

MARZOTTO SIM S.p.A.

Report by the independent auditing firm
pursuant to Articles 14 and 19-bis
of Italian Legislative Decree no. 39 of 27 January 2010

Financial statements as at 31 December 2024

Report by independent auditing firm

pursuant to Articles 14 and 19-bis of Italian Legislative Decree No. 39 of 27 January 2010

To the shareholders of
Marzotto SIM S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Marzotto SIM S.p.A. (the Company) which comprise the balance sheet as at 31 December 2024, the income statement, the overall comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the financial year then ended and the notes to the financial statements, which includes relevant information on the accounting standards applied.

In our opinion, the annual financial statements provide a true and correct representation of the Company's asset and financial position as at 31 December 2024, the economic result and the cash flows for the financial year ended on that date, in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the measures issued implementing Article 43 of Italian Legislative Decree 136/15.

Basis for the opinion

We conducted our audit in accordance with the international auditing standards (ISA Italy). Our responsibilities on the basis of these standards are described in greater detail in the section of this report *Responsibilities of the auditing firm for auditing the annual financial statements*. We are independent from the Company in accordance with the rules and principles of ethics and independence applicable in Italian law to the audit of the financial statements. We believe we have acquired sufficient and appropriate evidence on which to base our opinion.

Responsibilities of the directors and the board of statutory auditors for the financial statements

Directors are responsible for the preparation of the financial statements that provide a true and fair view in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the measures issued implementing Article 43 of Italian Legislative Decree 136/15 and, within the terms provided for by law, for the part of internal controls that directors consider necessary to allow the preparation of financial statements that do not contain significant errors due to fraud or unintentional conduct or events.

Directors are responsible for the valuation of the Company's ability to continue to operate as a functioning entity and, in preparing the annual financial statements, for the appropriateness of using the going concern assumption, as well as for disclosing adequate disclosure in that regard. Directors shall use the going concern assumption in the preparation of the financial statements unless they considered that the conditions for the liquidation of the Company or the interruption of operations are met, or there are no realistic alternatives to such options.

The Board of Statutory Auditors is responsible for supervision, within the terms provided by law, of the process for preparing the Company's financial disclosure.

Auditing firm's responsibility for auditing annual financial statements

We aim to obtain reasonable assurance that the financial statements as a whole are free from material errors due to fraud or to non-intentional acts, conduct or events, and to issue an audit report that includes our audit opinion. Reasonable certainty means a high level of certainty; however, this does not guarantee that an audit carried out in accordance with the international standards on auditing (ISA Italy) always reveals material errors, if existing. Errors may result from fraud or unintentional conduct or events and are considered material if they can reasonably be expected to affect the financial decisions of users taken on the basis of the financial statements, either individually or as a whole.

As part of the audit performed in accordance with international auditing standards (ISA Italy), we exercised our professional judgment and maintained our professional scepticism throughout the audit. Also:

- we have identified and assessed the risks of material errors of the financial statements, whether due to fraud or unintentional conducts or events; we have defined and performed audit procedures in response to such risks; we have obtained sufficient and appropriate evidence on which to base our opinion. The risk of not detecting a material error due to fraud is higher than the risk of not detecting a material error resulting from unintentional conducts or events, as fraud may involve collusion, falsification, intentional omissions, misleading representations or forcing internal control;
- we have gained an understanding of the internal control that is significant for audit purposes to determine audit procedures that are appropriate in the circumstances and not to express an opinion on the effectiveness of the Company's internal control;
- we have assessed the appropriateness of the accounting standards followed and the reasonableness of the accounting estimates made by directors, including the related disclosure;
- we came to a conclusion on the appropriateness of the directors' application of the going concern assumption and, on the basis of the evidence acquired, on the possible existence of significant uncertainty regarding events or circumstances that may cast significant doubt on the Company's ability to continue as a functioning entity. If there is significant uncertainty, we must draw attention in the audit report to the relevant financial statements disclosure, or if this disclosure is inadequate to reflect this circumstance in expressing our opinion. Our conclusions are based on the evidence gathered up to the date of this report. However, subsequent events or circumstances may result in the Company ceasing to operate as a functioning entity;
- we have assessed the presentation, structure and content of the financial statements as a whole, including disclosure, and whether the financial statements represent the underlying transactions and events so as to provide a fair presentation.

We notified those responsible for governance, identified at an appropriate level as required by the ISA Italy, among other aspects, of the planned scope and expected timing for the audit and the significant results emerging from it, including any significant deficiencies in internal control identified over the course of the audit activities.

Report on other legal and regulatory provisions

Judgments and declarations pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter) of Italian Legislative Decree 39/10

The directors of Marzotto SIM S.p.A. are responsible for drawing up the report on operations of Marzotto SIM S.p.A. as at 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have carried out the procedures indicated in the standard on auditing (SA Italy) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the annual financial statements;
- express an opinion on the consistency of the report on operations with the law;

- issue a statement on any significant errors in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of Marzotto SIM S.p.A. as at 31 December 2024.

Furthermore, in our opinion, the report on operations is prepared in accordance with the law.

With reference to the statement referred to in Article 14, paragraph 2, letter e-ter), of Italian Legislative Decree No. 39/10, issued on the basis of the knowledge and understanding of the company and the context in which it operates acquired during the audit, we have nothing to report.

Milan, 31 March 2025

BDO Italia S.p.A.

[signature]

Andrea Meneghel
Shareholder



Marzotto Società di Intermediazione Mobiliare S.p.A.

Financial Statements as at 31 December 2024

**Piazza della Repubblica, 32 - 20124 Milan (MI)
Share Capital EUR 10,000,000 fully paid up
Milan Companies Register entry no. MI-1899367
Tax code and VAT number 025821812**

MANAGEMENT AND CONTROL BODIES

Board of Directors

Chairperson of the Board of Directors	Riccardo Bruno ¹
Managing Director	Domenico Moro
Director	Gianmarco Committeri
Director	Alessandro De Micheli
Director	Federico Cirulli ¹
Director	Emiliano Nitti ¹
Director	Roberto Angeloni

Board of Statutory Auditors ²

Chairperson of the Board of Statutory Auditors	Stefano Santucci
Statutory Auditor	Giornetti Andrea
Statutory Auditor	Francesco De Petra (took over on 3 May 2024)
Alternate Statutory Auditor	Cimmino Giovanni
Statutory Auditor	Francesca Meneghel (outgoing on 2 May 2024)

Auditing firm

BDO Italia S.p.A.

¹ Independent director.

² The appointment of the Alternate Statutory Auditor will be made on the occasion of the approval of the Financial Statements by the Shareholders' Meeting.

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REPORT ON OPERATIONS

Macro-economic context

Financial markets in 2024

The year 2024 was marked by historic geopolitical and economic challenges that are bound to influence the political and economic balance in 2025 and the years to come. The Republican victory in the November elections intensified the debate on trade relations by adding uncertainty factors for economies based on international trade.

Nevertheless, expectations are for good economic growth rates in both the US and Asia. Europe remains behind in growth forecasts, albeit with slight growth.

According to estimates, the US economy showed a GDP growth of 2.8% in 2024. This result was mainly driven by consumer spending, which continued to be robust. The labour market showed signs of slowing down, but remained relatively strong. Approximately 2.2 million new jobs were created (cumulative Non Farm Payroll data), the unemployment rate rose to 4.1% in December 2024, exceeding the 4% threshold for the first time since 2021. In Europe, with a growth of 0.9%, unemployment remained essentially stable at 5.9% from 6% in 2023. In 2024, inflation showed downward trends in both the US and Europe, including Italy, compared to 2023. In Italy, the Harmonised Index of Consumer Prices (HICT average figure) decreased to 1.1% on average, compared to 5.9% in 2023. In the eurozone it stood at 2.7%, in the US it stood at 2.6%, down from 4.1%. The Federal Reserve cut interest rates three times in 2024, bringing the federal funds rate to a range of between 4.25% and 4.50%. The ECB also reduced the official rates on three occasions, bringing the deposit rate down from 3.75% to 3%.

The key to US growth (2.8% vs. 0.9% in the eurozone) lies in the high level of productivity thanks to technology. Currently, it is 25% higher than in Europe and, also thanks to infrastructure investment programmes, the gap is set to widen unless massive new investment programmes are undertaken in Europe (see Draghi report).

The euro area economy showed signs of recovery in 2024. However, economic activity remained fragile, with continued contraction in manufacturing offset by a modest recovery in services, with the services SMEs index rising to 51.6 in December.

The effects for the bond markets

Bond markets experienced a year of mixed performance in 2024. Short-term government bond yields were influenced by expectations of interest rate cuts by central banks, expectations that changed during the course of the year. Ten-year rates trended higher in the US than in Europe, rising by 0.7% in the US, while in Europe the bund rates rose from an initial 2% to 2.36%. Again, a period of rising rates until June was followed by a significant decline, a trend reversing in the latter part of the year. In addition to the Fed's monetary policy, the surprisingly positive growth dynamics in the US and inflation influenced the market trend, an effect then compounded by the US presidential elections.

The development of the stock market

The US stock market had an exceptional year in 2024 and strongly outperformed the European markets. The S&P 500 index rose by 25%, driven mainly by the strong gains made by the large technology companies, known as the "Magnificent Seven" (Nvidia, Tesla, Alphabet, Amazon, Apple, Microsoft and Meta), which recorded significant increases (+48%). Corporate earnings growth was a key factor: the earnings of companies in the S&P 500 grew by 15% in 2024, exceeding analysts' expectations. This boosted investor confidence and supported share prices. Despite some concerns about a possible recession in late summer, the market ended the year close to all-time highs.

Outlook for 2025

Global growth is expected to remain resilient in 2025, albeit with marked regional differences.

Although facing a scenario where tariff policies could have a strong impact on growth, the US is expected to grow by 2.0%, the eurozone is expected to lag further behind (0.9%), while Chinese growth is expected to be below its historical standards (4.2%). Inflation could prove resilient due to high government spending and possible tariff increases.

Consumption remains robust, productivity continues to grow, the credit cycle is favourable and Trump's likely tax cuts are expected to support investment. On the contrary, the eurozone economy is burdened by political (in Germany and France) and trade uncertainties, with only a tepid recovery expected by 2025, mainly driven by southern Europe. Disinflation continues, with upward risks mainly in the US. The Fed is expected to cut 50 bps in 2025, postponing further accommodation until 2026. The budget reduction (QT) is expected to be completed by the end of the first quarter of 2025. The ECB expects further sequential cuts of 125 basis points in 2025, bringing the final rate to 1.75%. The PEPP reinvestment will be fully terminated by 2025.

If the role of monetary policy is set to be less expansive, especially in the US, fiscal policy is set to play a greater role in economic development.

On the contrary, China will most likely refrain from further fiscal spending plans until the effects of the next US administration's policies on the Chinese economy become clearer. But more substantial fiscal stimulus measures could come later.

For the time being, Europe is on the sidelines in relation to this context. The core element of the Next Generation EU Recovery Plan is the Recovery and Resilient Facility with a total amount of EUR 670 billion for the digital and energy transformation of the EU economy by 2026. However, these funds are unlikely to be sufficient to close the innovation and productivity gap with the US and the rest of the world. Draghi's plan has remained only a vision for the future but it clarified the strategic direction to be taken. To close the innovation gap, European research and education institutions need, among other things, a strategy of excellence. Increasing competitiveness also depends on significantly lowering energy prices in Europe and reducing dependencies in the supply of key raw materials or technologies which in turn, for example, require a real EU economic policy. The volume of new investments proposed by the Draghi's plan amounts to between EUR 750 and EUR 800 billion per year.

The expansive fiscal policy in the US will lead to an increase in the risk premium, especially on longer maturities, by further steepening the rate curve. The gap between US and European long term rates is set to widen further.

In view of the mostly inflationary economic policy measures planned by the new US administration, a further rise in US yields is likely in the short term. Expectations for European yields improved due to further interest rate cuts, a still weak economy (with risks of a trade conflict with the US) and falling inflation. In the medium term, there is moderate downside potential for rates with higher risks for the US as the risk premium on medium/long term maturities is expected to remain at a high level, with the Fed becoming more cautious.

There are currently three key factors for equities, especially US equities: the usually positive post-election cycle, the Fed's easing, which, however, is now expected to be more restrained than previously anticipated, and the rotation away from the US technology sector towards ex-tech sectors and countries. The macroeconomic momentum in the US is holding up well, and we anticipate growth stability in the eurozone, albeit at a very moderate level, and a gradual increase in productive capacity utilisation. Further positive aspects are the high levels of cash flow relative to investment needs and the improvement of conditions. The record risk premium of European markets compared to the US may persist in the short term as investors await concrete measures from Trump and the evolution of the political framework in Germany and France. Leading investment banks expect a total return of 10-15% for the EU and 4-8% for the US in 12 months, plus a rotation from the US IT sector to other sectors and non-US countries. Europe is expected to benefit from the stabilisation of growth and a possible Trump-led lull in current conflicts, as well as from China's fiscal and monetary stimulus.

Operations of the SIM (Securities Brokerage Company) in 2024

Marzotto SIM is authorised in Italy, by Consob Resolution No. 15542 of 29 August 2006, to provide the following investment services, pursuant to Article 1, paragraph 5, of Italian Decree-Law 58/1998 (Italian Consolidated Law on Finance) as well as pursuant to the provisions of Italian Legislative Decree No. 164 of 17 November 2010:

- Letter a) - Proprietary trading;
- Letter b) - Performance of orders on behalf of customers;
- Letter c-bis) - Placement without underwriting commitment or assumed guarantee against the issuer;
- Letter d) - Portfolio management;
- Letter e) - Receipt and transmission of orders;
- Letter f) - Investment advisory.

During financial year 2024, the SIM provided the following services:

- proprietary trading;

The types of risk to which the SIM is most exposed are credit, market and interest rate risks - with different levels for proprietary trading, proprietary investments and operational, reputational and strategic risk.³

The SIM is distinguished by its strategic and operational independence and an established client portfolio of leading financial institutions and investors.

The Management consists of professionals with many years of experience in leading Italian and foreign management companies and merchant banks.

The year 2022 was characterised by an unfavourable evolution of the SIM's operational capacities and the cancellation of the Advisory and Asset Management business lines, in a worsening market conditions context, emphasised by the consequences of the conflict in Ukraine. After the high turnover in 2022 and the renewal of top management in 2023, the SIM benefited from the greater clarity on corporate strategy, which promoted the stabilisation of the workforce with the progress of the strategic plan for the development of the operations room planned for the 2023-2025 three-year period. The Finance area was also strengthened as a result of the increased volumes recorded in the year and planned for the future.

Despite the upward revision of the 2024 budget targets, the Company was able to exceed its set objectives by increasing the result from operations (net of commissions for intermediation contracts) by 25% compared to 2023, recording a pre-tax profit of EUR 635 thousand, significantly up compared to 2023.

Management pursued the strategy of strengthening the Company's core business, consisting of intermediation performed by the company, by increasing the number of counterparties, diversifying operations between regulated and OTC markets, improving internal management systems and implementing a plan to strengthen resources.

The breakdown of operating results changed, with a strong business growth in regulated markets and a more assiduous presence in the market for government and supra-national securities in non-euro currencies. Great impetus was given to the development of the operations room IT platform. Operations diversification was important, benefiting from significant revenues with Corporate clients and the development of new relationships with other intermediaries with complementary characteristics. In particular, the SIM entered into intermediation contracts with other authorised and regulated financial intermediaries for the purpose of finalising trading transactions with qualified counterparties.

