
| Fair value of plan assets | | | | (76,571) | (777,709) | (32,058) | **(886,338)** | **(886,338)** |
| **Total Assets in surplus** | | | | (1,411) | (92,427) | | **(93,838)** | **(93,838)** |
| **Total Liabilities in deficit** | 59,483 | 2,068 | **61,551** | | | 2,026 | **2,026** | **63,577** |
| **Total pension funds** | | | | | | | | **(30,261)** |

The characteristics of the main pension funds in place at December 31, 2025 were as follows:

- **Germany**: this is an unfunded defined benefits plan based on final salary. This fund guarantees a pension in addition to the state pension. The plan was closed in October 1982. Consequently, the participants of this plan are employees who were hired prior to that date;
- **USA**: this is a funded defined benefits plan based on final salary, and is administered through a Trust. This fund guarantees a pension in addition to the state pension. The plan was closed in 2001 and frozen in 2003 for those employees who transferred to a defined contribution scheme. All the participants of the plan are non-active;
- **UK**: these are funded defined benefits plans based on salary trends. These funds guarantee a pension in addition to the state pension and are administered through Trusts. The plans, managed by the subsidiary Pirelli Tyres Ltd. were closed in 2001 to new entrants and frozen during the course of 2010 for employees hired prior to 2001, who were then offered a transfer to defined contribution schemes. The plan, managed by the subsidiary Pirelli UK Ltd., and which includes employees from the Cables and Systems division sold in 2005, had already been frozen in 2005 at the date of the disposal. The surplus, recognised at December 31, 2025, relative to provisions still outstanding was equal to the recoverable amount, assuming the gradual extinguishing of the plan liabilities over time. All the participants of the plan are non-active;
- **Switzerland**: these are funded defined benefit plans that guarantee a pension in addition to the state pension and are open to new employees. The pension is based on contributions paid.

**Movements for 2025 in the defined benefits pension funds** (refers to funded and unfunded pension funds), were as follows:

(in thousands of euro)

| | Present value of gross liabilities | Fair value of plan assets | Total |
|---|---|---|---|
| Opening balance at January 1, 2025 | 856,077 | (886,338) | (30,261) |
| Currency translation differences | (42,176) | 46,877 | 4,701 |
| Movements through Income Statement: | | | |
| - current service costs | 1,092 | - | 1,092 |
| - past service costs | (117) | - | (117) |
| - interest expense / (income) | 41,567 | (44,674) | (3,107) |
| | **42,542** | **(44,674)** | **(2,132)** |
| Remeasurements recognised in equity: | | | |
| - actuarial (gains) / losses from changes in demographic assumptions | (2,206) | - | (2,206) |
| - actuarial (gains) / losses from changes in financial assumptions | (621) | - | (621) |
| - experience adjustment (gains) / losses | 3,086 | - | 3,086 |
| - (positive)/negative return on plan assets, net of interest income | - | 5,898 | 5,898 |
| | **259** | **5,898** | **6,157** |
| Employer contributions | - | (5,560) | (5,560) |
| Employee contributions | 599 | (599) | - |
| Benefits paid | (59,727) | 54,641 | (5,086) |
| Change in Scope of Consolidation | (2,068) | - | (2,068) |
| Other | - | 3,495 | 3,495 |
| **Closing balance at December 31, 2025** | **795,506** | **(826,260)** | **(30,754)** |

**Movements for 2024 in the defined benefits pension funds** (refers to funded and unfunded pension funds), were as follows:

(in thousands of euro)

| | Present value of gross liabilities | Fair value of plan assets | Total |
|---|---|---|---|
| Opening balance at January 1, 2024 | 897,397 | (944,737) | (47,340) |
| Currency translation differences | 37,192 | (42,351) | (5,159) |
| Movements through Income Statement: | | | |
| - current service costs | 1,033 | - | 1,033 |
| - past service costs | 3,282 | - | 3,282 |
| - interest expense / (income) | 40,731 | (44,622) | (3,891) |
| | **45,046** | **(44,622)** | **424** |
| Remeasurements recognised in equity: | | | |
| - actuarial (gains) / losses from changes in demographic assumptions | (2,381) | - | (2,381) |
| - actuarial (gains) / losses from changes in financial assumptions | (57,737) | - | (57,737) |
| - experience adjustment (gains) / losses | (238) | - | (238) |
| - (positive)/negative return on plan assets, net of interest income | - | 96,322 | 96,322 |
| | **(60,356)** | **96,322** | **35,966** |
| Employer contributions | - | (14,057) | (14,057) |
| Employee contributions | 588 | (588) | - |
| Benefits paid | (63,790) | 58,507 | (5,283) |
| Other | - | 5,188 | 5,188 |
| **Closing balance at December 31, 2024** | **856,077** | **(886,338)** | **(30,261)** |

Current and past service costs are included under *"Personnel Expenses"* (Note 32), and net interest payables are included under *"Financial Expenses"* (Note 38).

The contributions which are expected to be paid into unfunded pension funds during the 2026 financial year amount to euro 5,137 thousand, while for funded pension funds the amount expected is euro 3,231 thousand.

The following table shows the **composition of funded pension fund assets:**

(in thousands of euro)

| | 12/31/2025 | | | | 12/31/2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **listed** | **unlisted** | **total** | **%** | **listed** | **unlisted** | **total** | **%** |
| Shares | 18,715 | 48,354 | 67,069 | 8.1% | 18,949 | 59,564 | 78,513 | 8.9% |
| Bonds | 341,079 | 64,443 | 405,522 | 49.1% | 446,527 | 3,685 | 450,212 | 50.8% |
| Insurance policies | - | 3,680 | 3,680 | 0.4% | - | 3,447 | 3,447 | 0.4% |
| Deposits | 30,230 | 13,085 | 43,315 | 5.2% | 51,967 | 5,812 | 57,779 | 6.5% |
| Balanced funds | - | 234,074 | 234,074 | 28.3% | - | 136,399 | 136,399 | 15.4% |
| Real Estate | 10,237 | 34,921 | 45,158 | 5.5% | 9,576 | 42,601 | 52,177 | 5.9% |
| Derivatives | - | 26,008 | 26,008 | 3.1% | 130,119 | (23,594) | 106,525 | 12.0% |
| Other | 1,434 | - | 1,434 | 0.3% | 1,288 | - | 1,288 | 0.1% |
| **Total** | **401,695** | **424,565** | **826,260** | **100.0%** | **658,426** | **227,914** | **886,340** | **100.0%** |

The main risks to which the Group is exposed in relation to the pension funds are detailed as follows:

- volatility of the pension fund assets: in order to be able to balance liabilities, the investment strategy cannot limit its horizons exclusively to risk free assets. This implies that some investments, such as listed securities represent high volatility in the short-term, and this exposes the plans to the risk of short-term declines in asset values and consequently increased imbalances. However, this risk is mitigated by diversifying investments into numerous investment classes, through different investment managers, different investment styles and with exposures to multiple factors which are not perfectly correlated to each other. Moreover, the investments are continuously revised in response to market conditions, and adjusted in order to maintain the overall risk at appropriate levels;
- changes in bond yields and in expected inflation: expectations of falling bond yields and/or rising inflation lead to an increase in the value of liabilities. The plans reduce this risk through investments in liability hedging assets. In the UK, the protection provided by a portfolio of this type has been built up over recent years and, since the second quarter of 2014, has reached a coverage level of approximately 100% of the liabilities covered by assets;
- life expectancy: the increase in life expectancy leads to an increase in the value of the liabilities for defined benefit plans. The UK plans completed a process during the course of 2016 that allowed them, through so-called longevity swaps which were entered into with a pool of insurers, to cover approximately 100% of this risk. However, prudent assumptions are still used to assess residual risks and the adequacy of these assumptions is reviewed periodically.

In the UK the management of the plan assets has been delegated, under the supervision and within a precise mandate assigned by the Trustees, to a Fiduciary Manager who operates in accordance with a Liability Driven Investment (LDI) model, that is, using the liabilities as the benchmark, so as to be able to minimise the volatility (and therefore the risk) of the deficit, which has in fact been reduced by more than one third compared to the levels which existed prior to its introduction (at the beginning of 2011).

The key parameters of this mandate may be summarised as follows:

- a mix of assets that is managed dynamically over time rather than a fixed strategic allocation;
- hedged coverage of approximately 100%-115% (of the asset value) of the risk associated with interest rates and inflation - expressed as a percentage of the asset value - through the use of debt instruments (government securities) and derivatives;
- the management of exchange rate risk, with the objective of hedging at least 70% of the exposure to the foreign currencies in the portfolio, through the use of forward contracts.

In the UK, the funding arrangements and funding policies are reviewed every three years. The last review was completed in June 2024, and the next one will begin in April 2026. In the United States funding assessments are carried out on an annual basis.

In June 2023, the High Court of the United Kingdom, with the Virgin Media Limited vs NTL Pension Trustees II Limited and others judgment, and subsequently the Court of Appeal with the decision of July 25, 2024, established that certain amendments to the regulations for contracted-out UK pension funds introduced between April 6, 1997 and April 5, 2016 could be void if, at the time of their adoption, the actuarial confirmation required by the Pension Scheme Act 1993 had not been obtained.

In June 2025, the Government announced its intention to introduce new legislation, the 2025 Pension Schemes Bill, which would allow the pension schemes concerned to retrospectively obtain an actuarial confirmation certifying the compliance of the historical amendments with the prescribed standards. The bill is currently awaiting final approval, which is expected in spring 2026.

The Trustees of the UK pension fund have reviewed the matter with their legal advisors.

To date, the Group has no reason to believe that the amendments made to the plans during the 1997-2016 period did not receive or are not able to receive the appropriate actuarial certification, although a detailed analysis has not been carried out (an approach followed by the majority of the sponsors of pension funds in the UK). Therefore, the Group don't have deemed it appropriate to reflect additional contingent liabilities in relation to pension funds.

## EMPLOYEES' LEAVING INDEMNITIES (TFR)

**Movements for the year** in the Provision for employees' leaving indemnities were as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Opening balance** | **20,978** | **19,830** |
| Movements through Income Statement: | | |
| - current service cost | 270 | 155 |
| - interest expense | 767 | 769 |
| Remeasurements recognised in equity: | | |
| - actuarial (gains) / losses arising from changes in demographic assumptions | 225 | - |
| - actuarial (gains) / losses from changes in financial assumptions | (366) | 231 |
| - effect of experience adjustments | 108 | 1,281 |
| Liquidation/advances | (1,168) | (1,140) |
| Change in consolidation scope | 796 | - |
| **Other** | **(221)** | **(148)** |
| **Closing balance** | **21,388** | **20,978** |

The current service cost, for services rendered by employees, is included under *"Personnel Expenses"* (Note 32) and interest payables are included under *"Financial Expenses"* (Note 38).

## HEALTHCARE PLANS

This item refers exclusively to the healthcare plan in place in the United States.

(in thousands of euro)

| | USA |
|---|---|
| Liabilities recognised in the Financial Statements at 12/31/2025 | 9,810 |
| Liabilities recognised in the Financial Statements at 12/31/2024 | 11,434 |

Movements for the period were as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| **Opening balance** | **11,434** | **12,079** |
| Translation differences | (1,312) | 712 |
| Movements through Income Statement: | | |
| - current service cost | 1 | 1 |
| - interest expense | 532 | 544 |
| *Remeasurements recognised in equity:* | | |
| - actuarial / (gains) losses from changes in financial assumptions | 274 | 1 |
| - effect of experience adjustments | (342) | (904) |
| Contributions/benefits paid | (777) | (999) |
| **Closing balance** | **9,810** | **11,434** |

The service cost is included under *"Personnel Expenses"* (Note 32), and interest payables are included under *"Financial Expenses"* (Note 38).

The contributions which are expected to be paid into the healthcare plan during the 2026 financial year, amount to euro 1,190 thousand.

## ADDITIONAL INFORMATION ON POST-EMPLOYMENT BENEFITS

Net actuarial losses accrued during 2025 and recorded directly in Other Comprehensive Income amounted to euro 5,398 thousand, (net actuarial losses for 2024 had amounted to euro 38,637 thousand).

The main actuarial assumptions used at **December 31, 2025** were the following:

| | Italy | Germany | UK | USA | Switzerland |
|---|---|---|---|---|---|
| Discount rate | 3.60% | 3.85% | 5.50% | 4.85% | 1.30% |
| Inflation rate | 1.90% | 2.25% | 3.18% | N/A | 0.75% |

The main actuarial assumptions used at **December 31, 2024** were the following:

| | Italy | Germany | Sweden | UK | USA | Switzerland |
|---|---|---|---|---|---|---|
| Discount rate | 3.25% | 3.35% | 3.40% | 5.60% | 5.30% | 0.95% |
| Inflation rate | 2.00% | 2.00% | 1.80% | 3.37% | N/A | 0.75% |

The following table presents an analysis of the payment deadlines relative to post-employment benefits:

(in thousands of euro)

| | within 1 year | 1 to 2 years | 3 to 5 years | 6 to 10 years | Total |
|---|---|---|---|---|---|
| Pension funds | 59,652 | 59,966 | 184,588 | 311,726 | 615,932 |
| Employees' leaving indemnities (TFR) | 2,217 | 2,402 | 7,386 | 9,199 | 21,204 |
| Healthcare plans | 1,190 | 1,147 | 3,123 | 3,964 | 9,424 |
| **Total** | **63,059** | **63,515** | **195,097** | **324,889** | **646,560** |

The weighted average duration of post-employment benefit obligations equalled 11.00 years for pension funds (10.85 years at December 31, 2024), 4.83 years for employees' leaving indemnities (6.52 years at December 31, 2024) and 6.30 years for medical assistance plans (6.52 years at December 31, 2024).

The following table shows a sensitivity analysis for the relevant actuarial assumptions at the end of the financial year:

(in %)

| | Impact on post employment benefits | | | | |
|---|---|---|---|---|---|
| | Change in assumptions | Increase in assumptions | | Decrease in assumptions | |
| Discount rate | 0.25% | decrease of | 2.47% | increase of | 2.59% |
| Inflation rate (only UK plans) | 0.25% | increase of | 1.91% | decrease of | 1.90% |

At the end of the 2024 financial year, the situation was as follows:

(in %)

| | Impact on post employment benefits | | | | |
|---|---|---|---|---|---|
| | Change in assumptions | Increase in assumptions | | Decrease in assumptions | |
| Discount rate | 0.25% | decrease of | 2.50% | increase of | 2.64% |
| Inflation rate (only UK plans) | 0.25% | increase of | 1.94% | decrease of | 1.91% |

The sole purpose of the above analysis is to estimate the change in the liabilities as the discount rates and the inflation rate in the United Kingdom vary in proximity to the central assumption on such rates, rather than to refer to an alternative set of assumptions.

This sensitivity analysis on the liability for post-employment benefits is based on the same methodology used to calculate the liability recognised in the Financial Statements.

## OTHER LONG-TERM BENEFITS

The composition of other benefits was as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Long Term Incentive plans | 30,216 | 32,403 |
| Jubilee awards and other long-term benefits | 45,115 | 44,554 |
| Leaving indemnities | 11,016 | 11,094 |
| **Total** | **86,347** | **88,051** |

The item **Long-Term Incentive Plans** refers to the amount allocated for the 2024-2026 and 2025-2027 three-year monetary LTI Plans for the Group's management, while the portion related to the 2023-2025 Plan was reclassified from provisions for employee benefit obligations to payables to employees under the item *"Other Payables"* (Note 26), to the amount of euro 14,643 million, as it will be settled during the first half-year of 2026. It should be noted that the existing incentive plans are based on a *"rolling"* mechanism (a new three-year Incentive Plan will therefore be reintroduced each year). For further details, reference should be made to the Remuneration Report in the 2025 Annual Report.

# 24. BORROWINGS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Borrowings from banks and other financial institutions were as follows:

(in thousands of euro)

| | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | **Total** | **Non-current** | **Current** | **Total** | **Non-current** | **Current** |
| Bonds | 1,192,425 | 1,192,425 | - | 1,679,980 | 1,189,839 | 490,141 |
| Borrowings from banks | 1,208,380 | 1,197,849 | 10,531 | 1,578,285 | 1,496,460 | 81,825 |
| Borrowings from other financial institutions | 53,255 | - | 53,255 | 27,820 | - | 27,820 |
| Lease liabilities | 458,305 | 356,087 | 102,218 | 485,628 | 380,467 | 105,161 |
| Accrued financial expenses and deferred financial income | 39,509 | - | 39,509 | 51,282 | 409 | 50,873 |
| Other financial payables | 5,922 | 831 | 5,090 | 6,460 | 1,423 | 5,037 |
| **Total** | **2,957,794** | **2,747,192** | **210,602** | **3,829,455** | **3,068,598** | **760,857** |

The item **bonds** refers to:

- the rated sustainability-linked bond loan the *"Bond SLB EUR 600m 4.25% due 01/28"* [ISIN: XS2577396430] with a nominal value of euro 600 million, placed on January 11, 2023 with international institutional investors, with a fixed coupon of 4.25% and maturing in January 2028. The transaction, fully classified under non-current financial payables, was issued as part of the EMTN Programme (Euro Medium Term Note Programme), and approved by the Board of Directors on February 23, 2022, and provides for a guarantee by Pirelli Tyre S.p.A. These securities are listed on the Luxembourg Stock Exchange. It is to be noted that the sustainability targets for 2025 (contractually specified) have been exceeded, and therefore, the coupon penalties provided for in the event of non-achievement of such targets do not apply, and therefore accordingly the applicable coupon will continue to be equal to 4.25% until the maturity of the instrument. At December 31, 2025, the rating assigned by the rating agency Fitch on this instrument was BBB, revised upwards in July 2024, while the rating assigned by the rating agency Standard & Poor's was BBB-;
- the rated sustainability-linked bond loan the *"Bond SLB EUR 600m 3.875% due 07/29"* [ISIN: XS2847641961] with a nominal value of euro 600 million, placed on July 2, 2024 with international institutional investors, with a fixed coupon of 3.875% and maturing in July 2029. The transaction, fully classified under non-current financial payables, was issued as part of the EMTN Programme (Euro Medium Term Note Programme), and provides for a guarantee by Pirelli Tyre S.p.A. These securities are listed on the Luxembourg Stock Exchange. The regulation governing these securities provides for a coupon increase of 0.25% for each of the two contractually stipulated sustainability parameters (linked to the Group's new sustainability targets that were validated by SBTi in September 2024), in the event that either of the respective targets is not met by 2027. At December 31, 2025, the rating assigned by the rating agency Fitch on this instrument was BBB, revised upwards in July 2024, while the rating assigned by the rating agency Standard & Poor's was BBB-;

It should also be noted that, at December 31, 2024, the item *"bonds"* included the non-interest-bearing senior unsecured guaranteed equity-linked bond (the *"convertible bond loan")* with a nominal value of euro 500 million. During the conversion period, conversion rights into the Company's shares were exercised for a nominal value of euro 496.5 million. To service the conversion, which took place at a value of euro 5.8493 per share, the Company issued a total of 84,881,933 new ordinary shares The remaining portion of the debt, amounting to euro 3.5 million, was repaid at maturity on December 22, 2025.

