MARZOTTO SIM S.p.A.

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

Financial statements as at 31 December 2023

AMN/AMR/git - RC109502023BD1281

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Report by independent auditing firm
pursuant to Articles 14 and 19-bis of 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 2023, the income statement, the overall profitability statement, the statement of changes in shareholders' equity, the statement of cash flows for the financial year then ended and the note 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 2023, the economic result and the cash flows for the financial year ended on that date, in accordance with the International Financial Reporting Standards adopted by the European Union, as well as the measures issued implementing Article 43 of 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 more detail in this report under the section "*Responsibility of the auditing firm for the audit of 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 International Financial Reporting Standards adopted by the European Union, as well as the measures issued implementing Article 43 of 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 assessing 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 information 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 supervising, within the terms provided by law, the process for preparing the Company's financial reports.

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 (IAS 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 relevant for auditing 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 disclosures;
- 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 going concern. If there is significant uncertainty, we must draw attention in the audit report to the relevant information provided in the financial statements, or if this information 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 going concern;
- 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 auditing activities.

Report on other legal and regulatory provisions

Opinion under Article 14, paragraph 2, letter e) of Italian Legislative Decree No. 39/10

The directors of Marzotto SIM S.p.A. are responsible for drawing up the report on operations of the Marzotto SIM S.p.A. as at 31 December 2023, 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 to express an opinion on the consistency of the report on operations with the annual financial statements of Marzotto SIM S.p.A. as at 31 December 2023 and on its compliance with the law, as well as to issue a statement on any significant misstatements.

In our opinion, the abovementioned report on operations is consistent with the financial statements of Marzotto SIM S.p.A. as at 31 December 2023 and has been drawn up in accordance with the law.

With reference to the statement referred to in Article 14, paragraph 2, letter e), of the 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, 8 April 2024

BDO Italia S.p.A.
Andrea Meneghel
Partner

Marzotto Società di Intermediazione Mobiliare S.p.A.

Financial Statements as at 31 December 2023

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

MANAGEMENT AND CONTROL BODIES

Board of Directors

Chairman 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

Chairman of the Board of Statutory Auditors	Stefano Santucci
Statutory Auditor	Francesca Meneghel
Statutory Auditor	Giornetti Andrea
Alternate Statutory Auditor	De Petra Francesco
Alternate Statutory Auditor	Cimmino Giovanni

Auditing firm

BDO Italia S.p.A.

[1] Independent director.

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Macro-economic Context

The International Scenario and Financial Markets in 2023

With the background of 2022, expectations of a recession in both Europe and the US prevailed at the beginning of January 2023. After the first negative data, however, expectations of a recession decreased, also supported by major declines in raw material prices. China in January 2023 seemed to be on its way to a strong after-Covid recovery. In the first quarter, therefore, market expectations were that growth trends would continue and sustained inflation levels would persist. The first US employment figure marked an increase in employment of 517k units and was the first sign of a series of indications that the US economy was robust. In early March 2023, the Fed governor declared himself ready for further monetary restrictions and the two-year rate reached the level of 5.07%.

Monetary authorities in Europe and other major economies have therefore embarked on a restrictive monetary policy, both by gradually raising interest rates and by reducing liquidity in the system. In the course of 2023, the refinancing rate on the European Central Bank's main operations thus increased from 2.50 per cent to 4.50 per cent.

The crisis in March 2023 of the Silicon Valley Bank, moreover, had the effect of calming expectations of a rate hike and thus causing a sharp contraction in rates. For a few weeks, volatility on the markets was very high and the Credit Suisse crisis materialised in Europe. The intervention of the monetary authorities in the US and Europe and the acquisitions of First Republic Bank by JP Morgan and Credit Suisse by UBS helped calm markets and fears of systemic crises. The volatility indices then returned and reached post-pandemic lows in June 2023.

At the same time, the month of April 2023 saw growing concerns about US debt due to the reach of the so-called "ceiling" on the amount of issuable securities. The risk of insolvency was perceived by the market and was reflected in the level of T-Bills, which came to trade above 7%. On 3 June, however, President Biden managed to sign an agreement with Congress to revise the "debt ceiling".

Meanwhile, economic data continued to be very positive in the US, leading to an increase in official rates in July 2023.

In Q3 2023, the outlook for persistently high rates in the medium term caused bond prices to fall sharply. At the end of October 2023, the US ten-year exceeded 5% for the first time since 2007. The S&P Index had three consecutive monthly declines and the US Treasury rating was downgraded from AAA to AA+ by Fitch.

In October 2023, economic data in Europe started to be negative again. The European economy as a whole contracted by 0.1 % in the third quarter.

The month of October 2023 saw the re-emergence of global geopolitical tensions with Hamas' terrible attack on Israel on 7 October. In fear of a wider escalation, the price of brent rose by 8% and the price of gold by 10%.

Towards the end of October, however, moderate inflation data from both Europe and the US raised hopes of a return to target levels and central banks changed their language by being more accommodative. All this led to a sharp rise in bond and equity assets.