Against a 7% increase in operating costs, including staff costs, the Company achieved an increase in Intermediation Revenues net of commissions paid of 25% and closed the year as at 31 December 2024 with a pre-tax profit of EUR 635 thousand, compared to a pre-tax profit of EUR 38 thousand in 2023. The course undertaken by the new Management and the actions planned in 2024 provide an expected results projection for the 2025-2026 two-year period such that no write-downs in deferred tax assets are required.

Other information

In 2024, a former member of the company's Board of Directors filed for arbitration with the Milan Arbitration Chamber in order to assert their alleged claims for damages against Marzotto SIM.

Marzotto SIM appointed major law firms for its defence in the arbitration proceedings and rejected all of the plaintiff's claims as unfounded in fact and law, asking the arbitration court to order them to pay the costs of the proceedings and fees.

On the basis of the valuations made by the law firms supporting Marzotto SIM, any liabilities associated with the settlement of the proceedings has been deemed as possible but not probable and is currently considered a contingent liability.

For this reason, in compliance with the IAS-IFRS standards, Marzotto SIM has provided this disclosure in the Notes to the Financial Statements.

It will be the company's responsibility to provide adequate disclosure on the dispute's subsequent developments in future financial statements.

³ For more details on risk policies, see Part D, section two of the Notes to the Financial Statements.

Organisational aspects

The SIM's organisational structure underwent some changes, improving internal efficiency while remaining consistent with its small size, with a focus on the service of proprietary trading. As at 31 December 2024, there were 9 employees (2 managers, 4 middle managers and 3 employees). The Control functions structure changed during the year, with the internalisation of the Compliance function. The Risk Management and Internal Audit functions are outsourced.

The company has no agency relationships.

Following a shareholders' resolution, the SIM amended its staff remuneration policy for 2024 in accordance with supervision provisions and industry practices, including a variable component only for employees and executive staff. The 2023 Policy was adapted in some points to ensure a greater interest alignment between stakeholders and employees. The variable part of remuneration, within the limits of

a predetermined ratio with the fixed component authorised by the Shareholders' Meeting, consists of a maximum amount ("Bonus pool") and is payable upon the meeting of certain company parameters ("gate clauses") in the achievement of individually set qualitative and quantitative targets and on condition of the achievement of a minimum profitability level for shareholders. In order to better align the stakeholders' interest, the gate system was modified in 2024, establishing a minimum profitability target to be achieved as a precondition for determining the Bonus Pool.

From a technical and organisational perspective, the main initiatives of the period concerned the updating and development of a large part of the regulatory *corpus*, the redefinition of the Risk Appetite Framework with the inclusion of ESG parameters monitoring in relation to the Company's portfolio. Particular attention was paid to the reinforcement of IT facilities in view of the implementation of the DORA regulation. The company updated its Organisational Model 231.

SIM staff operate a mixed system with scheduled smart working periods and regular presence at the Company's headquarters.

Proprietary trading

Proprietary trading was conducted exclusively with institutional and professional counterparties (about 70 at the end of 2024) for trades in fixed income securities.

In 2024, the proprietary trading increased significantly as a result of the increase in Front Office staff and the ability of the Operations Room to take advantage of market volatility and customer positioning. Revenues from Intermediation activities amounted to EUR 8,505 million. Part of this increase is due to the company's core business, and a significant component derived from non-recurring transactions. Non-recurring transactions were carried out with qualified counterparties with the mediation of other financial intermediaries. Commissions paid on mediations amounted to EUR 5,086 million. Net of commissions paid, trading income increased by 25% compared to 2023. Approximately 26,000 transactions (compared to 12,000 in 2023) were carried out for a countervalue, between purchases and sales, of EUR 46 billion (compared to EUR 37.5 billion in 2023), (6,500 transactions in 2022 for an overall countervalue of EUR 22.4 billion). The structural change in operations saw a decline in Over-the-counter transactions involving securities issued by supranational agencies in euro. This repositioning took place thanks to the operational flexibility of the Front Office, which adapted well to the changed market environment and which offered more opportunities in regulated markets and in the dollar and sterling segments. Of great importance is the innovation and technological support provided by IT systems.

Intermediation margin

The capital investment policy remained unchanged and compliant with the new business model, effective from 2022 and based on the Hold to Collect and Sell criterion.

The SIM's portfolio retained a risk profile focused on investments on short- to medium-term government bonds. The portfolio and liquidity management activities generated interest income of EUR 328 thousand. The securities portfolio increased during the year from EUR 6.7 million to EUR 10.2 million due to the conversion of liquidity previously held in government securities for guarantees provided to the custodian bank. The Securities Valuation Reserve increased by EUR 75 thousand during the year. The intermediation margin comprising trading income on proprietary trading net of mediation and trading commissions and other financial income amounted to EUR 3,572 thousand, up 28% from 2023.

Financial statements results as at 31 December 2024

The salient financial and economic results of MARZOTTO SIM as at 31 December 2024 are presented and commented on below.

Table 1 - Balance sheet data (amounts in EUR)

	2024	2023	Change	% Change
Cash and cash equivalents	608,318	3,187,551	-2,579,233	-81%
Financial assets	10,551,661	6,801,541	3,750,120	55%
Shareholdings	-	-	-	0%
Tangible and intangible assets	351,803	456,766	-104,963	-23%
Tax assets	629,429	809,839	-180,410	-22%
Other assets	122,346	126,554	-4,208	-3%
Total assets	12,263,557	11,382,251	881,306	8%
Financial liabilities	309,851	375,291	-65,440	-17%
Tax liabilities	27,655	-	27,655	
Other liabilities	749,100	432,415	316,685	73%
SEVERANCE PAY	35,894	21,008	14,886	71%
Provisions for risks and charges:	440,000	370,000	70,000	19%
Total liabilities	1,562,500	1,198,714	363,786	30%
Capital	10,000,000	10,000,000	-	0%
Reserves	172,118	134,050	38,068	28%
Valuation reserves	86,515	11,419	75,096	658%
Profit (Loss) for the financial year	442,424	38,068	404,356	1,062%
Total shareholders' equity	10,701,057	10,183,537	517,520	5%
Total liabilities and shareholders' equity	12,263,557	11,382,251	881,306	8%

The change in "Cash and cash equivalents" and "Financial assets" is due to the decision to increase capital investments in financial instruments consisting of medium-term government bonds, again in compliance with the Investment Policy.

Tangible and intangible assets are reduced by amortisation | depreciation for the financial year.

Tax Assets include current items of EUR 46,290 and deferred tax assets (DTA) of EUR 583,139, both referring to IRES and mostly related to tax losses from previous financial years, as well as to ACE benefits for a residual extent.

Other assets include security deposits, advances to suppliers and prepaid expenses.

Financial liabilities pertain to the payable related to the lease agreement for the headquarters' offices, in application of international accounting standard IFRS16.

Other liabilities pertain to payables for staff remuneration (fixed and variable), suppliers, directors and statutory auditors, and social security institutions.

Severance pay pertains to 5 employees, as the remaining staff have mandated external entities. The item is shown net of payments made to staff who resigned during 2024.

Provisions for risks and charges recognised as at 31 December refer to the allocation of the total amount of the Bonus Pool pertaining to the year, resolved by the Shareholders' Meeting on 23 September 2024.

Reserves include the negative result of the previous financial year brought forward, profit reserves from previous financial years and realised gains from the equity segment; *valuation reserves* reflect the delta price between the value at the beginning of the financial year and the *fair value* at the end of the financial year of the securities held.

Table 2 - Economic data (amounts in EUR)

	2024	2023	Change	% Change
Net result of trading activity	8,505,182	2,711,968	5,793,214	214%
Profit (loss) from disposal or repurchase of financial assets measured at fair value through other comprehensive income	-51,349	-23,189	-28,160	121%
Net commissions	-5,210,095	-51,827	-5,158,268	9,953%
Net interest and dividends	328,061	154,292	173,769	113%
Net value adjustments/write-backs for credit risk	-	-	-	
Net result from financial operations	3,571,799	2,791,244	780,555	28%
Administrative expenses	-2,822,943	-2,656,035	-166,908	6%
<i>of which, for staff</i>	-1,912,549	-1,793,242	-119,307	7%
<i>of which, other expenses</i>	-910,394	-862,793	-47,601	6%
Value adjustments on tangible and intangible assets	-115,142	-126,570	11,428	-9%
Other proceeds and charges	2,146	29,429	-27,283	-93%
Operating costs	-2,935,939	-2,753,176	-182,763	7%
Profit (Losses) on shareholdings	-	-	-	
Profit (Loss) from current operations before tax	635,860	38,068	597,792	1,570%
Income taxes for the financial year	-193,436	-	-193,436	
Profit (Loss) for the financial year	442,424	38,068	404,356	1,062%

Net result from trading activities increased significantly as a result of the increase in *Front Office* staff and the ability of the Operations Room to take advantage of market volatility and customer positioning. The Net result from trading activities of EUR 8.5 million also includes a significant profit component (about EUR 5.6 million) from proprietary trading transactions with a qualified counterparty acquired through an intermediation contract with a financial Intermediary, who is paid a commission in relation to the Business realised.

The *Net commissions* express the above in reference to the Business scheme between the SIM and the Intermediary that introduced the client for the conclusion of transactions for about EUR 5.1 million.

The *Net result from financial operations* also shows a modest loss of about EUR 51,000 due to the application of the *Business Model* pursuant to which the combined effect of the reversal of the Valuation Reserve from the previous financial year and the countervalue of the sales consideration is posted to the income statement.

The item *Net interest and dividends* includes both the positive and negative components of interest rate trends on liquidity as well as interest income accrued on debt securities in which the SIM invests.

Staff expenses (which also include the costs of the Board of Directors and the Board of Statutory Auditors) increased overall by 7% as a result of the 2023-2024 staff turnover.

Table 3 - Capital adequacy (amounts in EUR)

	2024	2023	Change	% Change
Own funds	10,088,673	9,343,736	744,937	8%
Fixed overhead requirement	719,561	671,850	47,711	7%
Requirement K factors	421,713	248,365	173,348	70%
Minimum requirement	1,185,000	750,000	435,000	58%
Own fund ratio	851.36%	1245.83%	-394.5%	-32%
Buffer (Deficit) of own funds	8,903,673	8,593,736	309,937	4%

The increase in own funds benefited from a positive change in the Securities Valuation Reserve, a positive change in the Result for the Year compared to the previous year, and a positive change in deductible items. The SIM has a

capital adequacy well in excess of the regulatory minimums. It should be noted that the regulatory minimum requirement of EUR 750 thousand was increased following the SREP report by the Supervisory Authority.

Significant events occurring after the end of the financial year

On 17 January 2025, the DORA (Digital Operational Resilience Act) Regulation came into force. Marzotto SIM proceeded to implement organisational safeguards consisting of measures relating to governance, update and implementation of procedures and revision of control processes required by regulations and implementing decrees. Following the implementation of the new infrastructure for ICT risks associated with business functions, the operational risks map will be amended by the Risk Management function, supplemented by the monitoring and quantification of the IT risk.

With reference to the Business Plan for the 2024-2026 three-year period, the BoD did not change the strategic plan, despite having achieved higher results in 2024 than expected for the period.

In terms of strategic priorities, in 2025 the Company will pursue the objective of strengthening its core business linked to proprietary trading by increasing the number of counterparties and diversifying its current market segments.

Foreseeable development of management

The beginning of the year was characterised by a strong recovery in the euro-denominated securities market, which had shown signs of decline in 2024. Strong volumes were experienced in the primary markets in January and February 2025.

Economic data and expectations are strongly influenced by geopolitical events and new tariff policies that could impact both growth expectations and inflation levels. On the other hand, a resolution of the conflict in Ukraine could have a positive impact on supply chains, interest rate expectations are particularly differentiated among traders, and we are witnessing high volatility. Despite volatility, the scenario for bond markets is positive and strategic allocations by investors to this asset class are significant, even in part justified by risk reduction flows. Marzotto SIM's business volumes have so far been above the levels achieved in 2024. The strategic objective of expanding the number of operators by integrating the resources of the operations room is being implemented and operators with professional profiles suitable for Marzotto SIM's operations have been recruited. At product level, particular attention continues to be focused on credit areas. The market operations room has increased its operational flexibility to seize new market opportunities. The expansion of market counterparties for the proprietary trading service also continued with the inclusion of SIMs and corporate treasuries and a bond placing operation is also being considered.

Initiatives are underway to recruit staff for second-level control functions as well as to strengthen some organisational units with support roles in the various departments.

In this context, also taking into account the ability to sustain the consolidation process deriving from the available equity, the Directors consider that the Company can continue to operate as a going concern for the foreseeable future, after a year 2024 that confirms a profit growth course as being important for the company.

The financial statements for the year 2024 have been prepared on a going concern basis.

Other information

During 2024, the Company did not carry out any research and development activities.

The Company did not hold and does not hold any of its own shares, either directly or through trust companies or intermediaries.

Proposal for allocation of profit for the year

Dear Shareholders,

The Board of Directors proposes to allocate the profit for the year ended 31 December 2024 of Marzotto SIM S.p.A. in the amount of EUR 442,423.58 as follows:

- 5% or EUR 22,121.18 to the Legal reserve;
- the remaining EUR 420,302.40 to Profit reserves.

Dear Shareholders,

In thanking you for the trust you have placed in us, we invite you to approve the financial statements for the year ending 31 December 2024.