The **carrying amount for the item bonds** was determined as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Nominal value | 1,200,000 | 1,700,000 |
| Equity component of the convertible bond | - | (41,791) |
| Transaction costs | (9,298) | (16,048) |
| Bond discount | (3,780) | (3,780) |
| Amortisation of effective interest rate | 5,503 | 8,294 |
| Non-monetary interest convertible bond loan | - | 33,305 |
| **Total** | **1,192,425** | **1,679,980** |

The item **borrowings from banks**, which amounted to euro 1,208,380 thousand, is subdivided as follows:

(in thousands of euro)

| | | | | 12/31/2025 | | |
|---|---|---|---|---|---|---|
| | **Due Date** | **Interest rate** | **Nominal value** | **Balance** | **Non - current** | **Current** |
| Club Deal EUR 1.6bn ESG 2022 5y | 02/22/2027 | EURIBOR + spread | 600,000 | 599,348 | 599,348 | - |
| Club Deal EUR 600m ESG 2024 4.5y | 10/20/2028 | EURIBOR + spread | 600,000 | 598,501 | 598,501 | - |
| Borrowings from banks of foreign companies | | | | 10,531 | - | 10,531 |
| **Total borrowings from banks** | | | | **1,208,380** | **1,197,849** | **10,531** |

The item mainly refers to:

- the use of the *"Club Deal ESG 1.6bn ESG 2022 5y"* financing by Pirelli & C. S.p.A. to the amount of euro 599,348 thousand, and classified under non-current financial payables. This financing facility, with a floating interest rate (EURIBOR + spread), is guaranteed by Pirelli Tyre S.p.A, and was signed on February 21, 2022, with a pool of leading Italian and international banks, with a five-year maturity. This facility, which is parameterised to the Group's ESG objectives, consists of three tranches totalling euro 1.6 billion, distributed as follows:
  - the Pirelli & C. S.p.A. term loan with a nominal value of euro 600,000 thousand which was fully utilised and a revolving cash credit facility for euro 100,000 thousand, which at December 31, 2025 had not been utilised;
  - the Pirelli International Treasury S.p.A. revolving cash credit facility for euro 900,000 thousand, which at December 31, 2025 had not been utilised.

It should be noted that following the most recent reporting for the sustainable KPIs and having achieved the targets for the year, the Group is benefiting from the related incentives to reduce the cost of the credit facility;

- the "*Club Deal EUR 600m ESG 2024 4.5y"* financing for euro 598,501 thousand, related to the euro 600 million credit facility at a floating rate (EURIBOR + spread), guaranteed by Pirelli Tyre S.p.A., and signed on March 22, 2024 with a pool of leading Italian and international banks, and maturing in four and a half years. This financing - classified under non-current financial payables - is parameterised to some of the Group's sustainability targets, and as of June 2025, the Group began to benefit from the related incentives to reduce the cost of the credit facility;
- The item *"Borrowings from banks of foreign companies"* includes the use, classified under current borrowings from banks, of credit facilities granted to subsidiaries in Brazil to the amount of euro 3,489 thousand (euro 31,007 thousand at December 31, 2024), in Turkey to the amount of euro 2,965 thousand (euro 27,861 thousand at December 31, 2024), and in China to the amount of euro 2,301 thousand (euro 17,751 thousand at December 31, 2024).

It should also be noted that at December 31, 2025, Pirelli & C. S.p.A. has in place a committed revolving credit facility, the *"Club Deal EUR 500m ESG 2023 4y RCF"* for euro 500 million with a select pool of international banks, maturing in December 2027, guaranteed by Pirelli Tyre S.p.A. and parameterised to the Group's new sustainability targets. As of June 2025, the credit facility started to benefit from cost reduction incentives related to the achievement of the Group's sustainability targets. At December 31, 2025, the credit facility was unutilised.

It is also noted, lastly, that, at December 31, 2024, the item *"Borrowings from banks"* included the financing *"ESG Bilateral 300m 2023 2.5Y facility"* for a nominal amount of euro 300 million, which was fully repaid in advance during the course of 2025.

At December 31, 2025, the Group had a liquidity margin of euro 3,105,790 thousand, calculated as the sum of cash and cash equivalents which equalled euro 1,525,886 thousand, other current financial assets at fair value through the Income Statement to the amount of euro 79,904 thousand and unutilised committed credit facilities to the amount of euro 1,500,000 thousand. The above-mentioned liquidity margin guarantees coverage for maturities for financial debt, to beyond the third quarter of 2029.

As regards **lease liabilities**, the change compared to the previous financial year refers to the payment of lease instalments, which was partially offset mainly by the remeasurement of existing contracts.

Non-discounted future payments for lease contracts, for which the exercise of extension options is not considered to be reasonably certain, and which were therefore not included in the item lease liabilities, amounted to euro 127,439 thousand (euro 145,379 thousand at December 31, 2024).

**Accrued financial expenses and deferred financial income** (euro 39,509 thousand), mainly refers to accrued interest on bond loans to the amount of euro 35,969 thousand (euro 35,972 thousand at December 31, 2024), and to accrued interest on borrowings from banks to the amount of euro 1,804 thousand (euro 13,533 thousand at December 31, 2024).

The **change in total borrowings from banks and other financial institutions for 2025** is composed as follows:

(in thousands of euro)

| | |
|---|---|
| **Borrowings from banks and other financial institutions at December 31, 2024** | **3,829,455** |
| Repayment of "Bilateral 300m ESG 2023 2,5y" financing | (300,000) |
| Repayment of "senior unsecured guaranteed equity-linked bond" | (3,500) |
| Financial inflows for the local credit facilties of Group companies | 23,934 |
| Financial outflows for the local credit facilties of Group companies | (90,145) |
| Repayment of lease liabilities | (135,128) |
| **Monetary changes** | **(504,839)** |
| Amortised cost for the period | 13,649 |
| Conversion of "senior unsecured guaranteed equity-linked bond" | (496,500) |
| Translation differences and other changes for the period | (22,536) |
| Increases in lease liabilities | 93,792 |
| Remeasurement and early termination | 44,772 |
| **Non-monetary changes** | **(366,822)** |
| **Borrowings from banks and other financial institutions at December 31, 2025** | **2,957,794** |

The **change in total borrowings from banks and other financial institutions for 2024** is composed as follows:

(in thousands of euro)

| | |
|---|---|
| **Borrowings from banks and other financial institutions at December 31, 2023** | **3,964,205** |
| Repayment of "Club Deal EUR 800m ESG 2020 5y" financing | (800,000) |
| Bond repayment "Schuldschein" | (20,000) |
| Repayment of "Bilateral EUR 400m ESG 2021 3y" financing | (400,000) |
| Transaction costs | (9,353) |
| Issuance of "Club Deal EUR 600m ESG 2024 4,5y" financing | 600,000 |
| Issuance of "SLB EUR 600m 3.875% due 07/29" | 600,000 |
| Financial inflows for the local credit facilties of Group companies | 122,888 |
| Financial outflows for the local credit facilties of Group companies | (268,450) |
| Repayment of lease liabilities | (128,929) |
| **Monetary changes** | **(303,844)** |
| Amortised cost for the period | 15,036 |
| Translation differences and other changes for the period | 11,430 |
| Increases in lease liabilities | 112,948 |
| Remeasurement and early termination | 29,680 |
| **Non-monetary changes** | **169,094** |
| **Borrowings from banks and other financial institutions at December 31, 2024** | **3,829,455** |

At December 31, 2025, there were no financial payables secured by collateral guarantees (pledges and mortgages).

For current financial payables, with the exception of lease liabilities, it is considered that their carrying amount approximates their relative fair value.

For non-current financial payables, their fair value is shown below, compared with their carrying amount:

(in thousands of euro)

| | 12/31/2025 | | 12/31/2024 | |
|---|---|---|---|---|
| | **Carrying amount** | **Fair value** | **Carrying amount** | **Fair value** |
| Bonds | 1,192,425 | 1,233,570 | 1,189,840 | 1,237,350 |
| Borrowings from banks | 1,197,849 | 1,213,083 | 1,496,460 | 1,522,611 |
| Accrued financial expenses and deferred financial income | - | - | 409 | 409 |
| Other financial payables | 831 | 831 | 1,423 | 1,423 |
| **Total** | **2,391,105** | **2,447,484** | **2,688,132** | **2,761,793** |

The fair value of the two rated sustainability-linked bonds issued by Pirelli & C. S.p.A. under the EMTN programme and guaranteed by Pirelli Tyre S.p.A., are listed and therefore were measured with reference to year-end prices. The fair values are classified as level 1 of the hierarchy provided for by IFRS 13 - Fair Value Measurement.

The fair value of borrowings from banks, was calculated by discounting each expected debt cash flow at the market swap-rate for the currency and the relevant maturity date, increased by the Group's credit rating for other debt instruments that are similar in nature and technical characteristics, and therefore rank in level 2 of the hierarchy as provided for by IFRS 13 - Fair Value Measurement.

The **apportionment of borrowings from banks and other financial institutions according to the currency of origin of the debt**, was as follows:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| EUR | 2,771,898 | 3,413,219 |
| BRL (Brasilian Real) | 48,013 | 76,646 |
| USD (US Dollar) | 43,574 | 33,299 |
| CNY (Chinese Renminbi) | 20,357 | 57,600 |
| GBP (British Pound Sterling) | 19,980 | 148,134 |
| TRY (Turkish Lira) | 13,474 | 29,600 |
| CAD (Canadian Dollar) | 12,435 | 6,596 |
| SEK (Swedish Krona) | 7,132 | 38,189 |
| RUR (Russian Rouble) | 3,233 | 1,879 |
| AUD (Australian Dollar) | 696 | 9,933 |
| Other currencies | 17,002 | 14,359 |
| **Total** | **2,957,794** | **3,829,455** |

At December 31, 2025, there were outstanding interest rate derivatives on some floating-rate debt. Considering the effects of hedging derivatives, the Group's exposure to changes in interest rates on financial payables, both in terms of the type of interest rate and in terms of the date of the renegotiation (resetting) of the same, was subdivided between:

- floating rate payables to the amount of euro 703,725 thousand;
- fixed rate payables to the amount of euro 2,153,567 thousand, (euro 1,695,262 thousand excluding lease liabilities), whose interest rate is not subject to any reset until the natural maturity of the debt to which it refers (euro 105,707 thousand with maturity in the next twelve months and euro 2,047,860 thousand euro with maturity beyond twelve months).

At December 31, 2025, the **cost of debt**, calculated as the average cost of debt for the last twelve months, stood at 4.40%, and had decreased compared to 5.06% at December 31, 2024. This decrease was mainly due to the aforementioned fall in interest rates in the Eurozone, which benefited the portion of floating-rate debt, to a reduction in margins on credit facilities following the upgrade in the credit rating awarded by the Fitch agency in July 2024, and lastly due to a lower incidence of financial debt in countries with high interest rates.
With reference to the presence of financial covenants, it should be noted that two bank facilities held by the Russian subsidiary LLC *"Pirelli Tyre Russia"* carry the following financial covenants:

a. Facility 1 unutilised at 12/31/2025: a maximum ratio between the net debt and the gross operating margin, and a maximum ratio of net debt to equity;
b. Facility 2 unutilised at 12/31/2025: a maximum ratio between the net debt and the gross operating margin, and a maximum ratio between short-term debt plus interest paid and the gross operating margin.

The failure to comply with the above-mentioned financial covenants is identified as an event of default or non-performance.
Specifically, an event of default or non-performance shall have as its sole consequence the termination of the contract and the mandatory early repayment of the financing. It should be noted that at December 31, 2025, no event of default or non-performance event had occurred.

With regard to other financial payables, at December 31, 2025, the Group was not subject to financial covenants.

The *"Club Deal EUR 16bn ESG 2022 5y", the "Club Deal EUR 500m ESG 2023 4y RCF", the "Club Deal EUR 600m ESG 2024 4.5y",* the *"Bond SLB EUR 600m 4.25% due 01/28"* and the *"Bond SLB EUR 600m 3.875% due 07/29"* include Negative Pledge clauses and other customary provisions whose terms are in line with the market standards for each of the above-mentioned types of financial instrument.

## 25. TRADE PAYABLES

Trade payables were composed as follows:

(in thousands of euro)

| | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Total | Non-current | Current | Total | Non-current | Current |
| Trade payables | 1,934,282 | - | 1,934,282 | 1,948,169 | - | 1,948,169 |
| Bill and notes payable | 148,160 | - | 148,160 | 133,448 | - | 133,448 |
| **Total** | **2,082,442** | **-** | **2,082,442** | **2,081,617** | **-** | **2,081,617** |

For trade payables, it is considered that their carrying amount approximates their relative fair value.
Trade payables accounted for 30.7% of sales, essentially in alignment with the percentage at December 2024 (30.7%).
It should be noted that the Group has commercial agreements in place with certain suppliers which provide for the deferral of payment terms, as part of the normal management and optimisation of working capital, mainly in Brazil. The value, at December 31, 2025, of the trade payables subject to rescheduling under these agreements, amounted to euro 235.4 million.

## 26. OTHER PAYABLES

Other payables were as follows:

(in thousands of euro)

| | 12/31/2025 | | | 12/31/2024 | | |
|---|---|---|---|---|---|---|
| | Total | Non-current | Current | Total | Non-current | Current |
| Accrued expenses and deferred income | 58,911 | 36,523 | 22,389 | 64,941 | 43,392 | 21,549 |
| Tax payables not related to income taxes | 84,595 | 8,331 | 76,264 | 94,166 | 8,954 | 85,212 |
| Payables to employees | 168,818 | 1,874 | 166,945 | 173,408 | 1,532 | 171,876 |
| Payables to social security and welfare intitutions | 76,849 | 30,520 | 46,329 | 74,004 | 25,198 | 48,806 |
| Dividends approved | - | - | - | 81 | - | 81 |
| Contract liabilities | 12,527 | 9 | 12,518 | 6,161 | 10 | 6,151 |
| Other payables | 51,941 | 798 | 51,143 | 59,930 | 861 | 59,069 |
| **Total Other payables** | **453,641** | **78,055** | **375,586** | **472,691** | **79,947** | **392,744** |

**Accrued expenses and deferred income** - non-current refers to euro 34,463 thousand in capital contributions received for investments made mainly in Romania, whose benefits are recognised in the Income Statement in proportion to the costs for which the contribution was disbursed.

**Accrued expenses and deferred income** - current includes euro 16,262 thousand in public grants and tax incentives received mainly in Italy and Romania, and euro 1,442 thousand for insurance coverage costs in some countries in the European region.

The item **tax payables not related to income taxes** is mainly comprised of IVA (value added tax) payables and other indirect taxes, withholding taxes for employees and other taxes not related to income taxes.

The item **payables to employees** mainly includes amounts matured during the period but not yet paid.

The item **contract liabilities** from contracts with customers, refers to advance payments received from customers for which the performance obligation had not yet been completed, pursuant to the provisions of IFRS 15.

The item **other payables** (euro 51,941 thousand) mainly includes:

- → euro 16,093 thousand in payables to Directors, Auditors and supervisory bodies;
- → euro 9,570 thousand in payables to representatives, agents, professionals and consultants;
- → euro 7,310 thousand for payables related to customs duties, import and transport costs.

## 27. TAX PAYABLES

**Tax payables** were for the most part for national and regional income taxes in different countries and amounted to euro 136,383 thousand, (of which euro 4,087 thousand was for non-current payables), compared to euro 67,151 thousand at December 31, 2024, (of which euro 4,001 thousand was for non-current payables). Income tax payables included the assessments made by Management, regarding any potential effects of uncertainty in the treatment of income taxes.

## 28. DERIVATIVE FINANCIAL INSTRUMENTS

The item includes the fair value measurement of derivative instruments. The **details** are as follows:

(in thousands of euro)

| | 12/31/2025 | | | | 12/31/2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Non-current assets** | **Current assets** | **Non-current liabilities** | **Current liabilities** | **Non-current assets** | **Current assets** | **Non-current liabilities** | **Current liabilities** |
| **Derivative Financial Instruments not in Hedge Accounting** | | | | | | | | |
| Foreign exchange derivatives - commercial positions | | 5,747 | | (2,922) | | 5,746 | | (5,313) |
| Foreign exchange derivatives - included in net financial position | | 3,618 | | (2,648) | | 16,577 | | (3,503) |
| Other derivatives | | 13,900 | | | | | | |
| **Derivative Financial Instruments in Hedge Accounting** | | | | | | | | |
| **- cash flow hedge:** | | | | | | | | |
| Foreign exchange derivatives - commercial positions | | | | (564) | | | | (1,305) |
| Interest rate derivatives - included in net financial position | | 507 | | | 4,326 | | | |
| Other derivatives | | 1,777 | | | | | | |
| | **-** | **25,549** | **-** | **(6,134)** | **4,326** | **22,323** | **-** | **(10,121)** |
| 'Total derivatives included in net financial position | - | 4,125 | - | (2,648) | 4,326 | 16,577 | - | (3,503) |

## DERIVATIVE FINANCIAL INSTRUMENTS NOT IN HEDGE ACCOUNTING

The value of **foreign exchange derivatives** included in current assets and liabilities corresponds to the fair value measurement of forward foreign exchange buy/sell contracts outstanding at the closing date for the period. These are transactions which mirror the commercial and financial transactions of the Group, and for which the hedge accounting option has not been adopted. Their fair value was determined by using the forward exchange rate at the reporting date.