In both the equity and bond sectors, the turnaround in the last two months of the year set the stage for an overall positive performance over the 12 months despite the previous negative periods, particularly in the bond area.

In Italy, too, 2023 was marked by the macroeconomic issues that emerged in the Eurozone. The HICP index increased by 5.9%, GDP by 0.7%, and the deficit-to-GDP ratio stood at 7.2%. The debt-to-GDP ratio at the end of 2023 is 142.9%.

Outlook for 2024

Some signs of weakening economic activity are emerging from the US and growth in China remains below pre-pandemic levels. The most recent OECD estimates foresee a slowdown of global GDP to 2.7 per cent in 2024, due to restrictive monetary policies and worsening consumer and enterprises confidence. High downside risks remain from international political tensions, particularly in the Middle East. Bank of Italy models predict a modest dynamic in trade in goods and services this year, which is being affected by weak global demand. According to Bank of Italy estimates, growth in Italy was almost nil at the end of 2023, held back by tightening credit conditions and still high energy prices; consumption stagnated and investments contracted. Activity fell again in manufacturing, while it stabilised in services; it increased in construction, which continued to benefit from tax incentives. Projections made as part of the Eurosystem's coordinated exercise, give GDP growth at 0.6% in 2024 (compared to an estimated 0.7% in 2023) and 1.1% in each of the following two years.
On inflation, the forecasts prepared by the Bank of Italy as part of the Eurosystem's coordinated exercise indicate a rise in consumer prices of 1.9 % in 2024 (from 5.9 % in 2023), then a gradual decline to 1.7 % in 2026; core inflation will decrease to 2.2 % in the current year (from 4.5 % in 2023) and will fall below 2 % in the following two years.
Markets and economies will be weighed down by the risks and opportunities offered by structural changes and major trends. Technology remains the most important driver of change, development engine and investment factor for enterprises. The transition to a more environmentally and socially sustainable economy is the other determining factor in resource allocation. The geopolitical context is affected by these elements and the competition between the two political systems of the US and China for economic supremacy will be played out over technological leadership and energy solutions.

Marzotto Sim operation in 2023

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 Decree-Law 58/1998 (Italian Consolidated Law on Finance) as well as pursuant to the provisions of Legislative Decree No. 164 of 17 November 2010:
- Letter a) - Dealing as principal;
- Letter b) - Execution of orders on behalf of clients;
- 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 2023, the Securities Brokerage Company *(SIM)* provided the following services:
- dealing as principal;

The types of risk to which the Securities Brokerage Company *(SIM)* is most exposed are credit, market and interest rate risks - with different levels for dealing as principal, proprietary investments and operational, reputational and strategic risk[2].

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

The Securities Brokerage Company *(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 Securities Brokerage Company *(SIM)*'s operational capacities and the cancellation of the Advisory and Asset Management business lines, in a context of worsening market conditions, emphasised by the consequences of the conflict in Ukraine. After the high turnover in 2022, the renewal of top management departments and greater clarity on corporate strategy favoured a stabilisation of the workforce with two recruitments on the Front Office side and no resignations.
Despite the upward revision of the 2023 budget targets set in March, the Company was able to achieve its objectives by increasing the result from operations by 35% compared to 2022, cancelling operating losses and returning the company to profit.
Management pursued the strategy of strengthening the core business, consisting of brokerage performed by the company, by increasing the number of counterparties, diversifying operations between regulated and OTC markets, and improving internal management systems through a plan to strengthen resources.
Against operating costs including personnel costs and the bonus pool distributed in line with the financial year 2022, the Company achieved a 35% increase in Brokerage Revenues and closed the financial year 2023 with a profit of EUR 38,068 compared to an operating loss of EUR 754,383 in the financial year 2022.

Proprietary Trading

Trading activity as principal was conducted exclusively with institutional and professional counterparties (about 50 at the end of 2023) for trades in fixed income securities.
In 2023, activity 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. This resulted in an increase in Revenues from Brokerage Activities of about EUR 700,000. Approximately 12,023 transactions for a countervalue, between purchases and sales, of EUR 38 billion were carried out, compared to 6,500 transactions in 2022 for a total countervalue of EUR 22.4 billion (+38% in terms of transactions, +60% in terms of countervalue).
About two-thirds of the volumes subject of brokerage were traded in USD, the remaining volumes in EUR and a small portion in GBP.

Intermediation Margin

The new Board of Directors in July 2023 changed the equity investment policy, making it more in line with the new business model, effective from 2022 and based on the Hold to Collect and Sell criterion. The Securities Brokerage Company (SIM)'s proprietary portfolio was restructured with a significant reduction in risk profiles and a renewed focus on investments in short- to medium-term government bonds. The portfolio and liquidity management activities generated interest income of approximately EUR 206k.
This result made it possible to absorb the higher costs for the use of the platforms resulting from the higher volumes.