Milan, 12 March 2025

On behalf of the Board of Directors

The Chairperson

[signature]

Mr. Riccardo Bruno

FINANCIAL STATEMENTS FORMATS

BALANCE SHEET - ASSETS*(amounts in EUR units)*

Asset items	2024	2023
10. Cash and cash equivalents	608,318	3,187,551
30. Financial assets measured at fair value through other comprehensive income	10,549,428	6,800,628
40. Financial assets measured at amortised depreciated cost	2,233	913
a) receivables from banks	403	913
c) loans and advances to customers	1,830	-
80. Tangible assets	322,557	393,540
90. Intangible assets	29,246	63,226
100. Tax assets	629,429	809,839
a) current	46,290	33,264
b) advanced	583,139	776,575
120. Other assets	122,346	126,554
Total assets	12,263,557	11,382,251

BALANCE SHEET - LIABILITIES*(amounts in EUR units)*

Liabilities and shareholders' equity items	2024	2023
10. Financial liabilities measured at amortised depreciated cost	309,851	375,291
a) payables	309,851	375,291
60. Tax liabilities:	27,655	-
a) current	-	-
b) deferred	27,655	-
80. Other liabilities	749,100	432,415
90. Severance pay of staff	35,894	21,008
100. Provisions for risks and charges:	440,000	370,000
c) other provisions and risks	440,000	370,000
110. Capital	10,000,000	10,000,000
150. Reserves	172,118	134,050
160. Valuation reserves	86,515	11,419
170. Profit (Loss) for the financial year	442,424	38,068
Total liabilities and shareholders' equity	12,263,557	11,382,251

INCOME STATEMENT*(amounts in EUR units)*

Items	2024	2023
10. Net result of trading activity	8,505,182	2,711,968
30. Gain (loss) on disposal or repurchase of:	-51,349	-23,189
b) financial assets measured at fair value through other comprehensive income	-51,349	-23,189
50. Commission income	16,500	-
60. Commissions expenses	-5,226,595	-51,827
70. Interest and similar income of which: interest income calculated using the effective interest method	354,563	183,218
80. Interest expenses and similar charges	-26,502	-52,701
90. Dividends and similar income	-	23,775
110. Intermediation margin	3,571,799	2,791,244
120. Net value adjustments/write-backs for credit risk of:	-	-
a) financial assets measured at amortised depreciated cost	-	-
b) financial assets measured at fair value through other comprehensive income	-	-
130. Net result from financial operations	3,571,799	2,791,244
140. Administrative expenses:	-2,822,943	-2,656,035
a) staff expenses	-1,912,549	-1,793,242
b) other administrative expenses	-910,394	-862,793
150. Net provisions for risks and charges	-	-
160. Net value adjustments/write-backs on tangible assets	-81,162	-83,864
170. Net value adjustments/write-backs on intangible assets	-33,980	-42,706
180. Other operating proceeds and charges	2,146	29,429
190. Operating costs	-2,935,939	-2,753,176
200. Profit (Losses) on shareholdings	-	-
210. Net result of fair value valuation of tangible and intangible assets	-	-
220. Goodwill value adjustments	-	-
230. Gains (Losses) on disposal of investments	-	-
240. Profit (Loss) from current operations before tax	635,860	38,068
250. Income taxes on current financial year operations	-193,436	-
260. Profit (Loss) from current operations after tax	442,424	38,068
270. Profit (Loss) from discontinued operations after tax	-	-
280. Profit (Loss) for the financial year	442,424	38,068

OVERALL COMPREHENSIVE INCOME

Items		2024	2023
10.	Profit (Loss) for the financial year	442,424	38,068
Other income components net of taxes without reversal to the income statement			
20.	Equity securities at fair value through other comprehensive income		233,274
90.	Share of valuation reserves of shareholders' equity accounted shareholdings		
Other income components net of taxes with reversal to the income statement			
140.	Financial assets (different from equity securities) measured at fair value through other comprehensive income	87,573	12,477
170.	Total other income components net of taxes	87,573	245,750
180.	Comprehensive income (Item 10+170)	529,997	283,818

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 31 DECEMBER 2024

	Inventory as at 31/12/2023	Changes to opening balances	Inventory as at 01/01/2024	Allocation of previous financial year result Reserves	Dividends and other allocations	Changes in the financial year					Comprehensive income financial year 31/12/2024	Shareholders' equity as at 31/12/2024
						Changes in reserves	Issue of new shares	Transactions on shareholders' equity Purchase of own shares	Extraordinary dividend distribution	Changes in capital instruments	Other variations	
Capital	10,000,000	-	10,000,000									10,000,000
Issue premium	0	-										-
Reserves	0	-										-
a) profits	1,556,116	-	1,556,116	38,068								1,594,185
Legal reserve	1,012,314		1,012,314	1,903								1,014,218
Carried-forward profit - previous financial year	310,528		310,528	36,165								346,693
Realised gains/losses	233,274		233,274									233,274
b) others	-1,058	-	-1,058									-1,058
FTA IFRS 9 Reserve	-1,058		-1,058									-1,058
Previous financial year's loss	-1,422,067		-1,422,067									-1,422,067
Valuation reserves	12,477		12,477			-12,477					87,573	87,573
Capital instruments	0	-										-
Own shares	0	-										-
Profit (Loss) for the financial year	38,068	-	38,068	-38,068							442,424	442,424
Shareholders' equity	10,183,537	-	10,183,537	-	-	-12,477	-	-	-	-	529,997	10,701,058

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 31 DECEMBER 2023

	Inventory as at 31/12/2022	Changes to opening balances	Inventory as at 01/01/2023	Allocation of previous financial year result Reserves	Dividends and other allocations	Changes in the financial year					Comprehensive income financial year 31/12/2023	Shareholders' equity as at 31/12/2023
						Changes in reserves	Issue of new shares	Transactions on shareholders' equity Purchase of own shares	Extraordinary dividend distribution	Changes in capital instruments	Other variations	
Capital	10,000,000	-	10,000,000									10,000,000
Issue premium	-	-										-
Reserves	-	-										-
a) profits	1,322,843	-	1,322,843								233,274	1,556,116
Legal reserve	1,012,314		1,012,314									1,012,314
Carried-forward profit - previous financial year	310,528		310,528									310,528
Realised gains/losses	-		-								233,274	233,274
b) others	-1,058	-	-1,058									-1,058
FTA IFRS 9 Reserve	-1,058		-1,058									-1,058
Previous financial year's loss				1,422,067								-1,422,067
Valuation reserves	-194,782	-	-194,782			194,782					12,477	12,477
Capital instruments	-	-										-
Own shares	-	-										-
Profit (Loss) for the financial year	-1,422,067	-	-1,422,067	1,422,067							38,068	38,068
Shareholders' equity	9,704,936	-	9,704,936	-	-	194,782	-	-	-	-	283,818	10,183,537

STATEMENT OF CASH FLOWS - Indirect method

	2024	2023
A. OPERATIONAL ACTIVITY		
1. Management	-7,811,381	-2,517,283
- interest income collected	354,563	183,218
- interest expenses paid	-26,502	-52,701
- dividends and similar income	-	23,775
- net commissions	-5,210,095	-51,827
- staff expenses	-1,827,663	-1,786,383
- other costs	-965,694	-894,159
- other revenues	57,446	60,794
- taxes and duties	-193,436	
- costs/revenues related to groups of assets under disposal and net of tax effect		
2. Cash generated/absorbed by financial assets	4,963,427	-895,934
- financial assets held for trading	8,505,182	2,711,968
- financial assets measured at fair value through other comprehensive income	-3,725,053	-4,241,752
- financial assets measured at amortised depreciated cost	-1,320	-241
- other assets	184,618	634,091
3. Cash generated/absorbed by financial liabilities	278,900	-597,790
- financial liabilities measured at amortised depreciated cost	-65,440	-19,073
- financial liabilities from trading		
- financial liabilities at fair value		
- other liabilities	344,340	-578,717
Net cash generated by/absorbed in operations	-2,569,054	-4,011,007
B. INVESTMENT ACTIVITIES		
1. Cash generated by	-	-
- sale of shareholdings		-
- dividends received on shareholdings		-
- sales of tangible assets		-
- sales of intangible assets		-
- sales of business branches		-
2. Liquidity absorbed by	-10,179	-28,877
- purchases of shareholdings		-
- purchases of tangible assets	- 10,179	- 28,877
- purchases of intangible assets	-	-
- purchases of business branches		-
Net cash generated by/absorbed in investment activities	-10,179	-28,877
C. FINANCING ACTIVITIES		
- issue/purchase of own shares		-
- issue/purchase of capital instruments		-
- dividends distribution and other purposes		-
Net cash generated by/absorbed in financing activities	-	-
NET CASH GENERATED BY/ABSORBED IN THE FINANCIAL YEAR	-2,579,233	-4,039,884
RECONCILIATION	2024	2023
Cash and cash equivalents at the beginning of the financial year	3,187,551	7,227,435
Total net liquidity generated by/absorbed in the financial year	-2,579,233	-4,039,884
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at end of the financial year	608,318	3,187,551

NOTES TO THE FINANCIAL STATEMENTS

PART A - ACCOUNTING POLICIES

PART B - INFORMATION ON BALANCE SHEET

PART C - INFORMATION ON THE INCOME STATEMENT

PART D - OTHER INFORMATION

PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

Section 1 - Declaration of compliance with international accounting standards

The financial statements of Marzotto Sim S.p.A. as of 31 December 2024, in application of Italian Legislative Decree No. 38 of 28 February 2005, have been prepared in accordance with the IAS/IFRS accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, as set forth in EU Regulation No. 1606 of 19 July 2002 and in force at financial year-end. There were no departures from the application of IAS/IFRS accounting standards.

The application of the IAS/IFRS standards was also made with reference to the systematic framework for the preparation and presentation of financial statements ("Framework"), with particular regard to the principles of substance over form, accrual, and the concepts of materiality and significance of information.

The IAS/IFRS standards endorsed and applicable to the financial statements for the financial years ending 31 December 2024 were applied in the preparation of the annual Financial statements. Below are the new international accounting standards or amendments to existing accounting standards, endorsed by the European Union and applicable as of 1 January 2024

New documents issued by the IASB and endorsed by the EU to be mandatorily adopted starting from financial statements for financial years beginning on 1 January 2024

Document title	Date of issue	Effective date	Endorsement date	EU Regulation and date of publication
Leasing liabilities in a sale and leaseback transaction (Amendments to IFRS 16)	September 2022	1 January 2024	20 November 2023	(EU) 2023/2579 21 November 2023
Classification of liabilities as current and non-current (Amendments to IAS 1) and Non-current liabilities with clauses (Amendments to IAS 1)	January 2020 October 2022	1 January 2024	19 December 2023	(EU) 2023/2822 20 December 2023
Financing arrangements for supplies (Amendments to IAS 7 and IFRS 7)	May 2023	1 January 2024	15 May 2024	(EU) 2024/1317 16 May 2024

It should be noted that the adoption of these standards and amendments had no impact on the Company's financial statements.

New IFRS accounting standards or amendments to IFRS accounting standards applicable to financial statements for financial years beginning after 1 January 2024

PART A - Documents endorsed by the EU as at 30 November 2024

Document title	Date of issue	Effective date	Endorsement date	EU Regulation and date of publication
Exchange rate impossibility (Amendments to IAS 21 and IFRS 16)	August 2023	1 January 2025	12 November 2024	(EU) 2024/2862 13 November 2024

PART B - Documents NOT yet endorsed by the EU as at 30 November 2024

Please note that these documents will only be applicable once they have been endorsed by the EU.

Document title	Date of issue by the IASB	Effective date of the IASB document	Date of expected endorsement by the EU
New IFRS accounting standards			
IFRS 14 Regulatory deferral accounts	January 2014	1 January 2016	Endorsement process suspended pending new accounting standard on "rate-regulated activities"
IFRS 18 Presentation and disclosure in financial statements	April 2024	1 January 2027	TBD
IFRS 19 Subsidiaries without public accountability: disclosures	May 2024	1 January 2027	TBD
Amendments to IFRS accounting standards			
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on the equity method	Endorsement process suspended pending the conclusion of the IASB project on the equity method
Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	May 2024	1 January 2026	TBD
Annual improvements - Volume 11	July 2024	1 January 2026	TBD

It should be noted that the adoption of these standards and amendments had no impact on the Company's financial statements.

No material impact is expected from the introduction of and changes to the standards listed above and, as noted above, these standards and changes are not relevant to the preparation of these financial statements, as their application is subject to endorsement by the European Commission through the issue of specific EU Regulations.

Section 2 - General principles of preparation

The Financial statements consist of the balance sheet, the income statement, the overall comprehensive income, the statement of cash flows (prepared using the direct method), the statement of changes in shareholders' equity and the notes to the financial statements. The Company uses financial statement formats prepared on the basis of the Instructions "The Financial Statements of IFRS Intermediaries other than Banking Intermediaries" (the "Drafting Instructions"), using the financial statements formats and notes to the financial statements formats of the Securities Brokerage Companies (*SIMs*) part C, issued by the Bank of Italy, in the exercise of the powers provided for by Article 43 of Legislative Decree No. 136/2015, with the Measure of 17 November 2022 and subsequent additions.

The Drafting Instructions set out - in a binding manner - the financial statement formats and the manner in which they are to be filled in, as well as the content of the Notes to the Financial Statements.

Reference is also made to documents of an interpretative and supporting nature for the application of the accounting standards issued by the international regulatory bodies and Italian supervisory bodies and standard setters, which have also been taken into account in the preparation of these Financial Statements, where applicable; among the most significant for the Company are:

- The Public Statement of 25 October 2023 of the European Securities and Markets Authority ("ESMA") "European common enforcement priorities for 2023 annual financial reports" which reiterates, *inter alia*, certain recommendations already present in its previous Public Statement published in October 2022; specifically, in the preparation of financial statements and in the disclosure given, particular care is required:

- climate aspects and consistency between the information in financial statements and non-financial information, the accounting of emission allowances (ETS) and renewable energy certificates, and the climate-related impairment test process;
- the impact of the current macroeconomic environment on refinancing and other financial risks, as well as the process of determining *fair value* and related *disclosure*;
- alternative *performance* indicators and the preparation of the financial statements in ESEF format;
 - the Discussion paper no. 1/2022 “Impairment test of non-financial assets (IAS 36) following the war in Ukraine” published on 29 June 2022 by the Organismo Italiano di Valutazione (“OIV”), which incorporates the contents of ESMA’s Public Statement of 13 May 2022 (which was the subject of Consob’s Call for Attention of 19 May 2022) and provides operational guidance for dealing with the uncertainty of the current environment in the context of the possible exercise of the impairment test.
 - the document “Recommendations on Accounting for Goodwill” issued by the International Organization of Securities Commissions (“IOSCO” - an international organisation that brings together Financial Market Supervisory Authorities) of December 2023, also referred to by Consob, containing recommendations on the accounting of goodwill and aimed at issuers, audit committees (those responsible for corporate governance activities) and statutory auditors. The recommendations are intended to help improve the reliability, fair representation and transparency of financial disclosure goodwill as recognised and represented in financial statements.

Going concern information

The Financial Statements have been prepared on a going concern basis, which seems appropriate in light of the company’s economic trend and prospects, in accordance with the accrual basis of accounting standard, in compliance with the standard of relevance and materiality of information and the prevalence of substance over form. No events or circumstances were found to be significant that might cast doubt on the company’s ability to continue as a going concern.

In early 2024, the Company redetermined its development guidelines for the three-year period 2024 - 2026, confirming the priority of strengthening the capacity of the Operations Room, which has already begun.

On this assumption, despite the significant uncertainties that characterise the current macroeconomic and geo-political scenario, the Board of Directors considered that the conditions existed to prepare the financial statements as of 31 December 2024 on a going concern basis.

In addition to the amounts for the reference period, the formats also show the corresponding comparative figures for 31 December 2023.

In compliance with the provisions of Article 5, paragraph 2 of Legislative Decree No. 38 of 28th February 2005, the financial statements are drafted using the Euro as the accounting currency.

Unless otherwise specified, the amounts in these Financial statements are in Euros.

The balance sheet, income statement and overall comprehensive income do not show accounts with zero balances in both periods compared. Similarly, sections and/or tables containing no values have not been presented in the notes to the financial statements.

Section 3 - Events after the reference date of the financial statements

As of 12 March 2025, the date of approval of the draft financial statements by the Board of Directors of Marzotto Sim S.p.A., no events had occurred that would entail adjustments or require a change in the values of assets and liabilities or mention in the notes to the financial statements. In this regard, we recall what has already been indicated in the Report on operations under “Other information”.

Section 4 - Other profiles

Uncertainties related to the use of estimates

The drafting of the financial statements entails the use of estimates and assumptions that may affect the amounts reported in the balance sheet and income statement, as well as the disclosure of contingent assets and liabilities in

the financial statements. The preparation of these estimates involves the use of available information and the adoption of subjective valuations to formulate reasonable assumptions for the recognition of management events. These aspects are emphasised by the persistence to date of macro-economic and geo-political factors (unfortunately, one refers to the conflict that started in Ukraine in February 2022 and, most recently, also to the October 2023 terrorist attack by Hamas), the consequences of which are difficult to predict at present. It is these situations, experienced in the 2024 financial year and still without a concrete solution, that lead to scenarios of uncertainty.