The value of the **other derivatives**, recognised under current assets to the amount of euro 13,900 thousand, corresponds to the fair value of a Call Option held by Pirelli Tyre S.p.A. to increase its ownership stake in the Chinese joint venture, the Xushen Tyre (Shanghai) Co., Ltd. This option will allow for the acquisition of an additional stake in the aforementioned company on favourable financial terms and is exercisable by March 31, 2026 (Note 12 *"Investments in associates and joint ventures"*).

## DERIVATIVE FINANCIAL INSTRUMENTS IN HEDGE ACCOUNTING

The value of **interest rate derivatives** recognised under current assets to the amount of euro 507 thousand, refers to the fair value of five interest rate swaps used to hedge the following financing contracts:

| Derivative | Hedged element | Notional amount (Millions of EUR) | Start date | Maturity | |
|---|---|---|---|---|---|
| IRS | Club Deal EUR 1,6 bln. ESG 2022 5y | 500.0 | February 2023 | February 2026 | recesive floating / pay fixed |

Cash flow hedge accounting was adopted for these derivatives. The object of the hedge is the future interest flows on floating-rate liabilities in EUR.

The change in the fair value for the period was positive to the amount of euro 460 thousand. This change was entirely suspended under Other Comprehensive Income.

Income to the amount of euro 9,750 thousand was reversed to the Income Statement under the item *"Financial Expenses"* (Note 38), to correct the financial expenses recognised on the hedged liability. This amount was mainly composed of:

- → euro 4,278 thousand in interest receivables on the IRS in hedge accounting;
- → euro 5,472 thousand, corresponding to the annual portion of the positive cash flow hedge reserve accrued on certain IRS contracts early terminated in 2022. This amount adjusts the finance costs of the related hedged item, namely a sustainabilitylinked bond issued in January 2023 and maturing in January 2028, with a total nominal amount of euro 600 million.

A change of +0.5% / -0.5% in the EURIBOR curve, all other conditions being equal, would result in an immaterial change in the Group's equity.

Hedging relationships relative to any IRS are considered prospectively effective when the following conditions are met:

- → there exists a financial relationship between the hedging instrument and the hedged item, in that the characteristics of the hedging instrument (the nominal interest rate, the reset of the interest rate and the frequency of interest liquidation), are substantially aligned with those of the hedged item. As a consequence, any changes in the fair value of the hedging instrument regularly offsets that of the hedged item;
- → the effect of credit risk is not dominant within the hedging relationship: under the Group's operating regulations, derivatives are traded only with counter-parties with a high credit standing, and the credit quality of the portfolio of outstanding derivatives is constantly monitored;
- → the designated hedge ratio is aligned with that used for financial risk management purposes and is equal to 100% (1:1).

The ineffectiveness of the hedging relationship is calculated at each reporting date using the Dollar Offset method, which involves comparing any changes in the risk-adjusted fair value of the hedging instrument with changes in the risk-free fair value of the hedged item, by identifying a hypothetical derivative with the same characteristics as the underlying financial liability.
The possible causes of ineffectiveness are as follows:

- → the application of credit risk adjustments only to the hedging instrument but not to the hedged item;
- → the hedged item incorporates a floor that is not reflected in the hedging instrument;
- → the misalignment between the effective contractual conditions of the future transaction and those of the hedging instrument.

At December 31, 2025, no instances of ineffectiveness had occurred.

The value of the **other derivatives**, recognised under current assets to the amount of euro 1,777 thousand, includes the fair value of 4,035 commodity futures contracts for natural rubber:

| Derivative | Hedged element | Notional amount (tonnes) | Start date | Maturity |
|---|---|---|---|---|
| Future | Natural rubber future purchases | 20,175 | February 2026 | May 2026 |

Cash flow hedge accounting was adopted for these derivatives. The object of the hedge is the risk of price variability in the future purchases of natural rubber.

The change in the fair value for the period was positive to the amount of euro 2,839 thousand. This change was entirely suspended under Other Components of the Comprehensive Income Statement.

Earnings of euro 837 thousand were reversed to the Income Statement under the item *"Raw materials and consumables used (net of the change in inventories)".*

The only potential source of ineffectiveness in the designated hedge relationships is the possibility of over-hedging, which could occur when the actual volumes of natural rubber purchases are lower than those hedged; however, based on current risk management policies, only approximately 50% of the projected exposure in the budget is hedged through Commodity Futures, and therefore over-hedging is considered a remote event. The change in the fair value related to previous overhedging amounts suspended in the cash flow hedge reserve is immediately reclassified to the Income Statement, without any adjustment to the costs of raw materials. At December 31, 2025, no situations of over-hedging were in place.

The actual quantities of natural rubber purchased are measured and monitored on a quarterly basis in order to assess the effectiveness of the designated hedge relationships and identify any overhedging situations. This quarterly monitoring also supports the demonstration of the high probability requirement under IFRS 9 for transactions designated as hedged items.

# 29. COMMITMENTS AND RISKS

## COMMITMENTS FOR THE PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The commitments to purchase property, plant and equipment and intangible assets amounted to euro 181,212 thousand and euro 1,047 thousand respectively, and refer mainly to subsidiaries in Romania, Mexico, Germany, Brazil and Italy.

## COMMITMENTS FOR LEASE CONTRACTS

At December 31, 2025, the total amount for non-discounted future payments for lease contracts not yet in force and against which no financial debt has been recognised, amounted to euro 14,970 thousand, and mainly refers to lease contracts for two warehouses in Germany and for plant and machinery for the testing centre in Sweden.

## COMMITMENTS FOR FUTURE CAPITAL SUBSCRIPTIONS

These refer to the commitment by Pirelli Tyre S.p.A. to subscribe the share capital of the joint venture the Middle East and North Africa Tyre Company for the remaining total amount in Saudi riyals, equal to the equivalent of approximately US$ 15 million.

## COMMITMENTS FOR THE PURCHASE OF TAX CREDITS

These refer to the commitment by Pirelli & C. S.p.A. and some of its Italian subsidiaries to purchase an amount of tax credits (the so-called *"Superbonus Credits"*) for the 2025-2027 three-year period, from a bank of the highest credit standing, for a total residual amount of euro 340 million, with a near-immediate use to offset various types of tax and social security liabilities.

## OTHER RISKS

### LITIGATION AGAINST COMPANIES OF THE PRYSMIAN GROUP

In 2024, Pirelli and Prysmian filed an appeal before the Court of Appeal of Milan against the judgment of the Court of Milan published in May 2024, concerning the ongoing dispute between them.

The Court had established that Pirelli and Prysmian Cavi e Sistemi S.r.l. (*"Prysmian CS"*) were to jointly bear, in equal measure, the European Commission's sanction (already paid by these parties) as well as any damages that they may be ordered to pay jointly and severally in the follow-on proceedings brought by Terna, leaving it to the national courts in the other follow-on proceedings to determine the allocation of any damages (see below - *Other Disputes Consequent to the Decision of the European Commission*) and rejecting the respective claims for full indemnity brought by the parties.

In March 2026, the judgment of the Court of Appeal of Milan was published, which confirmed the first instance judgment, rejecting the appeals filed by both parties. The filing of an appeal before the Court of Cassation is currently under evaluation.

This dispute is a consequence of the decision issued on April 2, 2014 by the European Commission (later confirmed in the final instance by the Court of Justice of the European Union on October 28, 2020) at the conclusion of the antitrust investigation into restrictive conduct in the European high voltage electrical cable market. The Commission's decision had imposed a sanction on Prysmian CS, as it was directly involved in the cartel, a portion of which (euro 67 million) Pirelli, despite not having been found to be directly involved in the activities of the cartel, had been held to be jointly and severally liable with Prysmian CS, based solely on the application of the EU principle, the so-called *"parental liability",* since during part of the period of the infraction, the share capital of the current Prysmian CS was held, either directly or indirectly by Pirelli.

On December 31, 2020, Pirelli proceeded to pay its share of the aforementioned sanction to the European Commission (corresponding to 50% of the sanction, plus interest), for which it had previously made appropriate provisions.

Pending the resolution of the aforementioned European Union Court proceedings, in 2014 and 2019, Pirelli brought two proceedings before the Court of Milan, against Prysmian CS (the first) and against Prysmian CS and Prysmian S.p.A., (the second) to obtain, in addition to the reimbursement of the sanction imposed by the European Commission, a ruling requiring that these parties hold Pirelli harmless and indemnified from any liability, expenses, costs, and/or damages arising from claims by third parties, whether public or private, in connection with and/or consequential to the facts that are the subject of the European Commission's decision.

Pirelli has also requested that the liabilities of Prysmian CS and Prysmian S.p.A. be determined in relation to certain unlawful conduct connected with the aforesaid anti-competitive cartel put in place by them and, as a consequence, be ordered to pay compensation for all damages suffered and to be suffered by Pirelli.

Prysmian CS and Prysmian S.p.A. entered an appearance in the above proceedings, seeking the dismissal of Pirelli's claims and, by way of a counter-claim, to be held harmless and indemnified by Pirelli against any consequences arising from claims by private and/or public third parties relating to, connected with and/or consequential to the facts that are the subject of the decision of the European Commission.

In April 2021, the two lawsuits (that of 2014 and that of 2019) were joined, and, in 2022, two segments of the proceedings brought by Terna S.p.A. - Rete Elettrica Nazionale ("Terna"), against amongst others, Pirelli, Prysmian CS and Prysmian S.p.A., were also joined. With regard to these segments, Pirelli, on the one hand, and Prysmian CS and Prysmian S.p.A., on the other, have submitted reciprocal indemnity claims with regard to what they were ordered to pay to Terna (refer to the section below - Other Disputes Consequent to the Decision of the European Commission).

Based on careful analyses supported by authoritative external legal opinions, the assessment of the risk related to the disputes described above is such as to not require the allocation of any specific provision in the Consolidated Financial Statements at December 31, 2025.

## OTHER DISPUTES CONSEQUENT TO THE DECISION OF THE EUROPEAN COMMISSION (FOLLOW-ON)

In November 2015, a number of companies of Prysmian Group served Pirelli with a summons in a lawsuit for the compensation of damages brought before the London High Court of Justice against them and other defendants of the Decision of the European Commission of April 2, 2014, by National Grid and Scottish Power, the companies who claim to have been harmed by the cartel. Specifically, the companies of the Prysmian Group have requested that Pirelli, by reason of its role as Parent Company for part of the period of the cartel, hold them harmless with respect to any obligations to pay damages (to date unquantifiable) to the National Grid and Scottish Power. As the aforementioned action, brought before the Court of Milan in November 2014, is still pending, Pirelli has challenged the lack of jurisdiction of the London High Court of Justice claiming that, any decision on the merits must be referred to the Court that had previously heard the case. In April 2016, the High Court of Justice, at the request of Pirelli and the companies in the Prysmian Group, suspended the lawsuit against Pirelli until final judgement is passed, that would settle the already pending Italian proceedings.

In April 2019, Terna filed a lawsuit before the Court of Milan, jointly and severally, against Pirelli, three Prysmian Group companies and another company named in the aforementioned European Commission decision, in order to obtain compensation for the damage allegedly suffered as a consequence of the anti-competitive conduct, currently quantified by the plaintiff as totalling euro 199.9 million. Pirelli entered the proceedings, disputing Terna's claims, and similar to the other defendants and against them, filed a counter-claim for recourse in the unlikely event that it is held jointly and severally liable for the anti-competitive cartel.

In October 2021, the Judge dismissed from the proceedings, the portion of the litigation consisting of the cross indemnity claims between Pirelli, on the one hand, and Prysmian CS and Prysmian S.p.A., on the other, ordering that it be joined with the litigation pending between the two parties before the Court of Milan (refer to the section above - *Litigation against Companies of the Prysmian Group*).

Lastly, also in April 2019, the Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, served a writ of summons against Pirelli, some of the Prysmian Group companies and other defendants in the aforementioned decision of the European Commission, suing them jointly and severally to obtain compensation for the damages allegedly suffered as a result of the alleged anti-competitive conduct for the total amount of euro 472 million, which was quantified during the course of the proceedings. These proceedings were brought before the Court of Amsterdam, which with its ruling dated November 25, 2020, upheld the objection raised by Pirelli and excluded its own jurisdiction over Pirelli. In February 2021, the plaintiffs appealed against this ruling before the Amsterdam Court of Appeal, proceedings that have to date been suspended, following an incidental question raised by the Amsterdam Court of Appeal itself before the Court of Justice of the European Union.

Based on careful analyses supported by authoritative external legal opinions, the assessment of the risk related to the disputes described above is such as to not require the allocation of any specific provision in the Consolidated Financial Statements at December 31, 2025.

## US CLASS ACTIONS

On January 30, 2024, the European Commission announced the opening of an investigation against certain tyre manufacturers active in the European Economic Area, for alleged violations of the European Union competition laws, through the possible collusion of prices for new replacement tyres for cars and trucks, to be sold in the European Economic Area. At the same time, the Commission has conducted inspections at the offices of the aforementioned tyre manufacturers, including those of Pirelli. The latter confirmed the probity of its operations and to have always acted in compliance with the applicable antitrust laws and regulations.

Following the European Commission's announcement of the aforementioned actions, in February 2024, a number of class action suits - later merged into a single proceeding - were commenced before the US Courts, relating to alleged similar issues that allegedly occurred in the United States. The claims for damages have not been quantified.

In February 2025, the Federal Court of Ohio, before which these class actions had been joined, dismissed the Plaintiffs' appeal in its entirety, granting the Plaintiffs time to file a new complaint based on different arguments, which was filed in April 2025.

In March 2026, the first instance judge issued a decision definitively dismissing ("with prejudice") all claims of the plaintiffs.

Based on the assessment carried out, supported, by authoritative external legal opinions, Pirelli, also in light of the limited information available to date, did not consider it necessary to recognise any specific provision in the Consolidated Financial Statements at December 31, 2025.

## TAX DISPUTES

The subsidiaries Pirelli Pneus Ltda., Pirelli Comercial de Pneus Brasil Ltda. and Pirelli Neumaticos SAIC, with headquarters in Brazil and in Argentina, are involved in various tax disputes and proceedings. The most significant are described below:

## BRAZIL - LITIGATION CONCERNING THE IPI TAX RATE APPLICABLE TO SPECIFIC TYPES OF TYRES

Pirelli Pneus Ltda. is party to a tax dispute with the Brazilian tax authorities concerning the IPI tax rate (Imposto sobre Produtos Industrializados or tax on industrialised products) specifically concerning the tax rate applicable to the production and importation of tyres for the Sports Utility Vehicle (*"SUV"*), vans and other light industrial transportation vehicles (such as, for example, trucks). According to statements by the Brazilian tax authorities in the tax assessment notices issued during the course of 2015, 2017 and 2021, the aforementioned tyres should have been subjected to the IPI tax rate for the production and importation of tyres for cars – with an

applicable rate of 15% - instead of the 2% rate applied by Pirelli Pneus Ltda., as is required for the production and importation of tyres destined for heavy industrial use vehicles. To date, the dispute is pending before the competent tax commissions and the Group believes it has a good chance of winning in court. This position is also supported by: (i) an appraisal prepared by a Brazilian government institution (the INT - National Institute of Technology), specifically commissioned for this purpose by Pirelli Pneus Ltda, who concluded their analysis by equating, in light of their similar characteristics, the tyres in question with those intended for heavy industrial vehicles, (ii) judicial decisions favourable to taxpayers.

The risk is estimated at approximately euro 46 million, inclusive of tax, interest and penalties.

The risk of losing the case has not been assessed as probable and, therefore, no provision has been recognised in the Financial Statements for this dispute.

## BRAZIL - LITIGATION CONCERNING TRANSFER PRICING APPLIED TO SOME INTRA-GROUP TRANSACTIONS

Pirelli Pneus Ltda. is involved in a dispute with the Brazilian tax authorities for income tax purposes (*IRPJ - Imposto sobre a renda das pessoas jurídicas*) and social security contributions (*CSLL - Contribuição Social sobre o Lucro Líquido*) due from the company for the 2008, 2011 and 2012 tax periods deriving from the application, of the so-called transfer pricing regulations, to import transactions with related parties. Based on the notices of assessment served on the company during the course of 2013, 2015 and 2016, the Brazilian tax authorities are mainly contesting the incorrect application by the company, of the methodology provided for by the administrative practice in force at the time (*IN* - Instrução Normativa 243), for the assessment of transfer prices applied to the importation of goods from related parties.

To date, part of this litigation is pending before the competent tax courts. The Group maintains that it has a good chance of winning and, in this regard, Pirelli Pneus Ltda has already obtained some favourable rulings from the administrative court, which has recognised the company's arguments by reducing the amount originally contested by the Brazilian tax authorities. Furthermore, during 2026, the Supreme Court may rule on the subject of the present dispute, issuing a judgement with binding effect erga omnes.

In light of the above, the risk is estimated at approximately euro 21 million inclusive of taxes, sanctions and interest.

The risk of losing the case has not been assessed as probable and, therefore, no provision has been recognised in the Financial Statements for this dispute.

## BRAZIL - DISPUTES CONCERNING THE IPI TAX RATE FOR THE SALE OF TYRES TO THE AUTOMOTIVE SECTOR

Pirelli Pneus Ltda. is also party to a dispute concerning the IPI tax rate, (Imposto sobre Produtos Industrializados or tax on industrialised products), concerning the sale of components to companies operating in the automotive sector. According to what was claimed by the Brazilian tax authorities in a notice of assessment issued in 2013, Pirelli Pneus Ltda. was not entitled to benefit, with reference to its secondary headquarters located in the city of Ibiritè in the Federal State of Minas Gerais, from the IPI exemption provided for by law in the case of sales of particular components, to companies operating in the automotive sector. All administrative proceedings have been concluded, resulting in a reduction of the originally contested amount. The remaining amount is currently being disputed in the judicial system. The Group believes it has well-founded grounds to contest the tax administration's claim and, therefore, has a good chance of winning.

