

**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
Avio S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

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

Key Audit Matters

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

Measurement of contract work-in-progress**Description of the key audit matter**

The financial statements for the year ended December 31, 2025 include assets related to the execution of contract work-in-progress of Euro 198.8 million (Euro 156 million at December 31, 2024), liabilities for the related advances of Euro 714.9 million (Euro 556.9 million at December 31, 2024), other provisions for risks and charges of Euro 6.4 million at December 31, 2025 (Euro 6.6 million at December 31, 2024) and revenues of Euro 577.7 million at December 2025 (Euro 475 million at December 31, 2024).

Contract work-in-progress is attributable to development and production activities of the Company, whose revenues and related margins are recognized in the income statement according to the progress of the contracts using the percentage-of-completion method determined on the basis of costs incurred over total estimated costs for the entire work.

Revenues, in addition to the consideration set forth in the contract, may also include additional payments such as, but not limited to, additional payments for additional activities incurred and/or to be incurred for change to works or events not foreseeable at the date of signature of the original contract, or for additional costs incurred and/or to be incurred that are not foreseeable by the parties at the date of signature of the original contract.

The evaluation method of that contract work-in-progress and the revenue recognition are based on complex assumptions which by nature involve the use of Management judgment, in particular with reference to the estimation of conditions for revenue recognition of variable payments and related amounts, and of the forecast of costs of completion, including the estimate of contractual risks.

In view of the significance of contract work-in-progress with respect to the Company overall business profile and the complexity of the assumptions used for additional payments and for forecasting the costs to complete the related contracts, we consider that this topic represents a key audit matter of the Financial Statements as of December 31, 2025.

The information on the financial statements relating to this matter is provided in the explanatory notes to the consolidated financial statements and in particular in explanatory note 2.7 "Accounting standards and basis of preparation", explanatory note 2.9 "Use of estimates", explanatory note 3.10 "Contract work-in-progress", explanatory note 3.21 "Provision for risk and charges" and explanatory note 3.27 "Revenues".

Audit procedures performed

As part of our audit we have, among other, carried out the following procedures:

- understanding of the criteria for the valuation of the contract work-in-progress and the revenue recognition criteria, both related to the contractual payments and additional payments, and for advances for contract work-in-progress ;
- understanding of the relevant controls put in place by the Management on the process of evaluation of the contract work-in-progress and test of the operating effectiveness;
- comparative analysis of the main changes in contracts work-in-progress net results with respect to the previous year;
- analysis, on a sample basis, of the new contracts signed, of the related clauses of contractual amendment and, in the presence of variable considerations, the evaluation of the related supporting documentation;
- reconciliation of costs resulting from the Management accounts to the general ledger, with analysis on a sample basis ;
- analysis of the significant assumptions related to the estimate of costs of completion, including foreseeable contractual risks, as well as subsequent events beyond the end of the financial year;
- analysis of contract reports and interviews with project managers with particular reference to a sample of contractual variations incurred during the period and impact on costs of completion, including any foreseeable losses;
- examination of the accuracy of the calculation of the percentage of completion and of the revenue recognition;
- examination of projects with negative margin as of 31 December 2025 and the consequent recognition in provisions for risks and charges;
- review of the disclosure provided by the Company and its compliance with the relevant accounting principles.

Recoverability of goodwill**Description of the key audit matter**

The financial statements for the year ended 31 December 2025 include a goodwill accounted for the allocation of the 2017 purchase price of Space2 S.p.A., amounting to Euro 61 million. This goodwill is allocated to the only CGU of the Company corresponding to the Space sector ("CGU Space").

The recoverability of goodwill is tested at least once a year, even in the absence of impairment indicators based on IAS 36 "Impairment of assets".

The recoverability of the values is measured by Management with the involvement of an independent expert comparing the Space CGU net invested capital (carrying amount) with the relative recoverable amount, determined by Management according to the value in use as the present value of the operating cash flows deriving from the 2025-2035 Business Plan, approved by the Board of Directors on September 11, 2025, and from the terminal value.

This methodology is characterized by certain areas of complexity and requires the use of forecasts of market aerospace sector scenarios in which the Group operates, which are subject to a physiological degree of uncertainty also in view of the current international macroeconomic environment, the possible economic and financial effects on the levels of expenditure allocated by national governments and international institutions to the access to the space, and the future developments of the European governance of launchers referred to in the determinations of the ESA Council of November 6, 2023 and of July 5, 2024.

Following the impairment test, Management confirmed the recoverability of the goodwill recorded in the financial statements.

Taking into account the complexity and the subjectivity of the estimates relating to the cash flows considered and the key assumptions of the impairment test model, we considered goodwill recoverability to be a key audit matter of financial statements as of December 31, 2025.

The explanatory notes to the financial statements describe the Management evaluation process, in particular in the explanatory note 2.9 "Use of estimates" and explanatory note 3.4 "Goodwill" where the significant assumptions and information related to the impairment test are reported.

Audit procedures performed

As part of our audit, we have, among others, carried out the following procedures:

- understanding of the methodology adopted by the Company in carrying out the impairment test and identifying of the key controls carried out on the impairment test, and performing the test of operating effectiveness of those controls;
- verification of the consistency of the methodological approach adopted by the Company with IAS 36 Impairment of Assets, with particular reference to the identification of the CGU and the determination of its recoverable amount;
- analysis of reasonableness, of the main assumptions adopted for the CGU cash flows forecasts, the discount rates (WACC) and the growth rates (g-rates) applied in the test, also taking into account the uncertainties linked to the current macroeconomic environment, by obtaining information from the Management and analysing the relevant sources;
- analysis, also with the support of our experts of the Network, of the report prepared by the independent expert appointed by the Management, evaluating their skills, capacity and objectivity;
- examination of the sensitivity analysis prepared by the Management supported by of the independent expert appointed by the same;
- review of the disclosure and its compliance with IAS 36.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Avio S.p.A. has appointed us on June 15, 2017 as auditors of the Company for the years from December 31, 2017 to December 31, 2025.

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

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The Directors of Avio S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the “Delegated Regulation”) to the financial statements as of December 31, 2025, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as of December 31, 2025, have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Avio S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Avio S.p.A. as of December 31, 2025, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Avio S.p.A. as of December 31, 2025.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Francesco Vanacore
Partner

Rome, Italy,
March 31, 2026

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.