The main matters subject to subjective estimates and valuations relate to income prospects as they are closely dependent on the functionality of the financial markets and the associated estimates and assumptions underlying the recognition of deferred tax assets.

Amendment of accounting standard IFRS 16

With regard to *leasing* contracts, Marzotto SIM did not apply the practical expedient provided for by Regulation (EU) No. 1434/2020; in fact, no changes to the lease contracts occurred.

A.2 PART ON THE MAIN FINANCIAL STATEMENTS ITEMS

The accounting standards applied in the preparation of the annual financial statements as at 31 December 2024 are set out below. For each category of assets and liabilities considered, the illustrative approach generally provides for an indication of the criteria followed with regard to the aspects of classification, recognition (initial and subsequent), valuation, deregistration and recognition of income components.

Cash and cash equivalents

Currencies that are legal tender, including foreign banknotes and divisional coins, bank cheques, bank drafts and others are recognised under this item and stated at face value. Current account relationships with banks are also included.

Financial assets measured at fair value through other comprehensive income

Entry Criteria

In item 30 "Financial assets measured at fair value through other comprehensive income", the initial recognition takes place on the settlement date if settled in accordance with market practice ("regular way"), otherwise on the trade date. Where financial assets are recognised on the settlement date, gains and losses recognised between the trade date and the settlement date are recognised in the shareholders' equity. Upon initial recognition, financial assets are recognised at fair value

which is represented, unless otherwise indicated, by the consideration paid for the execution of the transaction, including transaction costs or income directly attributable to the instrument itself.

Classification Criteria

The financial assets recognised in this item include:

- debt securities for which the associated business model aims both to collect the contractually agreed cash flows and to collect the flows from the sale (business model Hold to Collect and Sell). The SPPI Test is passed because the contractual terms provide only for capital repayments and interest payments on the capital amount to be repaid.
- equity securities for which the so-called OCI option has been exercised, understood as an irrevocable choice to present subsequent changes in the fair value of these instruments in other items of the income statement. In this regard, it should be noted that the exercise of the so-called OCI option:
 - must be carried out at the time of the initial recognition of the instrument;
 - must be carried out at the level of the individual financial instrument;
 - is irrevocable and is not applicable to instruments that are held for trading or represent contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

The reclassification of a financial asset to a different accounting category is only permitted in the event of a change in business model. Exceptions to this rule are equity securities for which no reclassification is permitted. More

specifically, changes in the business model - which in any case should occur very rarely - must be decided by senior management as a result of external or internal changes, must be relevant to the intermediary's operations and demonstrable to external parties. A change in the business model could, for example, occur in the event of the acquisition, cessation or divestiture of a business line or business branch. In the rare cases of change in the business model, financial assets measured at fair value through other comprehensive income may be reclassified into financial assets measured at amortised | depreciated cost or financial assets measured at fair value through profit or loss.

The reclassification is applied prospectively from the date of reclassification, which in fact coincides with the first day of the first financial year following the one in which the change in business model was decided.

In the event of reclassification from this category to the amortised | depreciated cost category, the fair value at the date of reclassification becomes the new gross value for amortised | depreciated cost purposes. Accumulated gains and losses recognised in the OCI reserve are removed from the shareholders' equity and adjusted against the fair value of the financial asset at the date of reclassification. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised | depreciated cost. The effective interest rate and the valuation of expected losses are not restated as a result of the reclassification.

If, on the other hand, the category in question is reclassified to the category of financial assets recognised in the income statement, the fair value at the date of reclassification becomes the new gross book value. Accumulated gains and losses recognised in the OCI reserve are reclassified to the income statement at the date of reclassification.

Valuation criteria

After initial recognition, debt securities, loans and receivables classified in this item continue to be measured at fair value. For the aforementioned financial assets, the following items are recognised as follows:

- in the income statement, interest calculated using the effective interest rate method, which takes into account the amortisation | depreciation of both transaction costs and the differential between cost and redemption value;
- in the shareholders' equity, in a specific reserve, changes in fair value (net of taxation) until the asset is deregistered. When the instrument is fully or partially disposed of, the cumulative gain or loss within the OCI reserve is recognised in the income statement (so-called *recycling*).

Equity securities classified in this item after initial recognition also continue to be measured at fair value. In this case, however, unlike for debt securities, loans and receivables, the accumulated profit or loss included in the OCI reserve must never be reversed to the income statement (in which case there will be so-called *no recycling*). In the event of a transfer, the OCI reserve may be transferred to a special available reserve in shareholders' equity. For the aforementioned equity securities, only the component relating to dividends received is recognised in the income statement.

It should also be noted that "Financial assets measured at fair value through other comprehensive income", both in the form of debt securities and loans and receivables (if any) are subject to impairment in accordance with IFRS 9 in the same way as "financial assets measured at amortised | depreciated cost".

Capital instruments are not subject to the impairment process.

Deregistration criteria

Financial assets measured at fair value through other comprehensive income are deregistered when the contractual rights to the cash flows from them expire or when the financial asset is disposed of, transferring substantially all of the risks and rewards associated with it.

When the substantial transfer of risks and rewards cannot be ascertained, financial assets are deregistered from the financial statements if control over them has not been retained. If, on the other hand, control has not been retained, even partially, it is necessary to retain in the financial statements the assets to the extent of the residual involvement, measured by the exposure to changes in the value of the transferred assets and changes in their cash flows.

Securities delivered as part of a transaction that contractually provides for their repurchase are not removed from the financial statements.

Recognition criteria of income components

Interest income on debt securities, loans and receivables - calculated on the basis of the effective interest rate - is recognised in the income statement on an accrual basis. For these instruments, the effects of impairment and any changes in exchange rates are also recognised in the income statement, while other gains or losses arising from

changes in fair value are recognised in a specific shareholders' equity reserve. Upon total or partial disposal, the cumulative gain or loss in the valuation reserve is reversed, in whole or in part, to the income statement (recycling). With regard to capital instruments, the only component that is recognised in the income statement consists of dividends. The latter are recognised in the income statement only when (para.5.7.1A of IFRS 9):

- the entity's right to receive payment of the dividend arises;
- it is likely that the economic benefits from the dividend will flow to the entity;
- the amount of the dividend can be measured reliably.

Normally, the aforementioned conditions occur at the time of receipt of the dividend following the shareholders' resolution approving the financial statements and distribution of the result for the period by the investee company. For equity securities, changes in fair value are recognised with an offsetting entry to shareholders' equity and must not be subsequently transferred to the income statement even in the event of realisation (no recycling).

Financial assets measured at amortised | depreciated cost

Entry Criteria

Under the heading "40. Financial assets measured at amortised | depreciated cost", financial instruments are initially recognised when, and only when, the company becomes a party to the contractual terms of the instrument, i.e. at the time of settlement, at a value equal to the fair value, meaning the cost of the instrument, including any directly attributable costs and income.

Classification Criteria

In this item are classified the financial assets (debt securities and loans) associated with the *Business Model Hold to Collect* whose contractual terms provide, at certain dates, for cash flows represented solely by payments of capital and interest on capital to be repaid, and which therefore passed the SPPI test. They can be associated with the *Business Model Hold to Collect* such financial instruments held as part of a business model whose objective is to hold them in order to collect cash flows.

More specifically, the following are entered under this item:

- receivables from banks (e.g. current accounts, security deposits, debt securities);
- receivables from financial companies and loans and advances to customers (e.g. loans, finance leases transactions, factoring transactions, debt securities, receivables for asset management).

Valuation criteria

These financial instruments are measured at amortised | depreciated cost using the effective interest rate method. The result resulting from the application of this method is charged to the income statement under item "70. Interest and similar income".

The amortised | depreciated cost of a financial asset is the value at which it was measured at initial recognition net of capital repayments, plus or minus the cumulative amortisation | depreciation using the effective interest method on any difference between the initial amount and the maturity amount, and minus any reduction (due to impairment or uncollectability).

The effective interest criterion is the calculation method of the amortised | depreciated cost of a financial asset or liability (or group of financial assets and liabilities) and of allocating interest income or interest expense over its duration. The effective interest rate is the rate that exactly discounts estimated future payments or receipts over the expected life of the financial instrument. For the purpose of determining the effective interest rate, it is necessary to evaluate cash flows taking into account all contractual terms of the financial instrument (e.g. prepayment, call option or the like), but future receivables losses are not to be considered. The calculation includes all charges and basis points paid or received between the parties to a contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

At each financial statements closing date, the estimated impairment of these assets is calculated, determined in accordance with the impairment rules of IFRS 9.

Impairment losses are immediately recognised in the income statement under item "120. Net value adjustments/write-backs for credit risk", as well as recoveries of part or all of the amounts subject to previous write-downs. Write-backs are recognised against an improvement in the quality of the exposure such that the overall write-down previously recognised is reduced. In the income statement, under item "70. Interest and similar income" is recognised as the

amount represented by the gradual release of the discounting calculated at the time the value adjustment was recognised.

Deregistration criteria

Financial assets measured at amortised | depreciated cost are deregistered from the financial statements if any of the following situations arise:

- the contractual rights to the cash flows arising therefrom have expired, or
- the financial asset is transferred with the transfer of substantially all risks and rewards incidental to its ownership, or
- the financial asset is subject to a write-off or when there is no longer a reasonable expectation of recovering the financial asset, including when the asset is surrendered, or
- the entity retains the contractual right to receive the cash flows from them, but simultaneously assumes the contractual obligation to pay the same flows to a third party, or
- contractual changes to the contract constitute “substantial” changes.

The result of the deregistration of financial assets measured at amortised | depreciated cost is recognised in the income statement under item “30. a) Gains (losses) on disposal or repurchase of: financial assets measured at amortised | depreciated cost” in the event of disposal. Otherwise, in all other cases, it is recorded under item “120. Net value adjustments/write-backs for credit risk”.

Tax assets and liabilities

Marzotto SIM recognises the effects of taxes calculated in accordance with national tax legislation on an accrual basis, consistently with the way the costs and revenues that generated them are recognised in the financial statements, applying the tax rates in force.

Deferred tax assets originate from deductible temporary differences or past tax losses. In the first case, they represent taxes paid in advance as a result of the deferral of the deductibility of costs recognised in the income statement, which will be recovered in subsequent financial years when these costs become deductible. In the second case, they represent the future tax benefit in terms of lowering the tax burden by means of past tax losses which can be carry-forwarded in future financial years.

Deferred taxes liabilities arise mainly from taxable temporary differences and represent deferred taxes due to the deferral of the taxability of revenues realised and recognised in the income statement, which will be settled in subsequent financial years when the said revenues are taxed.

Deferred tax assets are recognised in the financial statements if there is a probability of their recovery, to be verified in relation to the amount of expected future taxable income.

Deferred taxes liabilities should be recognised in the financial statements, even if it is unlikely that they will be incurred.

The amount of deferred tax assets recognised in the financial statements is reviewed each year, as it is necessary to ascertain whether it is still probable that taxable income will be earned in the future and thus the amount can be recovered.

Tangible and intangible assets

Entry Criteria

Tangible and intangible assets have been recognised in the financial statements at purchase cost, plus non-deductible VAT and other directly attributable charges.

As of 1 January 2019, in application of accounting standard IFRS16, rights of use acquired under leasing and related to the use of a tangible asset (for lessees), assets granted under operating leases (for lessors), as well as improvements and incremental expenses incurred on owned assets and rights of use of tangible assets from leases are also included.

Classification Criteria

Tangible assets mainly include plant, furniture and furnishings owned by the company solely for functional use. Intangible assets mainly include software licences.

Valuation criteria and recognition of income components

After initial recognition, tangible and intangible assets are stated at cost net of accrued amortisation | depreciation shares and any accumulated impairment losses. For fixed assets acquired during the financial year, depreciation has been calculated on the basis of as many 365ths as the number of days of actual use of the assets (average for intangible assets). Tangible and intangible assets are systematically depreciated/amortised over their useful lives using, as amortisation | depreciation standard, the straight-line method. The “value adjustments on tangible and intangible fixed assets” are calculated by applying coefficients and criteria that take into account the actual remaining useful life of the asset.

Tangible assets represented by the right of use of assets under “leasing” agreements

Under IFRS 16, a “leasing” is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A financial “leasing” agreement transfers to the lessee (user) substantially all the risks and benefits arising from ownership of the asset. Otherwise, the contract is an operating “leasing”. The commencement of the leasing term is the date from which the lessee is authorised to exercise its right to use the leased asset, it corresponds to the date of initial recognition of the leasing and also includes the “rent-free” periods, i.e. those contractual periods during which the lessee uses the asset free of charge. At the commencement of the contract, the lessee recognises:

- an asset consisting of the right to use the asset underlying the leasing contract.

The asset is recognised at cost, determined by the sum of:

- financial liability for the leasing,
- leasing payments made prior to or on the effective date of the leasing (net of leasing incentives already collected),
- initial direct costs, and
- any (estimated) costs for dismantling or restoring the asset underlying the leasing;
- a financial liability arising from the leasing agreement corresponding to the present value of the leasing payments due. The discount rate used is the implicit interest rate, if determinable; otherwise the lessee’s marginal lending rate is used.

If a leasing agreement contains “non-leasing elements” (e.g. services, such as routine maintenance, to be recognised in accordance with IFRS 15), the lessee must account separately for “leasing elements” and “non-leasing elements” and allocate the consideration for the agreement between the different elements on the basis of their respective prices.

The lessee may opt to take over the leasing payments due:

- directly as an expense in the income statement, on a straight-line basis over the term of the leasing contract;
- according to another systematic method that is representative of the way in which the economic benefits accrue, in the case of short-term leasing (12 months or less) that do not include an option for the lessee to purchase the leased asset; leasing where the underlying asset is of low value. The term of the leasing is determined by taking into account:

- periods covered by a leasing extension option where the exercise thereof is reasonably certain;
- periods covered by a leasing termination option where the exercise thereof is reasonably certain.

During the leasing term, the lessee shall:

- measure the right of use at cost less accumulated amortisation and accumulated impairment losses determined and accounted for in accordance with IAS 36 “Impairment of Assets”, adjusted for any restatement of the leasing liabilities;
- increase the liability arising from the lease transaction as a result of the accrual of interest expenses calculated at the interest rate implicit in the leasing, or, alternatively, at the marginal lending rate, and reduce it for capital and interest payments.

The liability must be restated if there are changes in the leasing payments due; the impact of the liability adjustment is recognised as a balancing entry to the asset consisting of the right of use.

Deregistration criteria

Fixed assets are removed from the balance sheet when they are disposed of or when they are permanently withdrawn from use and consequently no future economic benefits are expected from their transfer or use. Valuation gains and

losses, arising from the transfer or retirement of tangible assets, are determined as the difference between the net transfer consideration (if any) and the book value of the asset and are recognised in the income statement on the same date they are deregistered. The right of use arising from leasing contracts is eliminated from the Financial statements at the end of the leasing term.

Financial liabilities measured at amortised | depreciated cost

Entry Criteria

The liabilities in question are recognised in the financial statements at the time the sums collected are received or the debt securities are issued.