The risk is estimated at approximately euro 21 million, inclusive of tax, interest and penalties.

The risk of losing the case has not been assessed as probable and, therefore, no provision has been recognised in the Financial Statements for this dispute.

## BRAZIL - LITIGATION CONCERNING THE TAX IMPACT DERIVING FROM THE SO CALLED "PLANO VERÃO"

Pirelli Pneus is involved in a tax dispute with the Brazilian tax authorities for the period *from 1989 to 1994 as a result of the so-called "Plano Verão".* The Plano Verão was an economic measure introduced by the then Brazilian government, to control the phenomenon of hyperinflation that was affecting the country, through a price freeze. However, the difference between the real inflation and indexed inflation had the effect of creating significant distortions in the financial statements of companies and ultimately, the amount of taxes paid by them. Pirelli Pneus Ltda. used the real inflation rate for its financial statement assessments, and, at the same time, initiated legal proceedings to assert its arguments regarding the correct amount of taxes owed. During the course of the aforementioned proceedings, Pirelli Pneus Ltda. first adhered to a tax amnesty to settle the dispute in question and, only later, on the basis of a ruling by the Brazilian Supreme Court with binding *erga omnes* effects, did it request the annulment of the effects of the amnesty it had previously adhered to.

The proceedings are pending before the competent judicial courts and the risk is estimated to be up to a maximum euro 40 million, inclusive of taxes, interest and sanctions.

The risk of losing the case has not been assessed as probable and, therefore, no provision has been recognised in the Financial Statements for this dispute.

## BRAZIL - LITIGATION CONCERNING "ICMS SUBSTITUICÃO TRIBUTÁRIA" (TAX SUBSTITUTION CASE)

Pirelli Comercial de Pneus Brasil Ltda. has become involved in a new dispute concerning ICMS-ST (Imposto sobre Circulaçao de Mercadorias e Serviços - Substituicão Tributária) tax credits. According to the claims made in a notice of assessment issued during 2022 by the Brazilian tax authorities for the 2018 and 2019 tax periods, Pirelli Comercial de Pneus Brasil Ltda. allegedly transferred ICMS-ST credits to Pirelli Pneus without the prior formal authorisation of the Brazilian tax authorities.

In 2023, Pirelli Pneus also received a contestation from the State of São Paulo on the same matter, for allegedly failing to comply with formal obligations in relation to the use of the ICMS-ST credits transferred by Pirelli Comercial.

Proceedings are pending before the competent administrative bodies and the risk is estimated at approximately euro 60 million, including taxes, interest and penalties.

The risk of losing the case has not been assessed as probable and, therefore, no provision has been recognised in the Financial Statements for this dispute.

## BRAZIL - LITIGATION CONCERNING ICMS TAX CREDITS FOR THE PURCHASE OF ASSETS USED IN THE INDUSTRIAL PROCESS AND FOR THE PURCHASE OF FIXED ASSETS

Pirelli Pneus Ltda. is involved in a tax dispute concerning ICMS (Imposto sobre Circulaçao de Mercadorias e Serviços) tax credits. In August 2024, the Company was assessed by the State of São Paulo for a series of alleged irregularities related to the recording of ICMS credits against the purchase of tangible assets used in the Company's industrial process.

As also demonstrated during the tax audit, the Group believes it has well-founded reasons to contest the tax authorities' claim and, therefore, a good chance of winning.

Proceedings are pending before the competent administrative bodies and the risk is estimated at approximately euro 19 million, including taxes, interest and penalties.

The risk of losing the case has not been assessed as probable and, therefore, no provision has been recognised in the Financial Statements for this dispute.

## BRAZIL - LITIGATION CONCERNING REINTEGRA

The so-called Reintegra, is a tax credit that was instituted as a mechanism to reimburse, in full or in part, to Brazilian companies, the taxes they were incurring along the production chain on goods subsequently destined for export.

A law that entered into force in 2014, provided that Brazilian exporting taxpayers could record: (i) tax credits ranging from 0.1% to 3% of export turnover (the so-called "*Ordinary Reintegra*"); (ii) as well as an additional tax credit of up to 2% (the so-called "*Additional Reintegra*"), in accordance with certain criteria and parameters to be defined by a specific regulation.

However, such a regulation was ever issued by the Brazilian Government. Consequently, a debate arose as to the immediate enforceability of the legal provision in the absence of that regulation.

The Brazilian Supreme Court, in a *"pilot case"* with binding erga omnes effect, (i) held that the Government may reduce the rates of the "Ordinary Reintegra" without any obligation to provide the underlying reasons; (ii) on the contrary - did not rule on the taxpayers' entitlement to benefit from the *"Additional Reintegra"* in the absence of the corresponding regulation.

Pirelli Pneus Ltda. also has ongoing legal proceedings relating to this matter and, furthermore, the company has filed claims for reimbursement regarding the amount of the *"Additional Reintegra"*. The proceedings brought by the company for the recognition of its right to the *"Additional Reintegra"* received an unfavourable ruling in February 2026 by the Court of Appeal and the company now intends to file appeals both before the Supreme Court and before the Court of Justice, with regard to the constitutional aspects.

Pending the decisions of the judicial and constitutional courts, therefore on the right of Pirelli Pneus Ltda. to benefit from the so-called *"Additional Reintegra"*, the risk is estimated at approximately euro 38 million, including taxes and interest.

The risk of losing the case has not been assessed as probable and, therefore, no provision has been recognised in the Financial Statements for this dispute.

## ARGENTINA - CUSTOMS DISPUTE CONCERNING IMPORT VALUES

The subsidiary Pirelli Neumaticos SAIC, based in Argentina, is involved in a number of disputes and tax proceedings, in which the Argentine customs authorities claim that the value of certain imports - from other Group companies - of finished products and raw materials should have included royalties paid to the Pirelli Tyre S.p.A. Group company, for the licence to use patents and for technical assistance.

On the same subject, the Company is a party to various litigations in progress with the Argentine customs authorities that concern the years from 2009 to 2022. In particular, in one of the disputed cases, the customs authority ruled in Pirelli's favour to annul the dispute with reference to the importation of finished products and limiting it exclusively to the importation of raw materials. The risk is estimated at approximately euro 10 million, inclusive of tax, interest and penalties.

The risk of losing the case has not been assessed as probable and, therefore, no provision has been recognised in the Financial Statements for this dispute.

# 30. REVENUES FROM SALES AND SERVICES

Revenues from sales and services were as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Revenues from the sales of goods | 6,581,427 | 6,567,533 |
| Revenues from services | 194,730 | 205,791 |
| **Total** | **6,776,157** | **6,773,324** |

These revenues are mainly generated by the sales of tyres and related services to customers represented by both distributors and end customers.

For information on the breakdown of sales according to geographical region, please refer to Note 9, *"Operating Segments".*

For further information on the performance of revenues from sales and services, refer to the section *"Group Performance and Results"* in the Directors' Report on Operations, which is an integral part of this document.

# 31. OTHER INCOME

The item is composed as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Sales of Industrial products | 87,603 | 111,071 |
| Other income from the Prometeon Group | 40,725 | 39,854 |
| Recoveries and reimbursements | 38,232 | 39,449 |
| Government grants | 22,409 | 25,431 |
| Gains on disposal of property, plant and equipment | 3,693 | 2,027 |
| Rental income | 3,081 | 2,776 |
| Income from subleases of right of use assets | 989 | 949 |
| Other income | 158,078 | 124,898 |
| **Total** | **354,810** | **346,455** |

The item **sales of industrial products** refers to revenues generated by the sale of tyres for trucks and agricultural vehicles, purchased mainly from the Prometeon Group, and which are sold by the distribution network controlled by the Pirelli Group, mainly in Brazil.

The item **other income from the Prometeon Group** mainly includes:

- euro 16,200 thousand for the license agreement for the use of the Pirelli trademark;
- euro 11,100 thousand for the license agreement for know-how;
- euro 1,237 thousand for services rendered;
- euro 328 thousand for the sales of raw materials, semi-finished and finished products.

The item **recoveries and reimbursements** includes, in particular:

- tax refunds and customs duty refunds totalling euro 13,506 thousand, received mainly by the Brazilian subsidiary;
- tax refunds totalling euro 3,556 thousand due to rebates obtained in Germany for excise duties on electricity to the amount of euro 2,061 thousand, and on gas to the amount of euro 1,495 thousand;
- income from the sale of tyres for testing, and the recovery of transport expenses in Germany to the amount of euro 1,986 thousand.

The item **other** mainly includes income related to the sale of goods and services, in connection with sports events linked to sponsorship agreements to the amount of euro 44,682 thousand, royalties from third parties to the amount of euro 39,144 thousand, of which euro 18,339 thousand was from the joint venture the Middle East and North Africa Tyre Company for the supply of know-how in the construction of the tyre factory in Saudi Arabia (Note 12), and income from the sale of tyres and scrap materials carried out in the United Kingdom totalling euro 1,917 thousand.

## 32. PERSONNEL EXPENSES

The item is composed as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Wages and salaries | 993,896 | 997,875 |
| Social security and welfare contributions | 193,642 | 187,899 |
| Costs for employee leaving indemnities and similar | 29,524 | 24,330 |
| Costs for defined contribution pension funds | 28,248 | 27,872 |
| Costs for defined benefit pension funds | 935 | 4,394 |
| Costs for jubilee awards | 8,440 | 13,076 |
| Costs for defined contribution healthcare plans | 35,081 | 33,403 |
| Other costs | 15,166 | 12,448 |
| **Total** | **1,304,932** | **1,301,297** |

## 33. DEPRECIATION, AMORTISATION AND IMPAIRMENTS

The item is composed as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Amortisation | 132,600 | 137,994 |
| Depreciation of owned tabgible assets | 329,297 | 323,025 |
| Depreciation of right of use | 111,714 | 111,701 |
| Impairment net of reversals | 16,186 | 2,098 |
| Impairment of right of use | - | 132 |
| **Total** | **589,797** | **574,950** |

For the composition of the depreciation of the right of use, reference should be made to Note 10.2, *"Right of Use".*

# 34. OTHER COSTS

The item is subdivided as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Selling costs | 358,651 | 374,074 |
| Purchases of goods for resale | 525,537 | 449,028 |
| Advertising | 266,222 | 260,653 |
| Fluids and energy | 223,597 | 240,066 |
| Warehouse operating costs | 112,402 | 111,535 |
| IT expenses | 73,578 | 68,785 |
| Consultants | 64,280 | 72,573 |
| Maintenance | 80,048 | 83,898 |
| Insurance | 38,114 | 35,749 |
| Leases and rentals | 59,224 | 46,326 |
| Outsourcing | 47,762 | 51,721 |
| Stamp duties, levies and local taxes | 31,493 | 42,486 |
| Other provisions accruals for liabilities and charges | 40,118 | 22,823 |
| Travel expenses | 38,604 | 40,568 |
| Remuneration for Key Managers | 24,989 | 25,722 |
| Cleaning expenses | 21,917 | 23,486 |
| Canteen | 30,962 | 30,726 |
| Security expenses | 17,396 | 16,725 |
| Waste disposal | 14,774 | 14,048 |
| Telephone expenses | 4,311 | 5,170 |
| Other | 190,425 | 211,237 |
| **Total** | **2,264,405** | **2,227,399** |

The item **fluids and energy** includes the cost of purchasing greenhouse gas emission allowances and renewable energy certificates.

The item **leases and rentals** is composed as follows:

- → euro 36,765 thousand for lease contracts with a duration of less than twelve months (euro 23,220 thousand for 2024);
- → euro 12,773 thousand for lease contracts with variable instalments not linked to indices or rates, (for example, inflation or the EURIBOR), but linked for example, to usage (euro 13,209 thousand for 2024);
- → euro 9,686 thousand for lease contracts for assets with a low unit value (euro 10,078 thousand for 2024).

The item **Other** also includes, labour provided by third parties to the amount of euro 14,826 thousand, (euro 15,131 thousand in 2024), expenses for the testing of technology to the amount of euro 15,760 thousand (euro 17,310 thousand in 2024), membership fees and donations to the amount of euro 9,995 thousand (euro 10,405 thousand in 2024) and transport costs for materials to the amount of euro 17,153 thousand (euro 19,488 thousand in 2024).

# 35. NET IMPAIRMENT OF FINANCIAL ASSETS

This item, which was positive to the amount of euro 4,636 thousand compared to a negative amount of euro 10,303 thousand for 2024, mainly included the reversal, net of impairments for the year, of trade receivables amounting to euro 4,612 thousand (net impairment of euro 10,320 thousand for 2024).

# 36. NET INCOME/(LOSS) FROM EQUITY INVESTMENTS

## 36.1 SHARE OF NET INCOME/(LOSS) FROM EQUITY INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The share of net income/(loss) from equity investments in associates and joint ventures, which is accounted for using the equity method, was positive to the amount of euro 16,091 thousand and mainly refers to the investment in the joint venture, the Xushen Tyre (Shanghai) Co., Ltd., which was positive to the amount of euro 17,735 thousand (positive to the amount of euro 25,137 thousand for 2024), and in the joint venture PT Evoluzione Tyres in Indonesia, which was positive to the amount of euro 1,581 thousand (positive to the amount of euro 1,001 thousand for 2024), was partially offset by the pro-rata share of results from the joint venture, the Middle East and North Africa Tyre Company, which was negative to the amount of euro 3,440 thousand.

## 36.2 DIVIDENDS

In 2025, these amounted to euro 34,343 thousand and mainly included dividends received from Fin. Priv. S.r.l. (euro 31,678 thousand) and the RCS MediaGroup S.p.A. (euro 1,729 thousand). In 2024 they had amounted to euro 3,932 thousand.

# 37. FINANCIAL INCOME

The item is composed as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Interest income | 43,571 | 42,350 |
| Other financial income | 17,671 | 21,287 |
| Net interest on provisions for employee benefit obligations | 14 | 985 |
| Fair value measurement of other financial assets | 31,701 | 56,859 |
| Fair value measurement of foreign exchange derivatives | - | 14,370 |
| Fair value measurement of other derivatives | 13,899 | 475 |
| **Total** | **106,857** | **136,326** |

**Interest income** which totalled euro 43,571 thousand, mainly included:

- → euro 35,892 thousand in interest receivables from financial institutions, associates and joint ventures;
- → euro 5,708 thousand in interest accrued on security deposits provided by the Brazilian subsidiaries as a guarantee for legal and tax disputes;
- → euro 1,137 thousand in interest on other types of securities.

The item **other financial income** amounted to euro 17,671 thousand and mainly includes interest accrued on tax and social security receivables from the Brazilian subsidiaries.

The **fair value measurement of other financial assets** was positive to the amount of euro 31,701 thousand and refers to the fair value measurement of dollar-linked bond instruments, in which the Argentine subsidiary has invested in, to mitigate the effects of depreciation on the local currency. The exchange rate component of the fair value measurement of dollar-linked bond instruments amounted to euro 25,648 thousand, and partially offsets the combined effect of the total of euro 56,964 thousand, comprised on the one hand, of the Argentine net monetary loss of euro 30,921 thousand, and on the

other hand, of the effect of the Argentine subsidiary's net losses on exchange rates which amounted to euro 26,043 thousand. Reference should be made to Note 38, *"Financial Expenses"* for further details.

The **fair value measurement of other derivatives**, positive to the amount of euro 13,900 thousand, relates to the fair value of a Call Option held by Pirelli Tyre S.p.A. to increase its ownership stake in the joint venture, the Xushen Tyre (Shanghai) Co., Ltd. Hedge accounting has not been adopted for this option (refer to note 28, *"Derivative Financial Instruments"*). The option is exercisable by March 31, 2026.

## 38. FINANCIAL EXPENSES

The item is composed as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Interest expenses | 131,790 | 168,671 |
| Commissions | 34,743 | 28,513 |
| Net monetary loss | 25,226 | 82,067 |
| Other financial expenses | 12,938 | 15,180 |
| Interest expenses on lease liabilities | 25,407 | 23,283 |
| Net losses on exchange rates | 26,940 | 105,197 |
| Fair value measurement of foreign exchange derivatives | 33,561 | - |
| **Total** | **290,605** | **422,911** |

The item **interest expenses** which totalled euro 131,790 thousand, mainly included:

- euro 49,397 thousand incurred from bank financing facilities held by Pirelli & C. S.p.A;
- euro 61,007 thousand in financial expenses related to bond loans, of which euro 26,706 thousand was related to the *"Bond SLB EUR 600m 4.25% due 01/28"*, euro 24,626 thousand was related to the *"Bond SLB EUR 600m 3.875% due 07/29"* and euro 9,675 thousand was related to the monetary and non-monetary interest from the *"Convertible Bond Loan"*;
- euro 9,750 thousand in net interest receivables which included interest on Interest Rate Swaps, for which hedge accounting was adopted to rectify the flow of financial expenses for the bank credit facilities and bond loans mentioned in the preceding point. For further details, reference should be made to Note 28, *"Derivative Financial Instruments"*;
- euro 16,539 thousand in financial expenses related to bank loans held by foreign subsidiaries.

The item **commissions**, to the amount of euro 34,743 thousand includes, in particular, euro 14,013 thousand in costs for the assignment of receivables with non-recourse clauses, mainly in Italy, Germany, the United Kingdom, North America and South America, and euro 20,730 thousand related to expenses for sureties and other banking commissions.

The item **net monetary loss** refers to the effect on monetary items deriving from the application of IAS 29 - Financial Reporting in Hyperinflationary Economies, by the Argentine subsidiary Pirelli Neumaticos SAIC, which was negative to the amount of euro 30,921 thousand and by the Turkish subsidiaries Pirelli Otomobil Lastikleri A.S. and Pirelli Lastikleri Dis Ticaret A.S., which was positive to the amount of euro 5,695 thousand (reference should be made to Note 42 *"Hyperinflation"* for further details).