The value at which they are initially recognised is equal to the relative fair value, normally equal to the consideration received or the issue price, including any additional costs/income directly attributable to the transaction and determinable from inception, regardless of when they are settled.

All charges that are subject to reimbursement by the creditor counterparty or that are attributable to internal administrative costs are not included in the initial recognition value.

Classification Criteria

Liabilities with banks and customers are shown in the financial statements items:

“10. Financial liabilities measured at amortised | depreciated cost: Payables”;

“10. b) Financial liabilities measured at amortised | depreciated cost: Outstanding securities”.

These items also include payables recognised by the lessee under finance leasing transactions.

Valuation criteria

After initial recognition, medium- and long-term financial liabilities are measured at amortised | depreciated cost using the effective interest rate method as defined in the preceding paragraphs. Short-term liabilities, for which timing is not relevant, are valued at cost.

Deregistration criteria

Financial liabilities are deregistered from the financial statements when settled or expired.

The repurchase of own-issued securities leads to their deregistration with a consequent redefinition of the debt for outstanding securities. Any difference between the repurchase value of own securities and the corresponding book value of the liability is recorded in the income statement under item “30. c) Gains (losses) on disposal or repurchase of: financial liabilities”. Any subsequent placement of own securities, which had previously been deregistered, constitutes, for accounting purposes, a new issue with consequent recognition at the new placement price, without any effect on the income statement.

Other assets and other liabilities

This item includes assets/liabilities that cannot be allocated to other balance sheet asset/liability items.

Short-term assets/liabilities (due within 12 months) and those of a commercial nature are stated at their estimated realisable value.

Other assets/liabilities are deregistered from the financial statements when they are extinguished.

Severance pay of staff

Following the transfer of the sums set aside for severance pay to an external supplementary pension fund, Marzotto did not carry out a valuation of severance pay in accordance with IAS 19 for the current financial year, as the value of it was assessed as non material. Therefore, the value shown in the financial statements relates exclusively to the provisions set forth in Article 2120 of the Italian Civil Code.

Revenues and costs

Revenues

Revenues are gross flows of economic benefits arising from the ordinary activities of the company, when these flows result in increases in shareholders' equity other than increases arising from shareholder contributions.

Revenues arising from contractual obligations with customers are recognised in the financial statements only if all the following criteria are met:

- a) the parties approved the contract and undertook to meet their respective obligations;
- b) the entity can identify each party's rights regarding the goods or services to be transferred;
- c) the entity can identify the payment terms for the goods or services to be transferred;
- d) the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of the amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay the amount of consideration when it is due.

Specifically, trading and order collection and transmission commissions, both active and passive, are charged to the income statement on the value date of the transaction to which they refer.

Management and performance commissions are also recognised based on the accrual standard (i.e. when the services to which they relate are rendered).

Both interest income and interest expenses and similar items have been accounted for based on the accrual standard, regardless of the date of their receipt or payment.

Costs

Costs are entered in the accounts when they are incurred in accordance with the criterion of correlation between costs and revenues arising directly and jointly from the same transactions or events. Costs that cannot be associated with revenues are recognised immediately in the income statement.

A.3 DISCLOSURE OF TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

A.3.1 Reclassified financial assets: change of business model, book value and interest income

Type of financial instrument (1)	Portfolio before transfer (2)	Portfolio after transfer(3)	Reclassification date (4)	Reclassified book value (5)	Interest income recorded during the year (before tax) (6)
Debt securities	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	31/12/2022	272,560	1,466
Equity securities	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	31/12/2022	-	-
UCITS	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	31/12/2022	-	-
				272,560	1,466

A.3.2 Reclassified financial assets: change of business model, fair value and effects on comprehensive income before transfer

The SIM did not implement any changes to the Business Model during the financial year 2024. The table is therefore not filled in.

A.3.3 - Reclassified financial assets: change of business model and effective interest rate

The SIM did not implement any changes to the Business Model during the financial year 2024.

A.4 DISCLOSURE ON FAIR VALUE

Qualitative disclosure

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

It is specified that in the financial statements as at 31 December 2024, financial assets and liabilities at fair value were reclassified as Financial assets measured at fair value through other comprehensive income. The fair value of financial assets and liabilities not measured at fair value is disclosed in the notes to the financial statements solely for the purposes of completeness of information, as required by IFRS 13 - par. 93, letter d, as well as the Bank of Italy Measure of 17 November 2022.

A.4.2 Valuations processes and sensitivities

The securities portfolio consists of bonds listed on leading European stock exchanges, the valuation of which is published on infoprovider.

Accordingly, the fair value of financial assets measured at fair value through other comprehensive income consists of the categories of financial instruments described above and is determined from the BID market price obtainable from external info-providers. The SIM in particular makes use of the Bloomberg provider, whose data can be easily checked or verified at any time.

A.4.3 Fair value hierarchy

Fair value is defined as the price that would be received for the sale of an asset or paid for the transfer of a liability in a regular transaction between market participants, under current conditions at the valuation date in the principal or most advantageous market (exit price).

For the purpose of fair value measurement of financial and non-financial assets and liabilities, IFRS 13 standard defines a threefold fair value hierarchy, based on whether market parameters are observable or not:

Quotations from active markets (Level 1)

The valuation is made on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation methods based on observable market parameters (Level 2)

The valuation of the financial instrument is based on prices derived from market quotations of similar assets or through valuation techniques for which all significant factors, including credit and liquidity spreads, are derived from observable market data. This level implies limited discretionary elements in the valuation, as all the parameters used are taken from the market (for the same and similar securities) and the calculation methodologies allow for the replication of quotations on active markets.

Valuation methods based on unobservable market parameters (Level 3)

The determination of fair value makes use of valuation techniques that rely, to a significant extent, on significant inputs that cannot be inferred from the market and therefore involve estimates and assumptions by management.

For Receivables and Payables items, which are recorded at (amortised | depreciated) cost, mostly on demand or with short-term maturity, the book value of recognition was considered a good approximation of fair value. This includes all operating receivables and payables, related to the provision of financial activities and services. The fair value thus determined was conventionally classified at level 3 in the fair value hierarchy.

Quantitative disclosure**A.4.5 Fair value hierarchy****A.4.5.1 Financial assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level**

Assets/Liabilities measured at fair value	2024				2023			
	L1	L2	L3	Total	L1	L2	L3	Total
1. Financial assets measured at fair value through profit or loss	-			-	-	-	-	-
a) financial assets held for trading	-			-				
b) financial assets designated at fair value				-				
c) assets mandatorily measured at fair value	-			-				
2. Financial assets measured at fair value through other comprehensive income	10,549,428			10,549,428	6,800,628			6,800,628
3. Hedging derivatives								
4. Tangible assets								
5. Intangible assets								
Total	10,549,428	-	-	10,549,428	6,800,628	-	-	6,800,628
1. Financial liabilities held for trading								
2. Financial liabilities designated at fair value								
3. Hedging derivatives								
Total	-	-	-	-	-	-	-	-

Key:

L1 = Level 1

L2 = Level 2

L3= Level 3

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	2024				2023			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets measured at amortised depreciated cost	2,233			2,233	913			913
2. Tangible assets held for investment purposes								
3. Non-current assets and groups of assets under disposal								
Total	2,233	-	-	2,233	913	-	-	913
1. Financial liabilities measured at amortised depreciated cost	309,851			309,851	375,291			375,291
2. Liabilities associated with assets under disposal								
Total	309,851	-	-	309,851	375,291	-	-	375,291

Key:

VB = Value recorded in financial statements

L1 = Level 1

L2 = Level 2

L3= Level 3

PART B - INFORMATION ON BALANCE SHEET

ASSETS

Section 1 - Cash and cash equivalents - Item 10

1.1 Breakdown of item 10 “Cash and cash equivalents”

Items/Values	TOTAL 2024	TOTAL 2023
a) Cash	97	234
b) Receivables from banks c/a	608,221	3,187,317
Total	608,318	3,187,551

The item Cash contains the cash held by the Company at the financial statements date.

The item “Receivables from banks c/a” corresponds to the liquidity deposited in current accounts with the following banks:

- Banca Intesa Sanpaolo S.p.A. for a current account relationship of EUR 407,011;
- BFF Bank S.p.A. for 14 current account relationships, in euro and other currencies (USD-GBP-MXN-RUB-TRY-NOK-CAD-AUD-ZAR-CZK-SEK-JPY-PLN-CHF) for a total value of EUR 178,780;
- Banca Generali for a current account relationship in euro of EUR 26,694 and two current account relationships in GBP and USD for a total value of EUR 38.

A residual value of EUR - 4,301 relates to the FTA write-down.

Section 2 - Financial assets measured at fair value through profit or loss - Item 20

2.1 Breakdown of item 20 “Financial assets held for trading”

There are no “Financial assets held for trading”. Therefore, as indicated in Section 2 of Part A Accounting Policies, they are not presented in the Balance Sheet format.

As of 1 August 2022, the company’s Business Model was changed from “Trading” to “Hold to collect and sell”.

2.3 Financial assets held for trading: breakdown by payables/issuer/counterparty

Nothing to report as reported in the previous section.

Section 3 - Financial assets measured at fair value through other comprehensive income - Item 30

3.1 Breakdown of item 30 "Financial assets measured at fair value through other comprehensive income"

Items / Values	Total 2024			Total 2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities						
1.1 structured securities						
1.2 other debt securities	10,549,428			6,800,628		
2. Equity securities	-					
3. Loans						
Total	10,549,428	-	-	6,800,628	-	-

Key:

L1 = Level 1

L2 = Level 2

The above amount represents the investment of the liquidity of the Company's equity.

The portfolio, which aims for a medium-low risk profile, consists mainly of Italian and foreign government bonds.

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

Items/Values	Total 2024	Total 2023
1. Debt securities	10,549,428	6,800,628
a) Public administrations	10,338,163	6,612,090
b) Banks	-	-
c) Other financial companies of which: insurance companies	-	-
d) Non-financial companies	211,265	188,538
2. Equity securities	-	-
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies of which: insurance companies	-	-
d) Non-financial companies	-	-
3. Loans	-	-
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies of which: insurance companies	-	-
d) Non-financial companies	-	-
e) Households	-	-
Total	10,549,428	6,800,628

Section 4 - Financial assets measured at amortised | depreciated cost - Item 40

4.1 Detail of item 40 “Financial assets measured at amortised | depreciated cost”: Receivables from banks

Breakdown	TOTAL 2024						TOTAL 2023					
	Value recorded in financial statements			Fair value			Value recorded in financial statements			Fair value		
	First and second stages	Third stage	of which: impaired acquired or originated	L1	L2	L3	First and second stages	Third stage	of which: impaired acquired or originated	L1	L2	L3
1. Loans	403	-	-	-	-	403	913	-	-	-	-	913
1.1 Time deposits												
1.2 Current accounts	403						913					
1.3 Receivables for advisory services												
1.4 Repos												
- - of which: on government bonds												
- - of which: on other debt securities												
- - of which: on equity securities												
1.5 Other loans												
2. Debt securities												
2.1 Structured securities												
2.2 Other debt securities												
Total	403	-	-	-	-	403	913	-	-	-	-	913

Key:

L1 = Level 1

L2 = Level 2

L3= Level 3

4.2 Detail of item 40 “Financial assets measured at amortised | depreciated cost”: Receivables from financial companies

There are no positions related to advisory services to financial companies. Therefore, as indicated in Section 2 of Part A Accounting Policies, they are not presented in the Balance Sheet format.

4.3 Detail of item 40 “Financial assets measured at amortised | depreciated cost”: Loans and advances to customers

There are no positions in connection with advisory services to customers. Therefore, as indicated in Section 2 of Part A Accounting Policies, they are not presented in the Balance Sheet format.

Section 8 - Tangible assets - Item 80

8.1 Tangible assets for functional use: breakdown of assets valued at cost

Assets/Values	TOTAL 2024	TOTAL 2023
1. Assets owned by the Company	40,209	44,956
a) lands	-	-
b) buildings	-	-
c) furniture	2,479	3,058
d) electronic equipment	2,963	3,704
e) others	34,767	38,194
2. Right of use acquired through leasing	282,348	348,584
a) lands	-	-
b) buildings	282,348	348,584
c) furniture	-	-
d) electronic equipment	-	-
e) others	-	-
Total	322,557	393,540

Assets are recorded at cost less accumulated amortisation | depreciation. The amortisation | depreciation rates for assets acquired during the year were calculated on the basis of the number of days of actual use.

The item "Other tangible assets" contains plant and electronic office machines. The rates used to determine amortisation | depreciation are as follows:

- Furniture 12%;
- Fittings 15%;
- Electronic machines 20%;
- Telephone exchange 20%;
- Right of use according to the duration of the lease;
- Expenses on leasehold improvements based on the duration of the lease.

8.5 Tangible assets for functional use: annual changes

	Lands	Buildings	Furniture	Electronic equipment	Others	Total
A. Gross opening inventory	-	-	69,754	882	1,113,008	1,183,644
A.1 Total net impairments	-	-	-66,696	-882	-722,525	-790,103
A.2 Net opening inventory	-	-	3,058	-	390,483	393,541
B. Increases:	-	-	-	-	10,178	10,178
B.1 Purchases	-	-	-	-	10,178	10,178
B.2 Expenses for capitalised improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value charged to:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Transfers from real estate held for the purposes of investment	-	-	-	-	-	-
B.7 Other changes	-	-	-	-	-	0
C. Decreases:	-	-	-579	-	-80,583	-81,162
C.1 Sales	-	-	-	-	-	-
C.2 Depreciations Amortisations	-	-	-579	-	-80,583	-81,162
C.3 Impairment value adjustments charged to:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in fair value charged to:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) tangible assets held for investment purposes	-	-	-	-	-	-
b) assets under disposal	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-
D. Net closing inventory	-	-	2,479	-	320,078	322,557
D.1 Total net impairments	-	-	-67,275	-882	-803,108	-871,265
D.2 Gross closing inventory	-	-	69,754	882	1,123,186	1,193,822
E. Valuation at cost	-	-	-	-	-	-

Section 9 - Intangible assets - Item 90

9.1 Breakdown of item 90: "Intangible assets"

Items/Valuation	TOTAL 2024		TOTAL 2023	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill				
2. Other Intangible assets	29,246	-	63,226	-
2.1 internally generated	8,798		29,230	
2.2 others	20,448		33,996	
Total	29,246	-	63,226	-

The item other internally generated Intangible assets refers to software for the Back Office and Operations Room. The development dates back to the financial year 2019.

The rate used to determine amortisation | depreciation is 20%.

9.2 Intangible assets: annual changes

	Total
A. Opening inventory	63,226
B. Increases	-
B.1 Purchases	-
B.2 Write-backs	
B.3 Positive changes in fair value charged to	
<i>a) shareholders' equity</i>	
<i>b) income statement</i>	
B.4 Other changes	-
C. Decreases	-33,980
C.1 Sales	
C.2 Depreciations Amortisations	-33,980
C.3 Value adjustments from:	
- <i>shareholders' equity</i>	
- <i>income statement</i>	
C.4 Negative changes in fair value:	
<i>a) shareholders' equity</i>	
<i>b) income statement</i>	
C.5 Other changes	
D. Closing inventory	29,246

Section 10 - Tax assets and Tax liabilities - Item 100

10.1 Breakdown of item 100 “Tax activities: current and anticipated” and item “Tax liabilities: current and deferred”

Items/Values	2024	2023
1. Current	46,290	33,263
a) withholdings	29,912	16,885
b) IRES receivables	16,378	16,378
c) IRAP receivables	-	-
d) severance pay substitute tax receivables		
2. Anticipated	583,139	776,575
a) Past tax losses	477,826	632,575
b) ACE (AID TO ECONOMIC GROWTH)	105,313	144,000
Total	629,429	809,838

The amount of EUR 583,139 refers to the Company's receivable for deferred tax assets, and in particular, EUR 447,826 refers to the receivable on tax losses generated in previous years and EUR 105,313 for ACE.

Based on the current legal framework, for the purposes of recognising the related deferred tax benefit, the receivable for deferred tax assets can be carried forward for an unlimited period.

The receivable was valued at an amount consistent with the plan's projections for the 2025-2026 two-year period.

The previous year's balance was reduced by the reversal of taxes for the current year.

10.3 Change in deferred tax assets (with offsetting entry to the income statement)

	2024	2023
1. Opening inventory	776,575	776,575
2. Increases	-	120,774
2.1 Deferred tax assets recorded in the financial year:	-	120,774
a) relating to previous financial years		120,774
b) due to changes in accounting policies	-	-
c) write-backs		
d) others	-	-
2.2 New taxes or tax rates increases		
2.3 Other increases		
3. Decreases	193,436	120,774
3.1 Deferred tax assets deregistered in the financial year	193,436	120,774
a) reversals	193,436	120,774
b) write-downs for supervening non-recoverability		
c) change of accounting policies	-	-
d) others	-	-
3.2 Tax rates reductions		
3.3 Other decreases		
a) conversion into tax receivables pursuant to Italian Law No. 214/2011		
b) others	-	-
4. Final amount	583,139	776,575

Point 3.1.a) of EUR 193,436 refers to the utilisation of receivable for deferred tax assets for the reduction of taxable income for the year. The receivable for deferred tax assets arising from past losses was utilised in accordance with the Law, in the amount of EUR 154,749, up to 80% of taxable income; while the receivable arising from Ace was utilised in the amount of EUR 38,687 to cover the additional 20%.

10.6 Change in deferred taxes (with offsetting entry to shareholders' equity)

Items/Values	2024	2023
1. Opening inventory		-
2. Increases	27,655	
2.1 Deferred taxes recorded in the financial year		
a) relating to previous financial years		
b) due to changes in accounting policies		
c) others		
2.2 New taxes or tax rates increases	27,655	
2.3 Other increases		
3. Decreases		
3.1 Deferred taxes deregistered in the financial year		
a) relating to previous financial years		
b) due to changes in accounting policies		
c) others		
3.2 Tax rates reductions		
2.3 Other decreases		
4. Final amount	27,655	

The change in deferred taxes refers to the tax effect on the valuation of financial instruments measured at fair value through other comprehensive income.

Section 12 - Other assets - Item 120

12.1 Breakdown of item 120 "Other assets"

Items/Values	2024	2023
a) Sundry receivables	26,242	18,226
b) Security deposits	21,398	21,398
c) Advances to suppliers	3,201	17,779
d) Accrued income and prepaid expenses	71,505	69,150
Total	122,346	126,553

Sundry receivables refer for about EUR 11 thousand to professionals, for about EUR 10 thousand to credit notes to be received, and for about EUR 5 thousand to reimbursements expected from counterparties referring to claims incurred.

Security deposits refer to rental contracts.

Accrued income and prepaid expenses mainly relate to:

- costs for Info Provider (Bloomberg) services of about EUR 16 thousand;
- directors' liability insurance premium of approximately EUR 14,000;

- licence to use the Marzotto trademark for approximately EUR 8 thousand;
- multi-risk insurance premium relevant to the office and rent totalling EUR 10 thousand;
- software and hardware fees of EUR 17 thousand;
- interest income accrued on current accounts but not yet credited.

LIABILITIES

Section 1 - Financial liabilities measured at amortised | depreciated cost - Item 10

1.1 Breakdown of financial liabilities measured at amortised | depreciated cost: "Payables"

Items/Values	2024			2023		
	To banks	To financial companies	To customers	To banks	To financial companies	To customers
1. Loans	-	-	309,851	-	-	375,291
1.1. Repos						
- - of which: on government bonds						
- - of which: on other debt securities						
- - of which: on equity securities						
1.2 Loans						
2. Leasing payables			309,851			375,291
3. Other payables						
Total	-	-	309,851	-	-	375,291
<i>Fair value - level 1</i>						
<i>Fair value - level 2</i>						
<i>Fair value - level 3</i>			309,851			375,291
Total fair value	-	-	309,851	-	-	375,291

The item leasing payables refers to the financial payable related to the office lease agreement in application of IFRS16 international accounting standard "leases".

Section 8 - Other liabilities - Item 80

8.1 Breakdown of item 80 "Other liabilities"

Items/Values	2024	2023
a) Payables to suppliers	160,888	226,085
b) Payables to staff	246,566	75,624
b1) Payables to Directors	98,967	-
b2) Payables to Statutory Auditors	24,052	19,911
c) Payables to social security institutions	62,958	49,416
d) Payables to tax authorities	78,320	57,060
e) Other payables	70,684	643
f) Accrued expenses and deferred income	6,665	3,676
Total	749,100	432,415

Payables to suppliers refer to invoices received and to be received for services rendered up to 31/12/2024.

Payables to staff relate to provisions for accrued and unused holidays and leave as well as the residual bonus for the financial year 2023 still to be paid.

Payables to Directors and Statutory Auditors refer to fees accrued as at 31 December 2024 to be paid.

Payables to social security institutions (INPS and INAIL) and to the tax authorities refer to withholding taxes on remuneration to employees, collaborators, Directors and Statutory Auditors.

Other payables relate to payments due to counterparties in respect of coupon claims arising from receipts received for coupons not pertaining to the Company.

Section 9 - Severance pay of staff - Item 90

9.1 "Severance pay of staff": annual changes

	2024	2023
A. Opening inventory	21,008	14,149
B. Increases	16,011	14,154
B.1 Provision for the year	16,011	14,154
B.2 Other increases		
C. Decreases	-1,125	-7,295
C.1 Payments made	-1,125	-7,295
C.2 Other decreases		
D. Closing inventory	35,894	21,008

The provision relates to rights accrued as at 31 December 2024 in favour of staff members who have not allocated the provision to external entities.

The item "Payments made" refers to the severance pay paid to employees who resigned during the year. Also for 2024, the Company has not discounted the severance pay according to IAS 19, based on a criterion of proportionality and in consideration of the limited number of persons to whom it refers.

Section 10 - Provisions for risks and charges - Item 100

10.1 Breakdown of "Provisions for risks and charges"

Items/Values	2024	2023
1. Commitments and guarantees given	-	-
2. Corporate pension funds	440,000	-
3. Other provisions for risks and charges	440,000	370,000
3.1 legal and tax disputes	-	-
3.2 staff charges	440,000	370,000
3.3 other	-	-
Total	440,000	370,000

Please refer to what is indicated in the Report on Operations in the paragraph "Other information", noting that, with reference to the Arbitration proceedings underway, the Company did not make any provision for item 3.1. "Legal and tax disputes" since the valuations made by the law firms supporting Marzotto Sim S.p.A. deemed any contingent liability possible but not probable.

Item 3.2 “Staff charges” transposes the provisions of the Company’s Remuneration Policy.

Section 11 - Equity - Items 110, 120, 130, 140, 150 and 160

11.1 Breakdown of item 110 “Capital”

Types	Amount
1. Capital	10,000,000
1.1 Ordinary shares	10,000,000
1.2 Other shares	-

As at 31 December 2024, the subscribed and paid-up share capital consisted of 25,500,000 ordinary shares, without nominal value, equal to EUR 10,000,000

11.5 Other information

Breakdown Item 150 “Reserves” and Item 160 “Valuation reserves”

Item 150, “Reserves”, amounting to EUR 172,118, refers to EUR 1,014,218 for the legal reserve, EUR 346,693 for the reserve of profits carried forward, EUR - 1,422,067 for the losses of previous years’ result carried forward, and, finally, EUR 233,274 for profits recognised in Shareholders’ equity due to the application of the Business Model.

Item 160, “Valuation reserves”, amounting to EUR 87,573, relates to securities in portfolio reclassified to “Financial assets measured at fair value through other comprehensive income” net of the tax effect and for EUR 1,058 to the negative reserve generated following the first-time application of the IFRS standard.

Shareholders’ equity: origin, possibility of utilisation and distribution of reserves (details pursuant to Article 2427, Paragraph 7-bis, of the Italian Civil Code).

Items constituting the shareholders’ equity	Total amount	Possibility of use	Available portion	Of which distributable	Total utilisations in the last three financial years	
					to cover losses	for other reasons
Capital	10,000,000					
Share premium reserve	-	A, B	-			
a) Profit reserves:	1,594,185		1,594,185			
Legal reserve	1,014,218	B	1,014,218			
Carried-forward profit - previous financial years	346,693	A,B,C	346,693			663,000
Realised gains/losses	233,274	A,B,C	233,274			
b) Other Reserves	-1,058					
FTA IFRS 9 Reserve	-1,058					
Previous financial year’s loss	-1,422,067					
Valuation reserves	87,573					
Profit (Loss) for the financial year	442,424					
Grand total	10,701,058		1,594,185	-	-	663,000
Profits reserves	-		-	-	-	-
Legal reserve	-		-	-	-	-
Total profit reserves	-		-	-	-	-
Grand total	10,701,058		-	-	-	-

Possibility of use:

A : for capital increase

B : for covering losses

C : for distribution to shareholders

Total non-distributable portion **-1,422,067**

Residual distributable portion **172,118**

PART C - INFORMATION ON THE INCOME STATEMENT

Section 1 - Net result from trading activities - Item 10

1.1 Breakdown of “Net result from trading activities”

Income Items/Components	2024				Net result
	Valuation gains	Trading profits	Valuation losses	Trading losses	
1. Financial assets from trading	-	8,507,596	-	3,894	8,503,702
1.1 Debt securities	-	8,507,596	-	3,894	8,503,702
1.2 Equity securities and UCITS units	-	-	-	-	-
1.3 Other assets	-	-	-	-	-
2. Financial liabilities from trading					
2.1 Debt securities					-
2.2 Payables					-
2.3 Other liabilities					-
3. Financial assets and liabilities: exchange rate differences	48	19,704	61	18,211	1,480
4. Financial derivatives					
4.1 on debt securities and interest rates					-
4.2 on equity securities and equity indices					-
4.3 on currencies and gold					-
4.4 other					-
5. Credit derivatives					-
of which: natural hedges related to the fair value option					
Total	48	8,527,300	61	22,105	8,505,182

This item contains the economic results generated by proprietary trading and exchange rate differences generated on financial assets and liabilities.

Net result from trading activities increased significantly, compared to the previous financial year, as a result of the increase in *Front Office* staff and the ability of the Operations Room to take advantage of market volatility and customer positioning. The net realised gain of EUR 8.5 million also includes a significant profit component (about EUR 5.6 million) resulting from transactions with a qualified counterparty acquired through an intermediation contract with a financial Intermediary, who/which is paid a commission in relation to the client introduced to the SIM.

Section 3 - Gains (Losses) on disposal or repurchase - Item 30

3.1 Breakdown of “Gains (Losses) on disposal or repurchase”

Income Items/Components	2024			2023		
	Profits	Losses	Net result	Profits	Losses	Net result
1. Financial assets						
1.1 Financial assets measured at amortised depreciated cost			-	-	-	-
- to banks						
- to financial companies						
- to customers						
1.2 Financial assets measured at fair value through other comprehensive income:	14,014	65,363	-51,349	5,319	28,508	-23,189
- debt securities	14,014	65,363	-51,349	5,319	28,508	-23,189
- loans						
Total (1)	14,014	65,363	-51,349	5,319	28,508	-23,189
2. Financial liabilities measured at amortised depreciated cost						
2.1 Payables	-	-	-	-	-	-
2.2 Outstanding securities	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-
Total (1+2)	14,014	65,363	-51,349	5,319	28,508	-23,189

This section shows, as a result of the application of the Business Model, the income component referring to sales of the bond segment, the countervalue of which is affected by the reversal of the relevant Shareholders' Equity Reserve if the securities had been in the portfolio in the previous year.

Section 5 - Commissions - Items 50 and 60

5.1 Breakdown of item 50 “Commission Assets”

Detail	2024	2023
1. Proprietary trading	-	-
2. Performance of orders on behalf of customers	-	-
3. Placement and distribution	-	-
- of securities		
- of third party services		
- portfolio management		
- collective management		
- insurance products		
- other		
4. Portfolio management	-	-
- own	-	-
- delegated by third parties	-	-
5. Receiving and transmitting orders	-	-
6. Investment advisory		-
7. Financial structure advisory	-	-
8. Management of multilateral trading systems	-	-
9. Management of organised trading systems	-	-
10. Custody and administration	-	-
11. Currency trading	-	-
12. Other services	16,500	-
Total	16,500	-

The value shown above is relevant to the amount accrued for a generic advisory service.

5.2 Breakdown of item 60 “Commission Liabilities”

Detail	2024	2023
1. Proprietary trading	5,226,595	51,827
2. Performance of orders on behalf of customers	-	-
3. Placement and distribution	-	-
- of securities		
- of third party services		
- portfolio management		
- other		
4. Portfolio management	-	-
- own	-	-
- delegated by third parties	-	-
5. Order collection	-	-
6. Investment advisory	-	-
7. Custody and administration	-	-
8. Other services	-	-
Total	5,226,595	51,827

This item refers for about EUR 5.1 million to the amount paid to a financial Intermediary through an intermediation contract through which the SIM was able to conclude proprietary trading transactions with a qualified counterparty.

The difference compared to the table total relates to commissions recognised to suppliers for the use of trading platforms and to the custodian bank for settlement activity.

Section 6 - Interest - Items 70 and 80

6.1 Breakdown of item 70 “Interest and similar income”

Items/Technical forms	Debt securities	Loans	Other transactions	2024	2023
1. Financial assets measured at fair value through profit or loss					
1.1. Financial assets held for trading	-	-	-	-	-
1.2. Financial assets designated at fair value					
1.3. Other financial assets required to be measured at fair value	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	302,287		-	302,287	111,484
3. Financial assets measured at amortised depreciated cost					
3.1 Receivables from banks	-	-		-	-
3.2 Receivables from financial companies	-	-	-	-	-
3.3 Loans and advances to customers	-	-	-	-	-
4. Hedging derivatives	-	-		-	-
5. Other assets	-	-	52,276	52,276	71,735
6. Financial liabilities	-	-	-	-	-
Total	302,287	-		354,563	183,218
of which: interest income on financial assets impaired					

Interest income refers to both the bond/government bond component and current account balances.

6.4 Breakdown of item 80 “Interest expenses and similar charges”

Items/Technical forms	Repos	Other Loans	Securities	Other transactions	2024	2023
1. Financial liabilities measured at amortised depreciated cost						
1.1 To banks	-		-		-	-
1.2 To financial companies	-	-	-	-	-	-
1.3 To customers			-	13,102	13,102	15,571
1.4 Outstanding securities	-			-	-	-
2. Financial liabilities from trading					-	-
3. Financial liabilities designated at fair value					-	-
4. Other liabilities	-	-	-	13,400	13,400	37,130
5. Hedging derivatives	-	-	-		-	-
6. Financial assets	-	-	-		-	-
Total	-	-	-	26,502	26,502	52,701
of which: interest expenses related to leasing payables				13,102		15,571

Item 80 refers to interest expenses of the settlement bank and interest expenses related to the financial leasing of office space (in accordance with IFRS 16 accounting standard).