The item **net losses on exchange rates** which amounted to euro 26,940 thousand (gains amounted to euro 395,174 thousand and losses amounted to euro 422,113 thousand), refers to, the adjustment of period-end exchange rates for items expressed in currencies other than the functional currency and still outstanding at the closing date of the Consolidated Financial Statements, and to the net gains realised on items closed during the course of the period.

The item **fair value measurement of foreign exchange derivatives** refers to forward foreign exchange buy/sell transactions to hedge commercial and financial transactions, in accordance with the Group's exchange rate risk management policy. For transactions still open at period-end, the fair value is determined by applying the forward exchange rate at the reporting date. Fair value measurement consists of two elements: the interest component, which is linked to the interest rate differential between the currencies covered by the individual hedges, equal to a net cost of euro 26,757 thousand, and the exchange rate component, equal to a net cost of euro 6,828 thousand.

When comparing the net losses on exchange rates of euro 26,940 thousand, recognised on the receivables and payables in currencies other than the functional currency of the various subsidiaries, with the fair value measurement of the exchange rate component of the foreign exchange derivatives used for hedging, which amounted to a net loss of euro 6,828 thousand, the result is a negative imbalance of euro 33,768 thousand. This imbalance includes a net loss on exchange rates for the Argentine subsidiary Pirelli Neumaticos SAIC of euro 26,043 thousand, which was partially offset by the positive fair value measurement of other financial assets, as described in Note 37, *"Financial Income"*. Net of the aforementioned Argentine effect, the imbalance would have been a negative euro 7,725 thousand.

# 39. TAXES

Taxes were composed as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Current taxes | 253.339 | 151.883 |
| Deferred taxes | (23.873) | (5.194) |
| **Total** | **229.466** | **146.689** |

Taxes in 2025 amounted to euro 229,466 thousand against a net income before taxes of euro 760,162 thousand, compared to the amount of euro 146,689 thousand in 2024 against a net income before taxes of euro 647,793 thousand. The tax rate for 2025 stood at 30.2%, compared to 22.6% for 2024. Taxes in 2024 included the positive effect of approximately euro 30 million related to the favourable outcome of certain tax disputes concerning previous years, in addition to the benefits linked to the tax incentives of the old Patent Box regime and to the Allowance for Corporate Equity (ACE), which will no longer apply from 2025.

The reconciliation between theoretical and effective taxes is as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| **A) Net income/(loss) before taxes** | **760,161** | **647,793** |
| **B) Theoretical taxes** | **196,497** | **164,588** |
| Main causes for variations between theoretical and effective taxes: | | |
| Taxes incentives | (2,500) | (53,394) |
| Non-deductible costs | 14,595 | 11,707 |
| Taxes on undistributed income of subsidiaries and other non-recoverable withholding taxes | 12,770 | 11,927 |
| Other | 8,105 | 11,861 |
| **C) Effective taxes** | **229,466** | **146,689** |
| Theoretical tax rate (B/A) | 25.8% | 25.4% |
| Effective tax rate (C/A) | 30.2% | 22.6% |

The difference between theoretical and effective taxes in 2025 can be explained mainly by the presence of non-deductible costs, taxation on undistributed earnings and other non-recoverable withholding taxes.

As of 2025, these effects will no longer be offset by the tax incentives that the Group benefited from until 2024, mainly in Italy, including the Patent Box and ACE (Allowance for Corporate Equity).

The item *"Other"* mainly reflects adjustments to deferred taxes, net of the tax exemption on the returns from equity investments.

The Group's theoretical tax burden is calculated by taking into account the nominal tax rates of the countries in which the main companies of the Group operate, as reported below:

| | 2025 | 2024 |
|---|---|---|
| **Europe and Turkey** | | |
| Italy | 28.65% | 29.57% |
| Germany | 30.00% | 30.00% |
| Romania | 16.00% | 16.00% |
| Great Britain | 25.00% | 25.00% |
| Turkey | 25.00% | 25.00% |
| **Russia, Nordics and MEAI** | | |
| Russia | 25.00% | 20.00% |
| **North America** | | |
| USA | 25.50% | 25.50% |
| Mexico | 30.00% | 30.00% |
| **South America** | | |
| Argentina | 35.00% | 35.00% |
| Brazil | 34.00% | 34.00% |
| **APAC** | | |
| China | 25.00% | 25.00% |

The following table shows the incidence of taxes paid during the financial year, which amounted to euro 154,240 thousand (euro 158,488 thousand in 2024), by geographic region:

- → 39% Europe (27% in 2024);
- → 30% APAC (32% in 2024);
- → 15% North America (18% in 2024);
- → 9% Russia and MEAI (11% in 2024);
- → 7% South America (12% in 2024).

Taxes paid refers to the total amount of income taxes effectively paid during the fiscal period by the companies of the Group in their respective tax residence jurisdictions, to income tax prepayments paid in 2025, to income taxes paid during 2025 but relative to previous financial years (for example; income tax balances relative to 2024), or payments relative to tax assessments for previous financial years. Taxes paid also include withholding taxes incurred on cross-border payments such as dividends, interest and royalties and reported in the tax residence jurisdiction of the percipient.

# 40. EARNINGS PER SHARE

Basic/diluted earnings per share are determined by the ratio between the earnings/(losses) attributable to the Parent Company and the weighted average number of ordinary shares outstanding during the period, with the exclusion of treasury shares.

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Net income attributable to the Parent Company | 497,527 | 467,981 |
| Weighted average number of ordinary shares outstanding (in thousands) | 1,003,256 | 1,000,000 |
| **Basic/diluted earnings per ordinary share (in euro per share)** | **0.496** | **0.468** |

It should be noted that the basic and diluted earnings per share are the same. It should also be noted that the conversion of the aforementioned convertible bond into shares, did not have a dilutive effect, in that the average market price of the shares during the course of 2025 was below the exercise price of the option.

# 41. DIVIDENDS PER SHARE

During the course of 2025, Pirelli & C. S.p.A. distributed to its shareholders a unit dividend of euro 0.250 per ordinary share from its 2024 results, equal to a total dividend pay-out of euro 250 million gross of withholding taxes.

# 42. HYPERINFLATION

Based on the provisions of the Group's accounting standards, hyperinflation accounting was adopted by the Argentine subsidiaries, Pirelli Neumaticos SAIC and Latam Servicios Industriales S.A. as of July 1, 2018 and December 15, 2022 respectively, and by the Turkish subsidiaries Pirelli Otomobil Lastikleri A.S. and Pirelli Lastikleri Dis Ticaret A.S., as of June 30, 2022.

For the Argentine company, the price index used for the application of hyperinflation accounting was the National Consumer Price Index (CPI) published by the National Institute of Statistics and Census (INDEC), equal to an official annual value of 31.11%.

For the Turkish companies, the price index used was the National Consumer Price Index (TUFE) published by the Turkish Statistical Institute (TUIK), equal to an official annual value of 30.91%.

Net losses on the net monetary position were recorded in the Income Statement as *"Financial Expenses"* (Note 38), to the amount of euro 25,226 thousand.

# 43. RELATED PARTY TRANSACTIONS

Related Party Transactions, including intra-group transactions, do not qualify as either atypical or unusual, but are part of the ordinary course of business for companies of the Group. Such transactions, when not concluded under standard conditions, or as required by specific regulatory provisions, are in any case conducted on terms consistent with market conditions and carried out in compliance with the provisions contained in the Procedure for Related Party Transactions adopted by the Company.

The following table summarises the items from the Statement of Financial Position, the Income Statement and the Statement of Cash Flows that include Related Party Transactions and their relative impact.

## STATEMENT OF FINANCIAL POSITION

(in millions of euro)

| | 12/31/2025 | of which related parties | % incidence | 12/31/2024 | of which related parties | % incidence |
|---|---|---|---|---|---|---|
| **Non current assets** | | | | | | |
| Other receivables | **322.0** | 19.1 | 5.9% | **309.5** | 7.8 | 2.5% |
| **Current assets** | | | | | | |
| Trade receivables | **628.5** | 12.1 | 1.9% | **622.9** | 11.0 | 1.8% |
| Other receivables | **384.1** | 99.6 | 25.9% | **444.0** | 91.0 | 20.5% |
| **Non-current liabilities** | | | | | | |
| Borrowings from banks and other financial institutions | **2,747.2** | 11.3 | 0.4% | **3,068.6** | 15.8 | 0.5% |
| Other payables | **78.1** | - | n.a. | **79.9** | - | n.a. |
| Provisions for liabilities and charges | **84.8** | 17.8 | 21.0% | **101.1** | 19.4 | 19.2% |
| Provisions for employee benefit obligations | **171.8** | 8.2 | 4.8% | **184.0** | 7.8 | 4.2% |
| **Current liabilities** | | | | | | |
| Borrowings from banks and other financial institutions | **210.6** | 4.5 | 2.2% | **760.9** | 3.7 | 0.5% |
| Trade payables | **2,082.4** | 166.5 | 8.0% | **2,081.6** | 129.0 | 6.2% |
| Other payables | **375.6** | 26.2 | 7.0% | **392.7** | 22.9 | 5.8% |

## INCOME STATEMENT

(in millions of euro)

| | 2025 | of which related parties | % incidence | 2024 | of which related parties | % incidence |
|---|---|---|---|---|---|---|
| Revenue from sales and services | **6,776.2** | 66.7 | 1.0% | **6,773.3** | 61.5 | 0.9% |
| Other income | **354.8** | 94.7 | 26.7% | **346.5** | 80.5 | 23.2% |
| Raw materials and consumables used (net of changes in inventories) | **(2,148.2)** | (24.1) | 1.1% | **(2,177.4)** | (18.1) | 0.8% |
| Personnel expenses | **(1,304.9)** | (15.6) | 1.2% | **(1,301.3)** | (16.7) | 1.3% |
| Other costs | **(2,264.4)** | (366.5) | 16.2% | **(2,227.4)** | (326.9) | 14.7% |
| Financial income | **106.9** | 2.5 | 2.3% | **136.3** | 3.5 | 2.6% |
| Financial expenses | **(290.6)** | (0.6) | 0.2% | **(422.9)** | (3.3) | 0.8% |
| Net income / (loss) from equity investments | **52.7** | 16.1 | n.a. | **31.4** | 27.5 | n.a. |

## STATEMENT OF CASH FLOWS

(in millions of euro)

| | 2025 | of which related parties | % incidence | 2024 | of which related parties | % incidence |
|---|---|---|---|---|---|---|
| Net cash flow provided by / (used in) operating activities | **1,305.8** | (289.0) | n.a. | **1,292.6** | (226.5) | n.a. |
| Net cash flow provided by / (used in) investing activities | **(360.3)** | (26.6) | n.a. | **(421.3)** | 1.0 | n.a. |
| Net cash flow provided by / (used in) financing activities | **(888.1)** | (4.1) | n.a. | **(610.7)** | (4.1) | n.a. |

Related Party Transactions are detailed below, subdivided according to the counterparty:

## STATEMENT OF FINANCIAL POSITION

(in millions of euro)

| | 12/31/2025 | | | | 12/31/2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Associates and joint ventures | Other related parties | Remuneration for Directors and Key Managers | Total related parties | Associates and joint ventures | Other related parties | Remuneration for Directors and Key Managers | Total related parties |
| Other non-current receivables | 19.1 | - | - | **19.1** | 7.8 | - | - | **7.8** |
| *of which financial* | *19.1* | - | - | ***19.1*** | *7.8* | - | - | ***7.8*** |
| Trade receivables | 10.5 | 1.6 | - | **12.1** | 9.4 | 1.6 | - | **11.0** |
| Other current receivables | 96.4 | 3.3 | - | **99.7** | 87.1 | 3.9 | - | **91.0** |
| *of which financial* | *85.6* | - | - | ***85.6*** | *7.8* | - | - | ***7.8*** |
| Non-current borrowings from banks and other financial institutions | 3.9 | 7.3 | - | **11.2** | 6.3 | 9.5 | - | **15.8** |
| Other non-current payables | - | - | - | **-** | - | - | - | **-** |
| Non-current provisions for liabilities and charges | - | - | 17.8 | **17.8** | - | - | 19.4 | **19.4** |
| Non-current provisions for employee benefit obligations | - | - | 8.2 | **8.2** | - | - | 7.8 | **7.8** |
| Current borrowings from banks and other financial institutions | 2.4 | 2.1 | - | **4.5** | 2.4 | 1.3 | - | **3.7** |
| Trade payables | 104.9 | 61.6 | - | **166.5** | 69.5 | 59.5 | - | **129.0** |
| Other current payables | - | 0.5 | 25.7 | **26.2** | - | 0.4 | 22.5 | **22.9** |

## INCOME STATEMENT

(in millions of euro)

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Associates and joint ventures | Other related parties | Remuneration for Directors and Key Managers | Total related parties | Associates and joint ventures | Other related parties | Remuneration for Directors and Key Managers | Total related parties |
| Revenues from sales and services | 64.0 | 2.7 | - | **66.7** | 58.9 | 2.6 | - | **61.5** |
| Other income | 54.0 | 40.8 | - | **94.8** | 40.5 | 39.9 | - | **80.5** |
| Raw materials and consumables used (net of change in inventories) | (16.1) | (8.0) | - | **(24.1)** | (9.3) | (8.7) | - | **(18.1)** |
| Personnel expenses | - | - | (15.6) | **(15.6)** | - | - | (16.7) | **(16.7)** |
| Other costs | (271.7) | (69.8) | (25.0) | **(366.5)** | (230.4) | (70.8) | (25.7) | **(326.9)** |
| Financial income | 2.5 | - | - | **2.5** | 2.9 | 0.6 | - | **3.5** |
| Financial expenses | (0.2) | (0.4) | - | **(0.6)** | (0.4) | (2.9) | - | **(3.3)** |
| Net income/ (loss) from equity investments | 16.1 | - | - | **16.1** | 27.5 | - | - | **27.5** |

## STATEMENT OF CASH FLOWS

(in millions of euro)

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Associates and joint ventures | Other related parties | Remuneration for Directors and Key Managers | Total related parties | Associates and joint ventures | Other related parties | Remuneration for Directors and Key Managers | Total related parties |
| Net income / (loss) before taxes | (151.5) | (34.7) | (40.6) | **(226.8)** | (110.3) | (39.4) | (42.4) | **(192.1)** |
| Reversal of Financial (income) / expenses | (2.3) | 0.4 | - | **(1.9)** | (2.5) | 2.3 | - | **(0.2)** |
| Reversal of share of net result from associates and joint ventures | (16.1) | - | - | **(16.1)** | (27.5) | - | - | **(27.5)** |
| Reversal of accruals to provisions and other accruals | - | - | 12.3 | **12.3** | - | - | 14.2 | **14.2** |
| Change in Trade receivables | (1.6) | 0.5 | - | **(1.1)** | (1.3) | (0.1) | - | **(1.4)** |
| Change in Trade payables | (40.5) | (2.8) | - | **(43.3)** | (21.9) | 8.9 | - | **(13.0)** |
| Change in Other receivables | 2.6 | (0.6) | - | **2.0** | 3.1 | 6.9 | - | **10.0** |
| Change in Other payables | (0.2) | 0.3 | (8.9) | **(8.8)** | - | 0.4 | (8.1) | **(7.7)** |
| Use of Provisions for liabilities and charges | - | - | (5.1) | **(5.1)** | - | - | (8.8) | **(8.8)** |
| **Net cash flow provided by / (used in) operating activities** | **(209.5)** | **(36.8)** | **(42.3)** | **(288.8)** | **(160.4)** | **(21.1)** | **(45.1)** | **(226.5)** |
| Disposals of equity investments in associates and JV | - | - | - | **-** | - | - | - | **-** |
| Change in Financial receivables from associates and JV | (26.6) | - | - | **(26.6)** | (0.5) | - | - | **(0.5)** |
| Dividends received | - | - | - | **-** | 1.5 | - | - | **1.5** |
| **Net cash flow provided by / (used in) investing activities** | **(26.6)** | **-** | **-** | **(26.6)** | **1.0** | **-** | **-** | **1.0** |
| Repayment of principal and payment of interest for lease liabilities | (2.4) | (1.7) | - | **(4.1)** | (2.5) | (1.6) | - | **(4.1)** |
| **Net cash flow provided by / (used in) financing activities** | **(2.4)** | **(1.7)** | **-** | **(4.1)** | **(2.5)** | **(1.6)** | **-** | **(4.1)** |

## TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES

### TRANSACTIONS - STATEMENT OF FINANCIAL POSITION

The item **other non-current receivables** refers to a loan granted by Pirelli Tyre S.p.A. to the Indonesian joint venture PT Evoluzione Tyres.

The item **trade receivables** mainly relates to the sale of raw material and services rendered, to the Chinese joint venture, the Jining Shenzhou Tyre Co., Ltd., to the amount of euro 9.8 million.

The item **other current receivables** mainly refers to receivables from the Jining Shenzhou Tyre Co., Ltd., for royalties to the amount of euro 1 million, and for various services to the amount of euro 3 million.

The financial portion, the amount of euro 85.6 million, refers to the financing granted by the Pirelli Tyre Co., Ltd. to the Jining Shenzhou Tyre Co., Ltd.

The item **borrowings from banks and other financial institutions non-current** refers to the payables of the company Pirelli Deutschland GmbH to the associate company Industriekraftwerk Breuberg GmbH, for the hire of machinery.

The item **current borrowings from banks and other financial institutions** refers to the short-term portion of the aforementioned debt.

The item **trade payables** mainly refers to trade payables to the Jining Shenzhou Tyre Co., Ltd.

### TRANSACTIONS - INCOME STATEMENT

The item **revenues from sales and services** mainly refers to the sales of raw materials and semi-finished products to the Jining Shenzhou Tyre Co., Ltd.

The item **other income** refers to royalties to the amount of euro 35.1 million, of which euro 18.3 million was from the joint venture, the Middle East and North Africa Tyre Company, and euro 15.4 million was from the Jining Shenzhou Tyre Co., Ltd., and to recharging of expenses to the amount of euro 9.8 million.