Section 7 - Dividends and similar income - Item 90

7.1 Breakdown of "Dividends and similar income"

Items/Income	Total 2024		Total 2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading				
B. Other financial assets required to be measured at fair value				
C. Financial assets measured at fair value through other comprehensive income	-		23,775	
D. Shareholdings				
Total	-	-	23,775	-

As there is no position in equities, there is no dividend or similar income in the current year.

Section 8 - Net value adjustments/write-backs for credit risk - Items 120

8.1 Breakdown of "Net value adjustments/write-backs for credit risk related to financial assets measured at amortised | depreciated cost"

The Company deposits its liquidity in credit institutions of high *standing*. No noteworthy change emerged from the application of IFRS 9.

Section 9 - Administrative expenses - Item 140

9.1 Breakdown of item 140.a "Staff expenses"

Items/Sectors	2024	2023
1. Employees	1,441,848	1,320,659
a) wages and salaries	1,117,861	1,015,194
b) social security charges	171,765	166,899
c) severance pay	-	-
d) social security expenses	2,040	1,763
e) provision for staff severance pay	16,011	14,159
f) provision to the post-employment benefit fund and similar obligations	-	-
- with defined contribution		
- with definitive benefits		
g) payments to external supplementary pension funds:	-	-
- with defined contribution	30,805	31,511
- with definitive benefits		
h) other employee benefits	103,366	91,133
2. Other Staff in activity	-	-
3. Directors and Statutory Auditors	470,701	472,583
4. Retired staff	-	-
5. Recovery of expenses for employees seconded to other companies	-	-
6. Reimbursement of expenses for employees seconded to the company	-	-
Total	1,912,549	1,793,242

The change from the previous year is due to the staff turnover.

9.2 Average number of employees by category

Category	TOTAL 2024	TOTAL 2023
a) Managers	2	3
b) Middle Managers	4	3
c) Other employees	5	5
Total employees	11	11

9.3 Breakdown of item 140.b “Other administrative expenses”

Description of cost item	2024	2023
Membership fees	8,996	11,792
Rental expenses and utilities	70,800	70,029
Software assistance and licence fees	33,016	31,583
Back office outsourcing fees	48,589	48,800
Maintenance expenses	2,221	2,095
Subscription/rental fees	30,569	4,467
Legal, administrative and tax advisory	160,420	47,672
Professional services	166,299	250,228
Assistance and use of server room facilities	7,988	14,990
Auditing firm remuneration	30,817	30,538
Business expenses	-	-
Travel, board and lodging expenses	11,348	5,509
Expenses for newspapers, books and magazines	0	171
Stationery and printed materials	3,558	3,606
Postage and stamps	473	441
Utilities/telephone costs	27,426	22,221
Bank fees and charges	13,990	11,712
Taxes and duties	2,807	4,022
Infoproducer	200,051	221,627
Other expenses and charges	91,026	81,290
Total	910,394	862,793

The increase over the previous year is attributable to an increase in costs for legal services of EUR 112 thousand, offset by savings of about EUR 60 thousand on control functions (Compliance and internalised AML and non-recurring costs on Internal Audit)..

Section 11 - Net value adjustments/write-backs on tangible assets - Item 160

11.1 Breakdown of item 160 "Net value adjustments/write-backs on tangible assets"

Items/Adjustments and write-backs	Amortisation depreciation	Impairment value adjustments	Write-backs	Net result
1. For functional use:	81,162	-	-	81,162
- owned	14,926	-	-	14,926
- rights of use acquired through leasing	66,236	-	-	66,236
2. held for investment purposes:	-	-	-	-
- owned	-	-	-	-
- rights of use acquired through leasing	-	-	-	-
Total	81,162	-	-	81,162

Section 12 - Net value adjustments/write-backs on intangible assets - Item 170

12.1 Breakdown of item 170 "Net value adjustments/write-backs on intangible assets"

Items/Adjustments and write-backs	Amortisation depreciation	Impairment value adjustments	Write-backs	Net result
1. Intangible assets other than goodwill	33,980	-	-	33,980
1.1 owned	33,980	-	-	33,980
- internally generated	33,980	-	-	33,980
- others	-	-	-	-
1.2 Rights of use acquired through leasing	-	-	-	-
Total	33,980	-	-	33,980

Section 13 - Other operating proceeds and charges - Item 180

13.1 Breakdown of item 180 "Other operating proceeds and charges"

Items	2024	2023
1. Windfall profits	16,550	4,835
2. Extraordinary losses/expenses	-9,107 - -	13,991
3. Other proceeds/Charges	-5,297	38,585
Total	2,146	29,429

Windfall profits mainly refer (about EUR 15 thousand) to the surplus of the Bonus provision in the year 2023. Extraordinary losses/expenses relate to unforeseen costs for which no provisions had been made prior to 2024. The item Other proceeds and charges includes the net effect of settlement delays between counterparties as well as the recovery of interest incurred by the settlement bank and claimed from the counterparty.

Section 18 - Income taxes on current year operations - Item 250

18.1 Breakdown of “Income taxes on current year operations”

Income taxes on current year operations	2024	2023
1. Current taxes (-)	193,436	120,774
2. Changes in current taxes of previous years (+/-)	-	-
3. Reduction in current taxes for the year (+)	-	-
3 bis. Reduction in current taxes for the year for tax receivables under Law No. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	- -	120,774
5. Change in deferred taxes (+/-)	-	-
Taxes for the year	193,436	-

Please refer to Section 10 “Tax assets and liabilities” of the Notes to the Financial Statements.

18.2 Reconciliation between theoretical tax burden and actual tax burden in the financial statements

IRES (ITALIAN TAX ON CORPORATE INCOME)	2024	2023
rate used	24%	24%
Profit/(Loss) before tax	442,424	38,068
Increases in the tax base:	735,906	659,221
- Definitive	219,778	266,382
- Temporary deductible in future years	516,128	392,839
- Use of deferred taxes from previous years		
Decreases in the tax base:	-372,346	-194,063
- Definitive	-2,346	-1,891
- Temporary taxable in future years		
- Temporary use in previous years	-370,000	-192,172
Gross tax profit/(loss)	805,984	503,226
- Use of losses carried forward	-644,787	-402,581
- Use of ACE benefit	-161,197	-100,645
Tax profit/loss	-	-

Increases in the tax base mainly refer to temporary changes for deductible charges in the financial year 2024 related to the staff area.

No reconciliation was made for IRAP, as the Company has a tax loss for IRAP purposes.

PART D - OTHER INFORMATION**Section 1 - Specific references on operations carried out****A. Proprietary trading**

Items/valuation	Transactions with group counterparties	Transactions with other counterparties
A. Purchases during the financial year		21,927,268,402
A.1 Debt securities		21,927,268,402
of which government bonds		14,441,358,344
A.2 Equity securities		
A.3 UCITS units		
A.4 Financial instruments		
- financial derivatives		
- credit derivatives		
B. Sales in the financial year		21,935,777,350
B.1 Debt securities		21,935,777,350
of which government bonds		14,448,735,671
B.2 Equity securities		
B.3 UCITS units		
B.4 Financial instruments		
- financial derivatives		
- credit derivatives		

The trading volume figures refer to the activities of the Operation Room, whose operations took place in a context of maximum attention and control of the trading limits set by the Board of Directors. It should be noted that the Operation Room resets positions at the end of the day.

F. Investment advisory

The Company did not perform this investment service in the financial year 2024.

Section 2 - Information on risks and related hedging policies

The Company complies with the requirements of EU Regulation No. 2033/2019, “IFR” (Prudential requirements) and EU Regulation No. 2034/2019, “IFD” (prudential supervision), which constitute the new harmonised regulatory framework for investment companies.

The IFR Regulation governs the more quantitative aspects, including: categorisation of SIMs into “classes”; composition of own funds; capital requirements; liquidity requirements; and reporting obligations.

Classification of Investment Firms

In accordance with the IFR, the SIM’s Board of Directors, as the body of strategic supervision, has identified the SIM’s objectives, strategies, profile and risk levels, defining corporate policies and those of the SIM’s risk management system.

The SIM, in accordance with EU Regulation 2019/033 qualifies as a Class 2 SIM for the purposes of the Supervisory Review Process (SRP).

First Pillar Risks

The K-factor methodology, introduced by the aforementioned Regulations, divides SIM risks into three different types:

- Risk to customers (RtC) - the significant one for the Company is the K-COH;
- Risk to Market (RtM) - the significant one for the Company is the K-NPR;
- Risk to the firm itself (RtF) - the significant one for the Company is the K-DTF.

Mapping first pillar risks

First pillar	RtC (Customer risk)	K-AUM managed activities	N/A
		customer money held K-CMH	N/A
		assets safeguarded and managed K-ASA	N/A
		K-COH customer order managed	N/A
	RtM (Risk to the market)	net position risk K-NPR	Significant
		compensation margin provided K-CMG	N/A
	RtF (Risk for the firm)	default of the counterparty of the K-TCD trading	N/A
		K-DTF daily trading flow	Significant
		K-CON concentration risk	N/A

Client risk (RtC): the RtC risk is not significant in view of the business conducted by the SIM in 2024.

Risk to Market (RtM): for the SIM is represented by the K-RtM factor, significant only for the component reflecting the K-NPR net position risk, in accordance with the market risk provisions of Regulation (EU) No 575/2013. The own funds absorption requirement stood at EUR 237,378. All the securities in the portfolio are in EUR, so there is no exchange rate risk.

Items as at 31.12.2024	Value	Coeff. Weighting	Capital requirement
Specific position risk for debt instruments (Italian and other EU government bonds)	10,338,163	0.0%	-
Specific position risk for debt instruments (with credit weighting between 20% and 50%)	211,265	8.0%	16,901
Specific position risk for other instruments	-	8.0%	-
Generic position risk (maturity method)	10,549,428	various	220,477
Total position risk			237,378
Position risk on CIUs	-	32.0%	-
Generic position risk on CIUs	-	various	-
Total position risk on CIUs			-
Settlement risk	-	8.0%	-
Total Settlement risk			-
Exchange rate risk	-	8.0%	-
Total Exchange rate risk			-
TOTAL MARKET RISK			237,378
TOTAL EXCHANGE RATE RISK			-

Risk to the firm itself (RtF): for investment firms who carry out dealing as principal, the K-TCD and K-CON factors are a simplified application of the rules of Regulation (EU) No 575/2013 concerning, respectively, counterparty risk and large exposure risk.

The K-TCD factor reflects the risk posed by derivative counterparties, repurchase transactions, securities and commodities lending and borrowing transactions, long settlement transactions, margin loans, any other securities financing transactions, as well as recipients of loans granted by an investment firm on an ancillary basis as part of an investment service that fail to meet their obligations, by multiplying the value of the exposures, based on replacement cost and a surcharge for potential future exposure, by risk factors based on Regulation (EU) No 575/01,

taking into account the mitigating effects of effective compensation and collateral exchange. In order to further align the treatment of counterparty risk with Regulation (EU) No 575/013, a fixed multiplier of 1.2 and a credit valuation adjustment multiplier is added to reflect the current market value of the counterparty risk to the SIM in specific transactions.

The K-CON factor reflects concentration risk with respect to single or closely related private sector counterparties to which firms have exposures exceeding 25% of their own funds, or other specific thresholds in relation to credit institutions or other investment firms, through the imposition of a capital add-on (in line with Regulation (EU) No 575/213 for exposures exceeding these limits).

The K-DTF factor reflects the operational risks for an investment firm on trading volumes concluded for its own account or on behalf of clients in its own name on any given day that could arise from inadequate or failed internal processes, human resources and systems, or from external events, based on the notional value of daily trades, adjusted for the remaining life of interest rate derivatives, in order to limit increases in own funds requirements, particularly for short-term contracts where the perceived operational risks are lower.

Of the above, only the latter (K-DTF) is significant for Marzotto SIM, which concerns proprietary trading. The own funds absorption requirement stood at EUR 184,334.

Second Pillar Risks

The Second Pillar risks mapping, summarised below, shows strategic and business risk, reputational risk and IT risk as significant.

Mapping of second pillar risks

Second Pillar	Credit risk	N/A
	Interest rate risk	N/A
	Strategic and business risk	Significant
	Money Laundering and Terrorist Financing (AML) Risk	N/A
	Conduct risk (operational risk)	N/A
	Reputation risk (operational risk)	Significant
	IT risk (operational risk)	Significant

Strategic and business risk: the Company's exposure to this risk is linked to the proper implementation of the strategic planning and budgeting process, whose results are represented by the strategic plan prepared by the Company.

In fact, the implementation of the strategic planning and budgeting process could be marred by over- or underestimation of factors endogenous and exogenous to the Company, and similarly, the corporate bodies could be insufficiently responsive to any unforeseen changes taking place. The exposure to business risk by the Company has been estimated by assuming a negative event on the structure of the Operations Room that represents, today, the prevailing business with the replacement with another equivalent figure, however, applying a prudential deviation of -15% on the total value traded following the replacement.

This hypothesis was applied in the determination of the capital requirement on a current basis, in a "retroactive" manner, i.e. by identifying the impact that the occurrence of such an event would have on the result for the year with respect to what was actually achieved as at 31 December 2024.

Year 2024	Negotiated volumes 2024	15% reduction in volumes
Overall intermediated value	45,638,298,754	38,792,553,941
Average margin %	0.0186%	0.0186%
Intermediation profit	8,505,182	7,229,405
Impact on profit		-1,275,777
Capital coefficient		15%
BUSINESS RISK		191,367

Reputational risk: This is closely linked to the Company's external image, to relations with customers, with the Supervisory Authorities, or links with financial advisers, business partners and outsourcers.

Reputational damage could result from errors or inefficiencies in the conduct of core business, from non-transparent or opportunistic behaviour by financial advisers, or from the selection of unsuitable partners with respect to the development plans outlined by the corporate bodies.

The Company, since it considered significant this type of risk, deemed it appropriate to refer to the calculation method defined by the CRR regulations on operational risk, no longer applicable to non-banking intermediaries in category 2, but still valid for banking intermediaries and SIMs in category 1. Therefore, the estimation method consisting of 15% of the average Intermediation margin of the last 3 years is deemed applicable and appropriate.

Calculation phases	References	Values
Significant indicator:		
<i>Intermediation margin + other net operating income</i>		
	Year 2022	2,101,838
	Year 2023	2,852,039
	Year 2024	3,629,245
Calculation of the average value of the intermediation margin over the last three years		2,861,041
Calculation of capital hedging against operational risk (15% of the value in the previous line)		429,156

IT risk: The Company deems operational risk events those affecting the company's IT architecture (IT risk), the risk arising from the possible ineffectiveness of business continuity and disaster recovery measures, the risk of non-compliance with regulations and legal risks.

In accordance with best practice, the Company's IT risk exposure is assessed on the basis of:

- incorrect implementation of company processes and procedures;
- malfunctioning and/or shortcomings in the company's automated procedures and information systems.

In view of the entry into force of the DORA Regulation, the SIM started an ICT risk quantification process, which continued in the first months of 2025, drawing on the quantitative analyses carried out internally in compliance with this new regulatory approach. In this sense, the capital requirement for IT risk is estimated starting from the quantification of the monetary outlays attributable to about 50 different event types and considering, for those whose estimated economic impact manifests itself over several continuous days before the incident is resolved, an average incident duration of five working days. The economic impacts resulting from any reputational damage are excluded from the calculation, as they are already taken into account in the estimation of reputation risk (see previous section). The total expenditure amount thus assessed is then risk-adjusted through the application of a specific coefficient for each event type that incorporates information on probability of occurrence, operational impact and risk mitigation processes in place. The capital requirement for IT risk is thus calculated as 15% of the estimated total risk-weighted expenditure and amounts to EUR 105,338.

IT risk	Figures in €
Estimated costs per IT risk	1,999,500
Average impact/probability coefficient	35.02%
IT risk-weighted costs	702,250
Capital coefficient	15%
CAPITAL REQUIREMENT FOR IT RISK	105,338

Section 3 - Information on equity

3.1 The company's equity

3.1.1 Qualitative information

Accounting shareholders' equity items contribute to the definition of the SIM's own funds for the purposes of the prudential supervision Provisions.

From the amount of own funds, the book value of deferred tax assets based on future profitability is deducted. In addition, the value of intangible assets deducted from own funds is net of amortisation | depreciation.

The SIM constantly verifies compliance with the minimum capital requirements. In order to measure the effects of exceptional, but potentially verifiable, risk events, the SIM performs sensitivity analysis against the main risks assumed.

3.1.2 Quantitative information

The following table shows the breakdown of shareholders' equity.

SE breakdown	2024	2023
1. Capital	10,000,000	10,000,000
2. Additional paid-in capital		
3. Reserves		
a) profits of which:	1,594,185	1,556,116
- legal	1,014,218	1,012,314
- previous years' profits	346,693	310,528
- realised gains	233,274	233,274
b) others	-1,423,125	-1,423,125
FTA IFRS 9 Reserve	-1,058	-1,058
Loss from previous years	-1,422,067	-1,422,067
4. (Own shares)		
5. Valuation reserves	87,573	12,477
-Equity securities at fair value through other comprehensive income		
-Hedging of equity securities designated at fair value through other comprehensive income		
-Financial assets (different from equity securities) measured at fair value through other comprehensive income		
-Tangible assets		
-Intangible assets		
-Foreign investment hedging		
-Hedging of financial flows		
-Hedging instruments		
-Exchange rate differences		
-Non-current assets and groups of assets under disposal		
-Financial liabilities designated at fair value through profit or loss		
-Special laws on revaluation		
-Actuarial profit/losses on defined benefit pension plans		
-Portion of valuation reserves relating to shareholders' equity-accounted shareholdings		
6. Capital instruments		
7. Profit (loss) for the year	442,424	38,068
	10,701,058	10,183,537

3.2 Own funds and supervision ratios

3.2.1 Own funds

3.2.1.1 Qualitative information

Own funds are calculated as the algebraic sum of a series of positive and negative items, the eligibility of which is allowed, with or without restrictions, depending on their asset quality.

The additional element from the SREP is also relevant in the determination of own funds.

In detail, own funds consist of the following aggregates:

- 1) Tier 1 capital (Tier1), which in turn consists of primary Tier 1 capital (CET 1) and additional Tier 1 capital (AT2);
- 2) Tier 2 capital (Tier2).

In accordance with the CRR, primary tier 1 capital consists of share capital and reserves, less net intangible fixed assets and 100 per cent of deferred tax assets.

3.2.1.2 Quantitative information

OWN FUNDS	2024	2023
Primary Tier 1 capital		
Paid-up capital	10,000,000	10,000,000
(+) Share premium		
(-) CET 1 instruments Art. 36 CRR (share warrants)		
(+) Other accumulated items of the income statement (valuation reserve)	320,847	245,750
(+) Reserves - other (legal reserve)	1,013,161	1,011,257
(+) Profit reserves or (-) losses carried forward	-1,075,374	-1,111,539
(+) Profit or (-) loss for the year	442,424	38,068
(-) Deductions from CET1: Goodwill		
(-) Deductions from CET1: Other intangible assets	-29,246	-63,226
(-) Deductions from CET1: Deferred tax assets	-583,139	-776,575
(-)Deductions from CET1: Art. 36, 43 and 45 CRR		
Total Primary Tier 1 capital	10,088,673	9,343,736
Total Additional Tier 1 capital		
Total Tier 2 capital		
TOTAL OWN FUNDS	10,088,673	9,343,736

3.2.2 Capital adequacy

3.2.2.1 Qualitative information

Regulation 2019/2033 (Art. 9) requires the SIM to have its own funds - which consist of the sum of primary tier 1 capital, additional tier 1 capital and Tier 2 capital - capable of meeting all of the following conditions at all times:

- Primary Tier 1 capital / Minimum Capital to be held $\geq 56\%$
- Primary Tier 1 capital + Additional Tier 1 capital / Minimum Capital to be held $\geq 75\%$.
- Primary Tier 1 capital + Additional Tier 1 capital + Tier 2 capital / Minimum Capital to be held $\geq 100\%$.

	Requirement	Own funds	% own funds	Surplus
Primary Tier 1 capital/D $\geq 56\%$.	663,600	10,088,673	1,520.29%	9,425,073
Primary Tier 1 capital + Additional Tier 1 capital/D $\geq 75\%$.	888,750	10,088,673	1,135.15%	9,199,923
Primary Tier 1 capital + Additional Tier 1 capital + Tier 2 capital/D $\geq 100\%$	1,185,000	10,088,673	851.36%	8,903,673

3.2.2.2 Quantitative Information

Category 2 SIMS, as envisaged by Art. 11 of Regulation 2019/2033 (CRR) must hold Own funds, calculated by applying the provisions of CRR2, at least equal to the higher of the following amounts:

1. Minimum initial capital requirement as defined in Art. 11 of the DFI;
2. Requirement equal to 25% of the fixed overheads for the previous year;
3. Requirement calculated according to the k-factor methodology.

Own funds requirements (PURSUANT TO ART. 11 Reg. 2019/2033)	2024
Minimum capital requirement	1,185,000
Fixed overhead requirement	719,561
Requirement K factors	421,713

REGULATORY FRAMEWORK

Below are the details of Marzotto SIM's capital requirements in accordance with the new Supervision regulations (IFD/IFR):

	2024
Own funds	10,088,673
Own fund requirement	750,000
Permanent minimum capital requirement	1,185,000
Fixed overhead requirement	719,561
Total K-Factor Requirement:	421,713
<i>COH</i>	-
<i>RISK TO MKT</i>	237,379
<i>RISK TO FIRM</i>	184,334
CET 1 Ratio	851.36%
Tier 1 Ratio	851.36%
Own Funds Ratio	851.36%

Capital ratios	Amount
CET 1 Ratio	851.36%
Surplus(+)/Deficit(-) of CET 1 Capital - 56%	9,425,073
Tier 1 Ratio	851.36%
Surplus(+)/Deficit(-) of Tier 1 Capital – 75%	9,199,923
Own Funds Ratio	851.36%
Surplus(+)/Deficit(-) of Total capital -100%	8,903,673

LIQUIDITY RISK

Liquidity requirements	Amount
Liquidity Requirement	239,854
Client guarantees	
Total liquid assets	612,620
Unencumbered short term deposits	612,620

In view of the activity for which the Company has been authorised, the only obligations that SIM must fulfil are those towards its staff, suppliers and outsourcers.

The SIM monitors the composition and duration of its assets and liabilities in order to prevent situations of liquidity tension and therefore to consider the funding risk. The market liquidity risk component is even more negligible, given that the SIM's assets are mainly represented by current account held with banks.

The new IFD/IFR regulation on liquidity requirements for SIMs requires SIMs to hold liquid, or readily liquidable, assets at least equal to one-third of the fixed overhead requirement, in other words, one-twelfth of the fixed overhead requirement, or, alternatively, the estimated monthly liquidity requirement.

As at 31 December 2024, the SIM held cash and cash equivalents, consisting entirely of on-demand receivables from banks represented by current accounts, in the amount of EUR 612,620, which exceeded one-third of the fixed overhead requirement and amounted to EUR 239,854.

Section 5 - Transactions with related parties

5.1 Information on the remuneration of key management personnel

Remuneration paid to Key Executives and Directors	2024
a) Managers	794,883
b) Directors	455,020
Total	1,249,903

Key Executives are allotted variable bonuses for the year 2024.

Directors' remuneration include social security charges and VAT, when due. Reimbursement of expenses and insurance costs are excluded.

5.2 Receivables and guarantees issued in favour of directors and statutory auditors

The company has not issued guarantees in favour of Directors and Statutory Auditors.

5.3 Information on transactions with related parties

Transactions with related parties took place during 2024. Marzotto sims defines related parties and relevant persons in its Conflicts of Interest Policy. They include, among others, the members of the Board of Directors. Related parties and relevant persons are required to report any potential conflict of interest situation to the Chief Executive Officer. This policy includes the necessary safeguards for monitoring and managing potential conflicts of interest. The types of supervision are of a ethical, organisational and procedural nature.

During 2024, purchase and sale transactions were concluded involving, through an intermediation contract, a securities brokerage company authorised to perform RTOs and to execute orders on behalf of clients in which one of the reference shareholders is also a member of the Board of Directors of Marzotto SIM.

The Board of Directors of Marzotto SIM analysed related party transactions in connection with the authorisation of the relationship and approved the transactions based on intermediation contracts.

The contribution linked to related-party buying and selling transactions generated a positive intermediation margin component of EUR 510 thousand.

Section 7 - Other information details

7.1 Average number of financial promoters

The Company has no relationships with financial promoters.

7.2 Remuneration for audit and non-audit services

As required by Article 149 *duodecime* of Consob Regulation No. 11971/99 and subsequent amendments and additions, details are provided of the remuneration (excluding expenses, ISTAT updates and VAT) for the year 2024 paid to the Auditing firm and the entities belonging to its network for audit and other services.

Type of services	Service provider	Remuneration (Euro)
Attestation services	BDO Italia S.p.A	3,174
Audit	BDO Italia S.p.A	27,643
Total		30,817

Milan, 12 March 2025

[signature]
Marzotto SIM S.p.A.
Chairperson of the Board of Directors
(Riccardo Bruno, Engineer)

MARZOTTO SIM S.p.A.
Registered Office in MILAN (MI) - Piazza della Repubblica no. 32
Share Capital Euro. 10,000,000.00 fully paid in
Tax code and Milan Companies Register No. 02582181208
Economic and Administrative Index and Chamber of Commerce of Milan No.
1899367
Registered in the SIM register under no. 229

* * *

**Report of the Board of Statutory Auditors to the Shareholders' Meeting of the
Company Marzotto SIM S.p.A. drafted pursuant to Article 2429, paragraph 2, of the
Italian Civil Code**

To the Shareholders of the Company Marzotto SIM S.p.A.

During the financial year ended 31 December 2024, our activities were guided by the provisions of the law and the Rules of Conduct for the Board of Statutory Auditors of Unlisted Companies issued by the National Council of Chartered Accountants and Accounting Experts.

With this report, we inform you of this activity and the results achieved.

The financial statements of Marzotto SIM S.p.A. as at 31 December 2024, prepared in accordance with the IAS-IFRS international accounting standards adopted by the European Union and in accordance with the formats and provisions on financial statements of IFRS intermediaries other than banking intermediaries issued by the Bank of Italy, which show a result for the year of EUR 442,423.58 have been submitted for your examination. The financial statements was made available to us within the legal deadline.

The Board of Statutory Auditors, not being the legal auditor, carried out on the financial statements the supervision activities provided for in Rule 3.8 of the "Rules of Conduct for the Board of Statutory Auditors of Unlisted Companies" consisting of an overall summary control aimed at verifying that the financial statements have been correctly drawn up. Verification of compliance with the accounting data is, in fact, the responsibility of the legal auditor.

The legal auditor BDO Italia S.p.A. has provided us with its report dated 31 May 2025 containing an unqualified opinion.

According to the report of the legal auditor, the financial statements as at 31 December 2024 give a true and fair view of the asset and financial position, of the result of operations and cash flows of your Company and have been prepared in accordance with the regulations governing their drafting.

1) Supervision activities pursuant to Articles 2403 et seq. of the Italian Civil Code

We monitored compliance with the law and the articles of association, compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the company and their actual functioning.

We attended the Shareholders' Meetings and the meetings of the Board of Directors and, based on the information available, we have no particular issues to report.

We have obtained from the Board of Directors, well in advance and also during the meetings held, information on the general performance of management and its foreseeable evolution, as well as on the most significant transactions, due to their size or characteristics, carried out by the company and, based on the information obtained, we have no particular observations to report.

We exchanged data and information relevant to the performance of our supervision activities with the legal auditor in a timely manner.

We met with the person in charge of internal control and no relevant data or information emerged that needs to be highlighted in this report.

We met with the supervisory board and no critical issues emerged with regard to the proper implementation of the organisational model that need to be highlighted in this report.

We have acquired knowledge of and supervised the adequacy of the organisational, administrative and accounting structure and its practical functioning also by obtaining information from department heads and, in this regard, we have no particular comments to report.

We have acquired knowledge of and supervised, to the extent of our competence, the adequacy and functioning of the administrative-accounting system, as well as the reliability of the latter to correctly represent results of management, by obtaining information from department heads and examining company documents, and in this regard, we have no particular comments to report.

No complaints were received from shareholders pursuant to Article 2408 or Article 2409 of the Italian Civil Code.

We have not made any reports to the Board of Directors pursuant to and for the purposes of Article 25-*octies* of Italian Legislative Decree no. 14 of 12 January 2019.

We have not received any reports from the legal auditor pursuant to Article 25-*octies* of Italian Legislative Decree No. 14 of 12 January 2019.

We have not received any reports from public creditors pursuant to and for the purposes of Article 25-*novies* of Italian Legislative Decree no. 14 of 12 January 2019.

During the financial year, the Board of Statutory Auditors did not issue any opinion or observations required by law.

During our supervision activity, as described above, no other significant facts were detected that would have to be mentioned in this report.

2) Remarks on the financial statements

We have verified that the directors have declared that the financial statements comply with the relevant regulations governing their preparation.

As stated in the report of the legal auditor "the annual financial statements provide a true and correct representation of the Company's asset and financial position as at 31 December 2024, of the economic result and the cash flows for the financial year ended at that date, in accordance with the IFRS accounting standards

issued by the International Accounting Standards Board and endorsed by the European Union, as well as the measures issued implementing Article 43 of Legislative Decree 136/15”.

To the best of our knowledge, in preparing the financial statements, the directors did not depart from the rules governing their preparation.

3) Observations and proposals regarding the approval of the financial statements

Considering the results of the work we have performed and the opinion expressed in the audit report issued by the legal auditor, we did not find any reasons to prevent the shareholders from approving the financial statements for the year ended at 31 December 2024, as prepared by the directors.

The Board of Statutory Auditors agrees with the proposal for the allocation of the annual result formulated by the directors in the Report on Operations.

Milan, 31 March 2025

On behalf of the Board of Statutory Auditors, the Chairperson

Stefano Santucci

[signature]