The item **other costs** mainly refers to costs for:

- the purchase of tyres from Jining Shenzhou Tyre Co., Ltd. to the amount of euro 185 million;
- the purchase of Motorcycle products from PT Evoluzione Tyres to the amount of euro 47 million;
- purchase of energy and fees for operational management by Industriekraftwerk Breuberg GmbH totalling euro 28 million.

The item **financial income** refers mainly to interest on loans disbursed to the two joint ventures.

## OTHER RELATED-PARTY TRANSACTIONS

The transactions detailed below refer mainly to transactions with the Prometeon Group, which belongs to the Sinochem Group, that exercises significant influence over Pirelli in accordance with IAS 28.

### TRANSACTIONS - STATEMENT OF FINANCIAL POSITION

The items **trade receivables** and **other current receivables** refer mainly to receivables from companies of the Prometeon Group.

The item **current borrowings from banks and other financial institutions** refers to the payables of Pirelli Otomobil Lastikleri A.S. to Prometeon Turkey Endüstriyel ve Ticari Lastikler A.S. for machine hire.

The item **trade payables** mainly refers to payables to companies of the Prometeon Group to the amount of euro 60 million, for the purchase of tyres for trucks and agricultural vehicles.

### TRANSACTIONS - INCOME STATEMENT

The item **other income** comprises, amounts from the companies of the Prometeon Group, mainly:

- the licence agreement for know-how charged by Pirelli Tyre S.p.A. to the amount of euro 11.1 million;
- royalties recorded by Pirelli Tyre S.p.A. in respect of the license agreement for the use of the Pirelli trademark to the amount of euro 16.2 million;
- logistics services rendered by the Spanish company Pirelli Neumaticos S.A. - Sociedad Unipersonal to the amount of euro 1.1 million.

The item **raw materials and consumables used** refers mainly to costs payable to companies of the Sinochem Group for the purchase of direct materials, consumables and compounds, of which euro 4.7 million were costs to payable the Chinese subsidiary company, Pirelli Tyre Co., Ltd.

The item **other costs** mainly includes:

- the purchase of truck products for a total amount of euro 64.1 million of which euro 59.4 million was made by the Brazilian company Comercial e Importadora de Pneus Ltda., and subsequently resold to retail customers, and euro 2.1 million made by the German company Driver Reifen und KFZ-Technik GmbH;
- costs incurred by the Pirelli Tyre (Jiaozuo) Co., Ltd. for electricity expenses payable to the Aeolus Tyre Co., Ltd. to the amount of euro 4.1 million.

## REMUNERATION FOR DIRECTORS AND KEY MANAGERS

Remuneration for Directors and Key Managers can be summarised as follows:

- the Statement of Financial Position items **non-current provisions for liabilities and charges** and **non-current provisions for employee benefit obligations**, include the provisions for the monetary three-year 2024-2026 and 2025-2027 Long Term Incentive (LTI) Plans to the amount of euro 8.3 million, (euro 8.6 million at December 31, 2024), the provisions for the Short Term Incentive (STI) Plan to the amount of euro 6.5 million (euro 6.4 million at December 31, 2024), as well as end-of-term indemnities to the amount of euro 11.2 million (euro 12.2 million at December 31, 2024);

- the Statement of Financial Position item **other current payables** includes the short-term portion related to the STI and LTI Plans to the amount of euro 6.8 million;
- the items **personnel expenses** and **other costs** include euro 2.5 million related to employees' leaving indemnities (TFR) and end-of-term indemnities (euro 3.1 million for 2024), as well as provisions for short-term benefits to the amount of euro 12.8 million (euro 14.1 million for 2024) and for long-term benefits, to the amount of euro 13.3 million (euro 13.4 million for 2024).

# 44. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

As of **January 1, 2026**, the Call Option in favour of Pirelli Tyre S.p.A., which allowed it to increase its 49% stake in the joint , the Xushen Tyre (Shanghai) Co., Ltd., up to a maximum of 70%, was exercisable and therefore, pursuant to the IFRS 10 accounting standard, on the basis of the potential voting rights assigned by the aforementioned Option, the shareholding is fully consolidated as of that date (so-called Business Combination without consideration).

As provided for by the applicable accounting standard, at January 1, 2026, the fair value of the 49% stake (notional price) was estimated as the pro-rata equity value of the investee, calculated using the Discounted Cash Flow – Equity Side Method, amounting to euro 134.2 million. The difference between this value (fair value of the stake in the joint venture) and the book value of the stake at the date of consolidation, net of the reversal of the cumulative negative foreign exchange reserve up to that date, is a gain of euro 27 million, which will be recognised in the Income Statement 2026.

The provisional fair value of the consolidated net assets was estimated to be equal to the carrying amount of equity and amounted to euro 208.4 million. The calculation of the provisional goodwill is reported below:

(in thousands of euro)

| | 01/01/2026 |
|---|---|
| **A - Net identifiable assets (100%)** | 208,398 |
| B - Fair value of the JV interest – 49% (deemed consideration) | 134,176 |
| C - Fair value of non-controlling interests (51%) | 139,652 |
| **Provisional goodwill (B + C - A)** | **65,430** |

The process of allocating the notional price (deemed consideration) to the fair value of the identifiable net assets for the Business Combination (Purchase Price Allocation – PPA), in accordance with the provisions of the IFRS 3 accounting standard (Business Combinations), will be completed within twelve months from the date of consolidation.

The Call Option to increase the shareholding to 70% was subsequently exercised on March 27, 2026. The final price of the Option will be determined within the first half-year of 2026.

This transaction will allow the continuation of providing the necessary flexibility in High Value production, taking into account the evolution of the Chinese market, the expected developments in electric vehicles and the increasing market share for homologations.

On **January 23, 2026**, Pirelli announced that it had signed a contract for new five-year multi-currency bank facilities for a total of euro 2.1 billion, with a pool of leading national and international banks. The signed agreement provides for a term loan of euro 600 million and revolving credit facilities of euro 1.5 billion. The new facilities - parameterised to the decarbonisation targets of the Group previously announced to the market, relating to Scopes 1, 2 and 3 - will replace bank facilities of the same amount maturing in 2027, and enable the extension of maturities until 2031. There is also the possibility, subject to agreement between the Company and the lending institutions, of further extending the maturity by up to a maximum of an additional two years - to 2033 - under the same contractual terms. The transaction - which is part of ongoing debt optimisation efforts - allows the Group's liquidity profile to be further strengthened, improving the overall debt structure and extending its maturities.

On **April 11, 2026**, Pirelli announced that – in relation to the so-called "Golden Power Procedures" that were launched by the Prime Ministerial Office ("**PMO**") following notifications submitted by the shareholders Camfin S.p.A. ("**Camfin**") and Marco Tronchetti Provera & C. S.p.A. ("**MTP SpA**") and China National Tire & Rubber Corporation, Ltd. ("**CNRC**") in accordance with Decree-Law 21/2012 ("**Golden Power Decree**") - on 10 April 2026, it was informed of the decree, approved on 9 April 2026, with which the Cabinet exercised the special powers of the Golden Power Decree (the "**Golden Power PMO Decree**").

The Golden Power PMO Decree, among other things, considered that Pirelli is the first operator at the global level to have invested in a technology, the Cyber Tyre, which transforms the tyre into a sensor capable of collecting sensitive information, including the condition of the tyre and its maintenance, the habits of users, driving conditions, the traceability of the state of road surfaces. In addition, in relation to the Cyber Tyre technology, the Golden Power PMO Decree also recognized that it has evolved over time to the point that it can be considered an enabling technology for different cutting edge usages, including the monitoring of critical infrastructure, advanced simulation through the realization of digital versions of physical elements (digital twins, elaborated through super computing systems), autonomous driving.

In adopting the Golden Power PMO Decree, it has therefore been confirmed that Pirelli – already having obtained the security clearance *Nulla Osta di Sicurezza Industriale Strategico* – is included among the companies that have goods or relationships of strategic importance in accordance with article 2 of the Golden Power Decree, and of articles 6 and 9 of the Prime Ministerial Decree of 18 December 2020, no. 179.

The Golden Power Decree maintained that, in the absence of a shareholders' agreement regulating Pirelli, signed by the shareholders Camfin and MTP SpA and the Sinochem Group, the need to protect the assets held by Pirelli, can be satisfied, adequately and proportionally, through the imposition of additional measures together with the re-proposal of part of those contained in the Prime Ministerial Office Decree of 16 June 2023.

In detail, the Golden Power PMO Decree has ordered the imposition of the following specific measures to Marco Polo International Italy S.r.l. ("**Marco Polo**"):

a. at the shareholders meeting of Pirelli, the company:

   (i) can present a slate for the renewal of the Board of Directors of Pirelli with a maximum of three candidates, of whom two independent; it remaining that none of these, if elected to the Board of Directors, can hold company offices such as, for example and not limited to, Chairman, Vice Chairman, Chief Executive Officer, nor chair any board committees; further, none of these Directors will be given management delegations, executive powers or attributions able to influence the strategic, industrial or financial decisions of Pirelli; should the presented slate obtain the majority of votes, it cannot contribute in any way to the appointment of the Directors needed to complete the Board of Directors;

   (ii) can present a slate of candidates for the appointment of the Board of Statutory Auditors of Pirelli with a maximum of one nomination for a standing member and one nomination for an alternate member;

b. with the exception of any further obligations of notification that may emerge for the provisions codified by the Golden Power Decree, the measures indicated in the present decision will remain in force as long as the company Marco Polo maintains a stake in the share capital of Pirelli above 9.99%. Further, should there be a change in the context which justified the adoption of the limitation indicated in paragraph a), Marco Polo will have the option of requesting a revision of the above-mentioned measures.

The Golden Power PMO Decree, in addition, also calls for the imposition of the following specific measures to CNRC:

a. to guarantee that Marco Polo respects the measures imposed;
b. to not exercise activities of direction or coordination and, in particular, as detailed below, as non-exhaustive examples:

   1) ensure the full autonomy of Pirelli regarding relationships with customers and suppliers;
   2) guarantee that Pirelli prepares strategic, industrial, financial and/or budget plans autonomously for the company and the Group;
   3) guarantee that Pirelli is not subject to instructions from the Sinochem Group;
   4) not take actions or decisions or issue communications that could lead one to believe that the decisions of Pirelli are the result of an intention imposed or demanded by CNRC;
   5) not centralize treasury services or other assistance or coordination services (eg. cash pooling) nor other technical coordination functions (eg. integration of Pirelli's computer systems into those of Sinochem Holdings Corporation Ltd., including those of the Chinese units of Pirelli);
   6) not issue directives or instructions, and in any case not to coordinate initiatives, concerning decisions in the financial or credit matters or research and development matters of Pirelli;
   7) not issue directives regarding the execution of extraordinary operations by Pirelli, such as, for example, the listing of financial instruments, acquisitions, disposals, concentrations, conferrals, mergers, spin-offs, etc.;
   8) not adopt determining decisions regarding the operating strategies of Pirelli nor formulate strategic directives for the group;
   9) guarantee the absence of organizational/functional links between Pirelli on the one hand and CNRC on the other;

c. with the exception of any additional obligations of notification that may emerge from the provisions codified by the Golden Power Decree, the measures indicated in the present provision will remain in force as long as the company Marco Polo maintains a stake in the share capital of Pirelli above 9.99%. Further, should there be a change in the context which justified the adoption of the measures indicated in paragraphs a) and b), CNRC will have the option of requesting a revision of the above-mentioned limitations.

Further, the imposition of the following specific measures has been called for regarding Pirelli:

a. with the exception of the legitimate requests of shareholders tacitly foreseen by civil law and the Legislative Decree 58/1998, refuse any request outside of the normal exercising of shareholder prerogatives as well as implementing any managerial or organizational initiative from subjects deriving from the Chinese State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"), with special reference to requests regarding:

- the sharing of the sensitive company information (non-public technical information of Pirelli, including the sensitive activities of research and development (also not directly linked to the Cyber Tyre)), or information referring to technologies covered by industrial copyright, intellectual property rights or, however, any information regarding know-how stemming from these technologies, also if in the development phase;
- the mechanism of centralized treasury managed by the company Sinochem Holding Corporation Ltd.;
- the direct access to the information, management and administration systems, including the Enterprise Resource Planning (ERP) platforms of Pirelli and of the companies it controls, including Chinese subsidiaries;
- the transfer of goods, systems and ICT services of the Pirelli group located in infrastructure situated outside of territory where European law applies and/or subjects deriving from the Chinese government;
- the transfer or sharing with subjects deriving from the Chinese government of any data collected or processed through Cyber Tyre technology;
- commit to making sure that the communication of CNRC with Pirelli personnel involved in the above-mentioned activities is limited;
- commit to make sure that in the board committees, where instituted, that a maximum of only one member may be nominated that is an expression of the slate presented by CNRC; in any case, no committee will be composed of a majority of Directors presented by CNRC;

It also remains that the measures are relative to the organizational units predisposed for the company activities of importance for national security ("Organizzazione di Sicurezza") and to that end it is also prescribed to guarantee the presence on the Board of Directors of one component, empowered with legal representation, who: i) has exclusively Italian citizenship; ii) is in possession of suitable personal security qualifications; iii) has an exclusive mandate over the Organizzazione di Sicurezza; iv) has, in any case, the assent of the Government with regard to his or her suitability for the role with the aim of protecting goods and relationships of strategic importance for the Company.

The implementation of the measures will be subject to monitoring by the Ministry for Enterprises and Made in Italy. Pirelli is held to send to the Ministry within 30 days from the approval of the annual financial statements, beginning from those referring to 2026, a report prepared by the Board of Directors in which it communicates the measures adopted in compliance with the determinations assumed with the Golden Power PMO Decree and any other important company or corporate measures with regard to the same.

Further, with the exception of matters covered in the applicability of the Golden Power Decree requiring formal notification, CNRC must communicate to the Ministry for Enterprises and Made in Italy any transfer of shares, which in any case, should not take place in favor of subjects connected to, controlled by, controlling or however subject to the common control of SASAC.

On **16 April 2026**, the Board of Directors confirmed the 2026 targets communicated to the market on 25 February, with Adjusted EBIT expected to be at the lower end of the guidance thanks to a mitigation plan to contain the impacts of the crisis in the Middle East. For further information, please refer to the section "Outlook for 2026" in the Directors' Report on Operations.

# 45. OTHER INFORMATION

## INFORMATION ON CLIMATE CHANGE

During the course of 2025, the Group continued to improve its performance across the value chain. The performance at December 31, 2025, is described in the Consolidated Sustainability Reporting, to which reference should be made.

The Group's forecasts included in the 2024-2025 Industrial Plan, which, based on internal estimates, represent the net benefits on future cash flows, take into account the risks related to climate change, by setting the related objectives and performance targets, and in particular:

- **in the production processes**, in terms of reducing absolute Scope 1 and 2 $CO_2$ emissions, increasing the share of electrical energy from renewable sources and improving the efficiency in the use of energy and natural resources;
- at **product and raw materials level**, through the evolution of product ranges with a lower environmental impact throughout their respective life cycles, while at the same time ensuring greater driving safety, and in terms of increasing the share of bio-based and recycled materials used in the new product lines;
- **as part of the supply chain**, through targets for the reduction of absolute Scope 3 CO2 emissions, particularly associated with raw materials suppliers.

The achievement of these objectives requires further specific actions, some of which have already been initiated and are reflected, where applicable, in the forecasts of the economic and financial flows for 2026. These actions include:

- the purchase of Energy Attribute Certificates (EAC) for electrical energy at almost all of the Group's production sites. These are instruments that certify the renewable origin of the energy sources used, and for 2025 were recorded under other costs;
- the procurement of electrical energy through Power Purchase Agreements for the dedicated supply from renewable sources at the Merlo (Argentina), Campinas (Brazil) and Feira de Santana (Brazil) production sites. The cost of these contracts were classified under other costs;
- investment projects for greater energy efficiency, which had already begun in 2021, and investments initiated in 2023, for the electrification of the vulcanisers. Investments made in 2025 amounted to euro 5.1 million for energy

efficiency improvement projects and euro 33.7 million for the electrification of the vulcanising presses, and are included under increases to property, plant and equipment. With reference to investments for new products, it should be noted that the assets used to date for tyre production do not need to be replaced, but will be subject to possible improvements. Instead, with reference to projects to achieve greater energy efficiency, mainly, improvements and the purchases of additional components for existing assets are planned. Lastly, the projects to electrify the vulcanising presses used in the production process, foresee the replacement of the non-material components of existing assets. Therefore, the types of investments mentioned above, do not impact the assessment of the useful lives of the assets currently in use or the recoverability of their carrying amount at December 31, 2025;

- research and development costs for the development of new products and operating costs for improving energy efficiency.

With regard to the impact on the financial structure, it should be noted that at December 31, 2025, financing geared to sustainability indexes accounted for 81.1% of the Group's total gross debt. Specifically, the Group had outstanding *"sustainable"* bank facilities to the amount of euro 2.7 billion, of which euro 1.2 billion resulted as used at December 31, 2025, and euro 1.5 billion was available in the form of a revolving committed credit facility, as well as euro 1.2 billion in sustainability-linked bonds (the so-called SLBs).

For further information, reference should be made to Note 24, *"Borrowings from Banks and Other Financial Institutions"* and Note 4, *"Financial Risk Management Policies".*

With regard to risks linked to climate change, Pirelli monitors these elements of uncertainty (both physical - acute and chronic - and transitional) along its value chain through sensitivity analyses and risk assessments, to assess and quantify the financial impacts (risks and opportunities) linked to climate change and water stress, and to put in place appropriate prevention and mitigation measures to protect its business. One instrument to support these analyses is the Group's Climate Change and the related Water Stress Risk Assessment, which is updated periodically to integrate these analyses with forecasts for the medium to long-term time period, with respect to the IPPC (Intergovernmental Panel on Climate Change) climate scenarios, which represent a projection of global temperature increases at the end of the century of between 1.5°C (RCP 1.9) and >4°C (RCP 8.5), and the IEA (International Energy Agency) projections for energy transition which take into consideration the different levels of ambition and speed in the implementation of climate policies (Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS) and Net Zero by 2050 (NZE)).

As regards the physical risks, the potential impacts are projected over a time frame up to 2050, against the various IPCC climate scenarios, by assessing the potential damage to assets and the business interruption days for the Group's manufacturing plants and for strategic suppliers, arising from the main risks (including flooding, drought, wildfire and storms). In terms of potentially critical issues, assessed according to the Group's rating scales, no significant impacts are identified in the short-medium term (2025-2030), while elements of uncertainty persist on the horizon leading up to 2050.

Instead, with regard to transition risks, the Group went on to evaluate, among other factors, the introduction and/or tightening of the current $CO_2$ emission pricing schemes in the countries in which it operates. The potential impacts, linked to an increase in the costs of production, have been estimated based on different evolutions in the cost of acquiring $CO_2$ emission allowances, deriving both from the forecasts published by the IEA for the STEPS, APS, NZE scenarios, as well as from the three possible carbon intensity pathways for the Group. No material impact emerged for the short (by 2026) and medium term, while there were elements of uncertainty regarding the long-term (2050), particularly in the event of the NZE and APS scenarios occurring.

At December 31, 2025, no risks of probable cash outflows had emerged that would require the accrual of specific provisions in the Financial Statements.

The impacts of the actions taken to achieve the Plan objectives and the related risks described above, were taken into account in the performance of the Impairment Test on Goodwill and the Pirelli Brand at December 31, 2025. In particular, with regard to the plan period, the new cash flows projected by management for 2026 were taken into account, and for the medium to long term, the impacts were assessed through stress testing.

For more information, reference should be made to Note 10, *"Intangible Assets".*

For more information on climate change and in particular on the related risks and the objectives and actions implemented by the Group, reference should be made to the section "E1 - Climate Change", in the *"Consolidated Sustainability Reporting".*

## RESEARCH AND DEVELOPMENT EXPENSES

Research & Development expenses for 2025 amounted to euro 312.7 million and represented 4.6% of sales, and refer to expenses for product and process innovation, as well as for the development of new materials. The portion allocated to research and development for High Value activities amounted to euro 299.5 million and equalled 5.6% of High Value revenues. For further details, reference should be made to the section *"Research and Development Activities"* in the Directors' Report on Operations.

## REMUNERATION FOR DIRECTORS AND STATUTORY AUDITORS

The remuneration paid to the Directors and Statutory Auditors was as follows:

(in thousands of euro)

| | 2025 | 2024 |
|---|---|---|
| Directors | 24,989 | 25,722 |
| Statutory Auditors | 565 | 495 |
| **Total** | **25,555** | **26,217** |

## AVERAGE EMPLOYEE HEADCOUNTS

The average headcount for employees, sub-divided by category, for the companies included in the Scope of Consolidation were as follows:

| | 2025 | 2024 |
|---|---|---|
| Executives and white collar staff | 6,216 | 6,235 |
| Blue collar staff | 23,203 | 23,633 |
| Temporary workers | 1,382 | 1,483 |
| **Total** | **30,801** | **31,351** |

## REMUNERATION FOR INDEPENDENT AUDITING FIRMS

In accordance with applicable regulations, the total fees for the 2025 financial year for audit and non-audit services provided by the company PricewaterhouseCoopers S.p.A. and by entities belonging to its network, are shown below:

(in thousands of euro)

| | Service Provider | Recipient | Partial fees | Total fees | |
|---|---|---|---|---|---|
| Audit Services | PricewaterhouseCoopers S.p.A. | Pirelli & C. S.p.A. | 93 | | |
| | PricewaterhouseCoopers S.p.A. | Subsidiaries | 1,584 | | |
| | PricewaterhouseCoopers Network | Subsidiaries | 1,615 | **3,292** | *86%* |
| Assurance Services (1) | PricewaterhouseCoopers S.p.A. | Pirelli & C. S.p.A. | 205 | | |
| | PricewaterhouseCoopers S.p.A. | Subsidiaries | 118 | | |
| | PricewaterhouseCoopers Network | Pirelli & C. S.p.A. | 25 | | |
| | PricewaterhouseCoopers Network | Subsidiaries | 47 | **395** | *10%* |
| Non-audit Services | PricewaterhouseCoopers S.p.A. | Pirelli & C. S.p.A. | - | | |
| | PricewaterhouseCoopers S.p.A. | Subsidiaries | 64 | | |
| | PricewaterhouseCoopers Network | Pirelli & C. S.p.A. | 107 | | |
| | PricewaterhouseCoopers Network | Subsidiaries | - | **171** | *4%* |
| | | | | **3,858** | *100%* |

(1) the item "Assurance Services" includes the amounts paid for other services involving the issuance of an audit report, as well as the amounts paid for so-called assurance services, insofar as they are closely related to statutory audit activities.

## INFORMATION REQUIRED BY LAW NO. 124/2017 ART. 1 PARAGRAPHS 125-129

With reference to Pirelli Tyre S.p.A., the following are the main contributions received from the Public Administration in 2025:

- regarding the agreement signed with the Ministry of Economic Development, the MiSE (*Ministero dello Sviluppo Economico*), now the Ministry of Enterprises and Made in Italy (*Ministero delle Imprese e Made in Italy*) in the 2022 financial year, for the funding of a Research and Development project in Digital Solutions, with a total grant available of up to a maximum of euro 2.6 million, the company received instalments amounting to euro 263 thousand during the 2025 financial year (CUP B49J22003730005);
- under the Sustainable Growth Fund (*Fondo Crescita Sostenibile*) programme, the Company received a grant decree from the Ministry of Economic Development and Made in Italy, the MIMIT (*Ministero dello Sviluppo Economico e Made in Italy*), for the funding of Research and Development activities, for a maximum of euro 5.9 million (CUP B49J24002180005). During the 2025 financial year, the company received instalments amounting to euro 1.8 million;
- under the National Recovery and Resilience Plan, the PNRR (*Piano Nazionale di Ripresa e Resilienza*), during the 2022 financial year, Pirelli Tyre received a grant decree from the Ministry of Universities and Research, the MUR (*Ministero dell'Università e della Ricerca*) for the facilitation of Research and Development activities as a participant of the National Centre for Sustainable Mobility, the MOST (*Centro Nazionale di Mobilità Sostenibile*), for a maximum of euro 1.2 million (CUP B43D21010580004). During the 2025 financial year, the company received instalments amounting to euro 1.1 million.

In addition, with reference to the other Italian companies of the Group, the main contributions received from the Public Administration in 2025 are reported below:

- also under the National Recovery and Resilience Plan, the PNRR (*Piano Nazionale di Ripresa e Resilienza*), Pirelli & C. obtained a grant decree from the Ministry of Universities and Research (the *MUR - Ministero dell'Università e della Ricerca*) for the funding of Research and Development activities within the Ecosystem for Innovation framework of *"MUSA – Multilayered Urban Sustainability Action"*, for a maximum of euro 0.4 million. During the 2025 financial year, the company received instalments amounting to euro 82 thousand;
- under the Industrial Transition Fund (*Fondo Transizione Industriale*), the company Pirelli Industrie Pneumatici received a grant decree from the Ministry of Economic Development and Made in Italy, the MIMIT (*Ministero dello Sviluppo Economico e Made in Italy*) for the funding of investments in energy savings, for a maximum of euro 4.7 million (CUP C39C23000640005). During the 2025 financial year, the company received instalments amounting to euro 1.4 million;
- during the 2023 financial year, the company Pirelli Digital Solutions S.r.l. signed a Regional Programme Agreement with the Puglia Region, which will provide subsidies for investments and R&D activities at the new Digital Solutions Centre in Bari, for a maximum of euro 4.9 million in non-repayable grants, of which euro 1.9 million was received during the 2025 financial year.

Additionally, it should be noted that the following funding programmes are still active, although no instalments were received in the 2025 financial year:

- under the National Recovery and Resilience Plan, the PNRR (Piano Nazionale di Ripresa e Resilienza), during the 2023 financial year, the same company obtained approval from the National Centre for Sustainable Mobility, the MOST (*Centro Nazionale per la Mobilita Sostenibile*), financed by the Ministry of Universities and Research, the MUR (*Ministero dell'Università e della Ricerca*), of a subsidy for Research and Development activities under the "*POC - Proof of Concept"* and *"Scalability Grant"* funding schemes, totalling euro 0.2 million, (CUP B43D21010580004);
- under the National Recovery and Resilience Plan, the PNRR (*Piano Nazionale di Ripresa e Resilienza*), the company obtained approval from the National Centre for Sustainable Mobility, the MOST (*Centro Nazionale per la Mobilità Sostenibile*), funded by the Ministry of Universities and Research, the MUR (*Ministero dell'Università e della Ricerca*), for the funding of two Research and Development projects under the *"Flagship Line B"* funding schemes, totalling euro 2.7 million, (CUP B43D21010580004). It should also be noted, that under the same funding scheme, Pirelli Digital Solutions received approval for euro 0.1 million;
- under the European *"Life 2023"* programme, Pirelli Tyre obtained approval from the European Commission for subsidies for a Research and Development project, for a maximum of euro 0.2 million, of which euro 0.1 million had already been received during the previous financial year.

## ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Pursuant to CONSOB Notice No. 6064293 of July 28, 2006, it should be noted that during the course of the 2025 financial year, that no atypical and/or unusual transactions as defined in the aforesaid communication, were carried out by the Company.

## EXCHANGE RATES

The main exchange rates used for consolidation were as follows:

(local currency vs euro)

| | Period-end Exchanges Rates | | Change in % | Average Exchange Rates | | Change in % |
|---|---|---|---|---|---|---|
| | 12/31/2025 | 12/31/2024 | | 2025 | 2024 | |
| Thai Bhat | **37.2180** | 35.6760 | 4.32% | **37.1158** | 38.1865 | (2.80%) |
| Swedish Krona | **10.8180** | 11.4865 | (5.82%) | **11.0687** | 11.4322 | (3.18%) |
| Australian Dollar | **1.7581** | 1.6772 | 4.82% | **1.7518** | 1.6397 | 6.83% |
| Canadian Dollar | **1.6088** | 1.4948 | 7.63% | **1.5787** | 1.4821 | 6.52% |
| Singaporean Dollar | **1.5105** | 1.4164 | 6.64% | **1.4756** | 1.4458 | 2.06% |
| US Dollar | **1.1750** | 1.0389 | 13.10% | **1.1300** | 1.0824 | 4.40% |
| Swiss Franc | **0.9314** | 0.9412 | (1.04%) | **0.9370** | 0.9526 | (1.64%) |
| Egyptian Pound | **56.0923** | 52.8872 | 6.06% | **55.6780** | 49.1521 | 13.28% |
| Turkish Lira (°) | **50.4532** | 36.7429 | 37.31% | **50.4532** | 36.7429 | 37.31% |
| Romanian Leu | **5.0985** | 4.9741 | 2.50% | **5.0431** | 4.9746 | 1.38% |
| Argentinian Peso (°) | **1,709.6250** | 1,072.1448 | 59.46% | **1,709.6250** | 1,072.1448 | 59.46% |
| Mexican Peso | **21.1109** | 21.0567 | 0.26% | **21.7251** | 19.7818 | 9.82% |
| South African Rand | **19.4439** | 19.6188 | (0.89%) | **20.1789** | 19.8297 | 1.76% |
| Brazilian Real | **6.4692** | 6.4363 | 0.51% | **6.3095** | 5.8325 | 8.18% |
| Chinese Renminbi | **8.2588** | 7.4680 | 10.59% | **8.0713** | 7.7084 | 4.71% |
| Saudi Arabian Riyal | **4.4063** | 3.9029 | 12.90% | **4.2386** | 4.0615 | 4.36% |
| Russian Rouble | **92.0938** | 106.1028 | (13.20%) | **94.3050** | 100.2028 | (5.89%) |
| British Pound Sterling | **0.8726** | 0.8292 | 5.24% | **0.8568** | 0.8466 | 1.20% |
| Japanese Yen | **184.0900** | 163.0600 | 12.90% | **169.0435** | 163.8519 | 3.17% |

(°) Average exchange rates equal the period-end exchange rates following the application of IAS 29 - Financial Reporting in Hyperinflationary Economies.

## NET FINANCIAL POSITION

(Alternative Performance Indicators not provided for by the accounting standards).

(in thousands of euro)

| | Note | 12/31/2025 | | 12/31/2024 | |
|---|---|---|---|---|---|
| | | | of which related parties (note 43) | | of which related parties (note 43) |
| Current borrowings from banks and other financial institutions | **24** | 210,603 | *4,530* | 760,856 | *3,707* |
| Current derivative financial instruments (liabilities) | **28** | 2,648 | | 3,503 | |
| Non-current borrowings from banks and other financial institutions | **24** | 2,747,192 | *11,292* | 3,068,599 | *15,825* |
| **Total gross debt** | | **2,960,443** | | **3,832,958** | |
| Cash and cash equivalents | **20** | (1,525,886) | | (1,502,741) | |
| Other financial assets at fair value through Income Statement | **19** | (79,904) | | (165,965) | |
| Current financial receivables ** | **16** | (128,812) | *(85,628)* | (113,297) | *(78,552)* |
| Current derivative financial instruments (assets) | **28** | (4,125) | | (16,577) | |
| **Net financial debt *** | | **1,221,716** | | **2,034,378** | |
| Non-current derivative financial instruments (assets) | **28** | - | | (4,326) | |
| Non-current financial receivables ** | **16** | (119,701) | *(19,141)* | (104,288) | *(7,791)* |
| **Total net financial (liquidity) / debt position** | | **1,102,015** | | **1,925,764** | |

* Pursuant to CONSOB Notice of July 28, 2006 and in compliance with the ESMA Guidelines regarding disclosure requirements pursuant to the Prospectus Regulation applicable from May 5, 2021.
** The item "Financial receivables" is reported net of the relative provisions for impairment which amounted to euro 8,287 thousand at December 31, 2025 (euro 8,369 thousand at December 31, 2024).

Net financial debt is summarised below, based on the format provided by the ESMA guidelines:

(in thousands of euro)

| | 12/31/2025 | 12/31/2024 |
|---|---|---|
| Cash and cash equivalents | (1,525,886) | (1,502,741) |
| Other current financial assets | (212,841) | (295,839) |
| *of which Current financial receivables* | *(128,812)* | *(113,297)* |
| *of which Current derivative financial instruments (assets)* | *(4,125)* | *(16,577)* |
| *of which Other financial assets at fair value through Income Statement* | *(79,904)* | *(165,965)* |
| **Liquidity** | **(1,738,727)** | **(1,798,580)** |
| Current borrowings from banks and other financial institutions | 210,603 | 760,856 |
| Current derivative financial instruments (liabilities) | 2,648 | 3,503 |
| **Current financial debt** | **213,251** | **764,359** |
| **Current net financial debt** | **(1,525,476)** | **(1,034,221)** |
| Non-current borrowings from banks and other financial institutions | 2,747,192 | 3,068,599 |
| **Non-current financial debt** | **2,747,192** | **3,068,599** |
| **Total net financial debt *** | **1,221,716** | **2,034,378** |

* Pursuant to CONSOB Notice dated July 28, 2006 and in compliance with the ESMA Guidelines regarding disclosure requirements pursuant to the Prospectus Regulation applicable from May 5, 2021.

# SCOPE OF CONSOLIDATION

## LIST OF COMPANIES INCLUDED IN CONSOLIDATION USING THE LINE-BY-LINE METHOD

| Company | Business | Headquarters | Currency | Share Capital | % holding | Held by |
|---|---|---|---|---|---|---|
| **Europe** | | | | | | |
| **Austria** | | | | | | |
| Pirelli GmbH | Agent | Vienna | Euro | 726,728 | 100.00% | Pirelli Tyre (Suisse) S.A. |
| **Belgium** | | | | | | |
| Pirelli Tyres Belux S.A. | Agent | Brussels | Euro | 700,000 | 99.996% | Pirelli Tyre (Suisse) S.A. |
| | | | | | 0.004% | Pneus Pirelli S.A.S. |
| **France** | | | | | | |
| Pneus Pirelli S.A.S. | Distributor | Villepinte | Euro | 1,515,858 | 100.00% | Pirelli Tyre S.p.A. |
| **Germany** | | | | | | |
| Deutsche Pirelli Reifen Holding GmbH | Holding | Breuberg / Odenwald | Euro | 7,694,943 | 100.00% | Pirelli Tyre S.p.A. |
| Driver Handelssysteme GmbH | Service provider | Breuberg / Odenwald | Euro | 26,000 | 100.00% | Deutsche Pirelli Reifen Holding GmbH |
| Pirelli Deutschland GmbH | Manufacturer and distributor | Breuberg / Odenwald | Euro | 23,959,100 | 100.00% | Deutsche Pirelli Reifen Holding GmbH |
| Pirelli Personal Service GmbH | Service provider | Breuberg / Odenwald | Euro | 25,000 | 100.00% | Deutsche Pirelli Reifen Holding GmbH |
| PK Grundstuecksverwaltungs GmbH | Dormant | Breuberg / Odenwald | Euro | 26,000 | 100.00% | Deutsche Pirelli Reifen Holding GmbH |
| Driver Reifen und KFZ-Technik GmbH | Distribution chain | Breuberg / Odenwald | Euro | 259,225 | 100.00% | Deutsche Pirelli Reifen Holding GmbH |
| **Greece** | | | | | | |
| Elastika Pirelli C.S.A. | Distributor | Elliniko-Argyroupoli | Euro | 11,630,000 | 99.90% | Pirelli Tyre S.p.A. |
| | | | | | 0.10% | Pirelli Tyre (Suisse) S.A. |
| The Experts in Wheels - Driver Hellas S.A. | Service provider | Elliniko-Argyroupoli | Euro | 100,000 | 76.00% | Elastika Pirelli C.S.A. |

| Company | Business | Headquarters | Currency | Share Capital | % holding | Held by |
|---|---|---|---|---|---|---|
| **Italy** | | | | | | |
| Driver Italia S.p.A. | Service provider | Milan | Euro | 350,000 | 71.214% | Pirelli Tyre S.p.A. |
| Driver Servizi Retail S.p.A. | Service provider | Milan | Euro | 120,000 | 100.00% | Pirelli Tyre S.p.A. |
| HB Servizi S.r.l. | Service provider | Milan | Euro | 10,000 | 100.00% | Pirelli & C. S.p.A. |
| Maristel S.r.l. | Service provider | Milan | Euro | 50,000 | 100.00% | Pirelli & C. S.p.A. |
| Pirelli Digital Solutions S.r.l. | Service provider | Milan | Euro | 500,000 | 100.00% | Pirelli Tyre S.p.A. |
| Pirelli Industrie Pneumatici S.r.l. | Manufacturer | Settimo Torinese (To) | Euro | 40,000,000 | 100.00% | Pirelli Tyre S.p.A. |
| Pirelli International Treasury S.p.A. | Financial | Milan | Euro | 125,000,000 | 70.00% | Pirelli Tyre S.p.A. |
| | | | | | 30.00% | Pirelli & C. S.p.A. |
| Pirelli Servizi Amministrazione e Tesoreria S.p.A. | Service provider | Milan | Euro | 2,047,000 | 100.00% | Pirelli & C. S.p.A. |
| Pirelli Sistemi Informativi S.r.l. | Service provider | Milan | Euro | 1,010,000 | 100.00% | Pirelli & C. S.p.A. |
| Pirelli Tyre S.p.A. | Principal | Milan | Euro | 558,154,000 | 100.00% | Pirelli & C. S.p.A. |
| Poliambulatorio Bicocca S.r.l. | Service provider | Milan | Euro | 10,000 | 100.00% | Pirelli Tyre S.p.A. |
| Telco S.r.l. | Service provider | Gazzaniga | Euro | 93,600,000 | 80.00% | Pirelli Tyre S.p.A. |
| **The Netherlands** | | | | | | |
| Pirelli China Tyre N.V. | Holding and Agent | Rotterdam | Euro | 38,045,000 | 100.00% | Pirelli Tyre S.p.A. |
| **Poland** | | | | | | |
| Driver Polska Sp. z o.o. | Service provider | Warsaw | Pol. Zloty | 100,000 | 70.00% | Pirelli Polska Sp. z o.o. |
| Pirelli Polska Sp. z o.o. | Distributor | Warsaw | Pol. Zloty | 625,771 | 100.00% | Pirelli Tyre S.p.A. |
| **United Kingdom** | | | | | | |
| Pirelli Cif Trustees Ltd. | Trustees | Burton-on-Trent | British Pound Sterling | 4 | 50.00% | Pirelli General & Overseas Pension Trustees Ltd. |
| | | | | | 50.00% | Pirelli Tyres Pension Trustees Ltd. |
| Pirelli International Limited (ex Pirelli International plc) | Dormant | Burton-on-Trent | Euro | 5,000,000 | 100.00% | Pirelli Tyre S.p.A. |
| Pirelli Motorsport Services Ltd. | Service provider | Burton-on-Trent | British Pound Sterling | 1 | 100.00% | Pirelli UK Ltd. |
| Pirelli General & Overseas Pension Trustees Ltd. | Trustees | Burton-on-Trent | British Pound Sterling | 1 | 100.00% | Pirelli UK Ltd. |
| Pirelli Tyres Ltd. | Dormant | Burton-on-Trent | British Pound Sterling | 16,000,000 | 100.00% | Pirelli UK Tyres Ltd. |
| Pirelli Tyres Pension Trustees Ltd. | Trustees | Burton-on-Trent | British Pound Sterling | 1 | 100.00% | Pirelli Tyres Ltd. |
| Pirelli UK Ltd. | Holding | Burton-on-Trent | British Pound Sterling | 210,991,278 | 100.00% | Pirelli & C. S.p.A. |
| Pirelli UK Tyres Ltd. | Manufacturer and distributor | Burton-on-Trent | British Pound Sterling | 85,000,000 | 100.00% | Pirelli Tyre S.p.A. |

| Company | Business | Headquarters | Currency | Share Capital | % holding | Held by |
|---|---|---|---|---|---|---|
| **Slovakia** | | | | | | |
| Pirelli Slovakia S.R.O. | Distributor | Bratislava | Euro | 6,639 | 100.00% | Pirelli Tyre S.p.A. |
| **Romania** | | | | | | |
| Pirelli Tyres Romania S.r.l. | Manufacturer and distributor | Slatina | Rom. Leu | 2,189,797,300 | 100.00% | Pirelli Tyre S.p.A. |
| **Russia** | | | | | | |
| Closed Joint Stock Company "Voronezh Tyre Plant" | Manufacturer | Voronezh | Russian Rouble | 1,520,000,000 | 100.00% | Limited Liability Company "Pirelli Tyre Russia" |
| Limited Liability Company Pirelli Tyre Services | Service provider | Moscow | Russian Rouble | 54,685,259 | 95.00% | Pirelli Tyre (Suisse) S.A. |
| | | | | | 5.00% | Pirelli Tyre S.p.A. |
| Limited Liability Company "Industrial Complex Kirov Tyre" | Manufacturer | Kirov | Russian Rouble | 348,423,221 | 100.00% | Limited Liability Company "Pirelli Tyre Russia" |
| Limited Liability Company "Pirelli Tyre Russia" | Manufacturer and distributor | Moscow | Russian Rouble | 6,153,846 | 65.00% | Pirelli Tyre (Pty) Ltd. |
| **Spain** | | | | | | |
| Euro Driver Car S.L. | Service provider | Valencia | Euro | 960,000 | 58.438% | Pirelli Neumaticos S.A. - Sociedad Unipersonal |
| Neumaticos Arco Iris S.A. | Service provider | Valencia | Euro | 302,303 | 66.203% | Pirelli Neumaticos S.A. - Sociedad Unipersonal |
| Pirelli Neumaticos S.A. - Sociedad Unipersonal | Distributor | Valencia | Euro | 25,075,907 | 100.00% | Pirelli Tyre S.p.A. |
| **Sweden** | | | | | | |
| Pirelli Tyre Nordic Aktiebolag | Distributor | Stockholm | Swed. Krona | 950,000 | 100.00% | Pirelli Tyre S.p.A. |
| **Switzerland** | | | | | | |
| Driver (Suisse) S.A. | Service provider | Bioggio | Swiss Franc | 100,000 | 100.00% | Pirelli Tyre (Suisse) S.A. |
| Pirelli Group Reinsurance Company S.A. | Insurance | Basel | Swiss Franc | 3,000,000 | 100.00% | Pirelli & C. S.p.A. |
| Pirelli Tyre (Suisse) S.A. | Distributor / Distribution chain | Basel | Swiss Franc | 1,000,000 | 100.00% | Pirelli Tyre S.p.A. |
| **Turkey** | | | | | | |
| Pirelli Lastikleri Dis Ticaret A.S. | Service provider | Istanbul | Turkish Lira | 250,000 | 100.00% | Pirelli Otomobil Lastikleri A.S. |
| Pirelli Otomobil Lastikleri A.S. | Manufacturer and distributor | Istanbul | Turkish Lira | 1,290,000,000 | 100.00% | Pirelli Tyre S.p.A. |
| **Hungary** | | | | | | |
| Pirelli Hungary Tyre Trading and Services Ltd. | Distributor | Budapest | Hun. Forint | 3,000,000 | 100.00% | Pirelli Tyre S.p.A. |
| **North America** | | | | | | |
| **Canada** | | | | | | |
| Pirelli Tire Inc. | Agent | St-Laurent (Quebec) | Can. $ | 6,000,000 | 100.00% | Pirelli Tyre (Suisse) S.A. |

| Company | Business | Headquarters | Currency | Share Capital | % holding | Held by |
|---|---|---|---|---|---|---|
| **U.S.A.** | | | | | | |
| Pirelli North America Inc. | Holding | New York (New York) | US $ | 10 | 100.00% | Pirelli Tyre S.p.A. |
| Pirelli Tire LLC | Manufacturer and distributor | Rome (Georgia) | US $ | 1 | 100.00% | Pirelli North America Inc. |
| Prestige Stores LLC | Dormant | Los Angeles (California) | US $ | 10 | 100.00% | Pirelli Tire LLC |
| **Central/South America** | | | | | | |
| **Argentina** | | | | | | |
| Pirelli Neumaticos S.A.I.C. | Manufacturer and distributor | Buenos Aires | Arg. Peso | 2,948,055,176 | 99.828% | Pirelli Tyre S.p.A. |
| | | | | | 0.172% | Pirelli Pneus Ltda. |
| Latam Servicios Industriales S.A. | Service provider | Buenos Aires | Arg. Peso | 17,600,000 | 99.97% | Pirelli Neumaticos S.A.I.C. |
| | | | | | 0.03% | Pirelli Pneus Ltda. |
| **Brazil** | | | | | | |
| Comercial e Importadora de Pneus Ltda. | Distribution chain | Sao Paulo | Bra. Real | 853,280,282 | 100.00% | Pirelli Comercial de Pneus Brasil Ltda. |
| Pirelli Comercial de Pneus Brasil Ltda. | Distributor | Sao Paulo | Bra. Real | 2,003,614,861 | 85.00% | Pirelli Tyre S.p.A. |
| | | | | | 15.00% | Pirelli Latam Participaçoes Ltda. |
| Pirelli Latam Participaçoes Ltda. | Holding | Sao Paulo | Bra. Real | 895,852,921 | 100.00% | Pirelli Tyre S.p.A. |
| Pirelli Ltda. | Service provider | Sao Paulo | Bra. Real | 14,000,000 | 100.00% | Pirelli & C. S.p.A. |
| Pirelli Pneus Ltda. | Manufacturer and distributor | Campinas (Sao Paulo) | Bra. Real | 3,628,383,270 | 85.025% | Pirelli Tyre S.p.A. |
| | | | | | 14.975% | Pirelli Latam Participaçoes Ltda. |
| Comércio e Importação Multimarcas de Pneus Ltda. | Dormant | Sao Paulo | Bra. Real | 128,191,500 | 97.12% | Pirelli Pneus Ltda. |
| | | | | | 2.45% | Pirelli Tyre S.p.A. |
| | | | | | 0.43% | Pirelli Latam Participaçoes Ltda. |
| C.P.Complexo Automotivo de Testes, Eventos e Entretenimento Ltda. | Service provider | Elias Fausto (Sao Paulo) | Bra. Real | 89,812,000 | 60.00% | Pirelli Pneus Ltda. |
| | | | | | 40.00% | Pirelli Comercial de Pneus Brasil Ltda. |
| TLM - Total Logistic Management Serviços de Logistica Ltda. | Service provider | Sao Paulo | Bra. Real | 3,074,417 | 99.995% | Pirelli Pneus Ltda. |
| | | | | | 0.005% | Pirelli Ltda. |
| Hevea-Tec Industria E Comercio Ltda. | Manufacturer | Sao Paulo | Bra. Real | 23,300,000 | 100.00% | Comércio e Importação Multimarcas de Pneus Ltda. |
| **Chile** | | | | | | |
| Pirelli Neumaticos Chile Ltda. | Distributor | Santiago | US $ | 3,520,000 | 85.252% | Pirelli Comercial de Pneus Brasil Ltda. |
| | | | | | 14.728% | Pirelli Latam Participaçoes Ltda. |
| | | | | | 0.020% | Pirelli Ltda. |
| **Colombia** | | | | | | |
| Pirelli Tyre Colombia S.A.S. | Distributor | Santa Fe De Bogota | Col. Peso/000 | 1,863,222,000 | 85.00% | Pirelli Comercial de Pneus Brasil Ltda. |
| | | | | | 15.00% | Pirelli Latam Participaçoes Ltda. |

| Company | Business | Headquarters | Currency | Share Capital | % holding | Held by |
|---|---|---|---|---|---|---|
| **Mexico** | | | | | | |
| Pirelli Neumaticos S.A. de C.V. | Manufacturer and dristibutor | Silao | Mex. Peso | 11.595.773.848 | 99.8315% | PirelliTyre S.p.A. |
| | | | | | 0.1685% | Pirelli Latam Participaçoes Ltda. |
| **Africa** | | | | | | |
| **Egypt** | | | | | | |
| Pirelli Egypt Tyre Trading S.A.E. | Holding | Giza | Egy. Pound | 84,250,000 | 99.994% | Pirelli Tyre S.p.A. |
| | | | | | 0.003% | Pirelli Industrie Pneumatici S.r.l. |
| | | | | | 0.003% | Pirelli Tyre (Suisse) S.A. |
| Pirelli Egypt Consumer Tyre Distribution S.A.E. | Distributor | Giza | Egy. Pound | 824,608,939 | 99.970% | Pirelli Tyre S.p.A. |
| | | | | | 0.030% | Pirelli Egypt Tyre Trading S.A.E. |
| **South Africa** | | | | | | |
| Pirelli Tyre (Pty) Ltd. | Distributor | Gauteng 2090 | S.A. Rand | 11 | 100.00% | Pirelli Tyre S.p.A. |
| E-VOLUTION Tyre South Africa (Pty) Ltd. | Holding | Gauteng 2090 | S.A. Rand | 100 | 100.00% | Pirelli Tyre (Pty) Ltd. |
| **Oceania** | | | | | | |
| **Australia** | | | | | | |
| Pirelli Tyres Australia Pty Ltd. | Distributor | Pyrmont (NSW) | Aus. $ | 150,000 | 100.00% | Pirelli Tyre (Suisse) S.A. |
| **Asia** | | | | | | |
| **Saudi Arabia** | | | | | | |
| Pirelli Middle East Limited | Service provider | Riyadh | Riyal Saudita | 500,000 | 100.00% | Pirelli Tyre S.p.A. |
| **China** | | | | | | |
| Pirelli Logistics (Yanzhou) Co., Ltd. | Service provider | Jining | Chinese Yuan | 5,000,000 | 100.00% | Pirelli Tyre Co., Ltd. |
| Pirelli Tyre (Jiaozuo) Co., Ltd. | Manufacturer | Jiaozuo | Chinese Yuan | 350,000,000 | 80.00% | Pirelli Tyre S.p.A. |
| Pirelli Tyre Co., Ltd. | Manufacturer and distributor | Yanzhou | Chinese Yuan | 2,471,150,000 | 90.00% | Pirelli China Tyre N.V. |
| Pirelli Tyre Trading (Shanghai) Co., Ltd. | Service provider | Shanghai | US $ | 700,000 | 100.00% | Pirelli China Tyre N.V. |
| **Korea** | | | | | | |
| Pirelli Korea Ltd. | Distributor | Seoul | Korean Won | 100,000,000 | 100.00% | Pirelli Asia Pte Ltd. |
| **United Arab Emirates** | | | | | | |
| Pirelli Tyre MEAI DMCC | Distributor | Dubai | AED | 5,900,000 | 100.00% | Pirelli Asia Pte Ltd. |
| **Japan** | | | | | | |
| Pirelli Japan Kabushiki Kaisha | Distributor | Tokyo | Jap. Yen | 2,200,000,000 | 100.00% | Pirelli Tyre S.p.A. |
| **Singapore** | | | | | | |
| Pirelli Asia Pte Ltd. | Distributor | Singapore | Sing. $ | 2 | 100.00% | Pirelli Tyre (Suisse) S.A. |
| **Thailand** | | | | | | |
| Pirelli Tyre (Thailand) Ltd. | Distributor | Bangkok | Baht Thailandese | 102,000,000 | 99.00% | Pirelli Tyre S.p.A. |
| | | | | | 1.00% | Pirelli Asia Pte Ltd. |

## LIST OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| Company | Business | Headquarters | Currency | Share Capital | % holding | Held by |
|---|---|---|---|---|---|---|
| **Europe** | | | | | | |
| **Germany** | | | | | | |
| Industriekraftwerk Breuberg GmbH | Electricity generation | Hoechst / Odenwald | Euro | 1,533,876 | 26.00% | Pirelli Deutschland GmbH |
| **Greece** | | | | | | |
| Eco Elastika S.A. | Tyres | Athens | Euro | 60,000 | 20.00% | Elastika Pirelli C.S.A. |
| **Italy** | | | | | | |
| Consorzio per la Ricerca di Materiali Avanzati (CORIMAV) | Financial | Milan | Euro | 103,500 | 100.00% | Pirelli & C. S.p.A. |
| Eurostazioni S.p.A. | Financial | Rome | Euro | 100,000 | 32.71% | Pirelli & C. S.p.A. |
| RIDEsense S.r.l. | Service provider | Naples | Euro | 10,000 | 24.99% | Pirelli Tyre S.p.A. |
| **Poland** | | | | | | |
| Centrum Utylizacji Opon Organizacja Odzysku S.A. | Tyres | Warsaw | Pol. Zloty | 1,008,000,00 | 20.00% | Pirelli Polska Sp. z o.o. |
| **Slovakia** | | | | | | |
| ELT Management Company Slovakia S.R.O. | Tyres | Bratislava | Euro | 132,000,00 | 20.00% | Pirelli Slovakia S.R.O. |
| **Romania** | | | | | | |
| Eco Anvelope S.A. | Tyres | Bucharest | Rom. Leu | 160,000 | 20.00% | Pirelli Tyres Romania S.r.l. |
| **Spain** | | | | | | |
| Signus Ecovalor S.L. | Tyres | Madrid | Euro | 200,000 | 20.00% | Pirelli Neumaticos S.A. - Sociedad Unipersonal |
| **Asia** | | | | | | |
| **China** | | | | | | |
| Xushen Tyre (Shanghai) Co., Ltd | Tyres | Shanghai | Chinese Yuan | 1,050,000,000 | 49.00% | Pirelli Tyre S.p.A. |
| Jining Shenzhou Tyre Co., Ltd | Tyres | Jining City | Chinese Yuan | 1,050,000,000 | 100.00% | Xushen Tyre (Shanghai) Co, Ltd |
| **Saudi Arabia** | | | | | | |
| “Middle East and North Africa Tyre Company (Joint Stock Company)” | Tyres | King Abdullah Economic City | Saudi Riyal | 519,583,320 | 25.00% | Pirelli Tyre S.p.A. |
| **Indonesia** | | | | | | |
| PT Evoluzione Tyres | Tyres | Subang | Rupee | 1,313,238,780,000 | 63.04% | Pirelli Tyre S.p.A. |