The Company reported a pre-tax profit of EUR 38,068. The sale of equity Assets produced realised gains of EUR 233,000, which are shown in the realisation reserve as a result of the company's hold to collect and sell model. The disposal of bond assets resulted in a loss of EUR 23,189 recognised in the income statement .

Organisational aspects

The Securities Brokerage Company *(SIM)*'s organisational set-up underwent some changes, improving internal efficiency while remaining consistent with its small size, with a focus on the service of dealing as principal. As at 31 December 2023, there were 10 employees (2 managers, 4 middle managers and 4 employees).

With the exception of the Anti-Money Laundering Department, a department internalised in accordance with Bank of Italy regulations of August 2023, the Level 2 (Compliance and Risk Management) and Level 3 (Internal Audit) control Departments are outsourced.

As stated above, as a consequence of the transposition of the Measure of 1 August 2023, on 14 November 2023 the Board of Directors of the Company appointed an Internal Manager for the Anti-Money Laundering department.

The Company also approved a plan to streamline its control departments, which will lead to the internalisation of the Compliance department during 2024.

The Securities Brokerage Company *(SIM)*, following a shareholders' resolution, amended its personnel remuneration policy for 2023 in accordance with supervisory provisions and industry practices, including for employees and executive staff only a variable component aimed at attracting and retaining highly qualified professionals. The variable part of the remuneration, within the limits of a predetermined ratio with the fixed component, authorised by the Shareholders' Meeting, is sized in the maximum amount (so-called "Bonus pool") and is payable upon the occurrence of certain company parameters ("gate clauses") and the achievement of individually set qualitative-quantitative targets.

From a technical and organisational point of view, the main initiatives of the period concerned a reshaping of the risk appetite framework, increased supervision of the IT area, and an analysis of the vulnerability of the proprietary management system with the help of a leading IT expert company.

In terms of business continuity, the Securities Brokerage Company *(SIM)* has evaluated, with the approval of the Board of Directors, the move to the Cloud, considering it functional to reducing operational risk and supporting the continuity of corporate services and activities.

A review of the internal regulatory "corpus" with updates on key procedures was also undertaken. The Securities Brokerage Company *(SIM)* adopted a new data processing policy (GDPR) and renewed its "*whistleblowing"* policy.

The Securities Brokerage Company *(SIM)* has adopted a system of regular presence in the office with scheduled periods of smart working.

Following communication no. 1940295/22 of 28 December 2022 by the Bank of Italy, which required supervised intermediaries to prepare an action plan ("ESG Action Plan"), on 29 March 2023 Marzotto's Board of Directors approved the "ESG Action Plan", in compliance with which a series of actions were implemented, such as the appointment of an ESG Manager the appointment of an ESG and Sustainability Committee, the adhesion to the UN Global Compact (a non-binding pact of the United Nations, created to encourage companies and enterprises around the world to adopt sustainable policies and policies compliant with the corporate social responsibility, and to disclose the results of the actions taken), sustainability training aimed at increasing the ESG culture among employees and members of the Board of Directors and Control Bodies.

REPORT ON OPERATIONS

The Securities Brokerage Company (*SIM)*, as reported in the previous financial year's Report, with reference to the former English subsidiary MARENGO Financial Services Ltd, established in October 2018, for the provision of Asset Management services on proxies conferred by "professional" clients", which had completed all formalities with the Financial Conduct Authority (FCA) - for the withdrawal of the authorising licences which took place on 17 September 2022 and the English Company House (for the request for deregistration from the English Company Register - Strike off of 23 December 2022 DS 01 form and placed in dissolved state on 21 June 2023), submitted on 29 December 2022 the application in the Bank of Italy as Parent Company of the Marzotto SIM Group for deregistration from the Roll pursuant to art. 11, paragraph 1-bis, of Legislative Decree 58/98 (Italian Consolidated Law on Finance). On 18 05 2023, prot. No. 089488/23 and in compliance with Part One, Title I, Chapter 2, Part II of the Regulation on the Supervision of Securities Brokerage Companies (SIMs) of 23 December 2022, the Bank of Italy announced the deregistration of the Marzotto Group from the Roll of SIMs Groups as of 18 May 2023.
No consolidated financial statements were prepared (as was also the case for the financial year 2022).

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The Ordinary Shareholders' Meeting of 25 May 2023 resolved to assign the management of Marzotto Sim S.p.A. to a new Board of Directors, initially composed of five directors and, subsequently, supplemented with two additional directors in accordance with the company's Articles of Association. The Ordinary Shareholders' Meeting confirmed Mr. Riccardo Bruno as Chairman of the Board of Directors. The Board of Directors' meeting held on 31 May 2023 appointed the director Mr. Domenico Moro as Managing Director, granting him delegated powers to be exercised in accordance with and within the limits of the law, the directives and resolutions assigned to him by the Board of Directors and the Company's Articles of Association.

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Following the Bank of Italy's inspections carried out in the first half of 2021, the Company had formalised a detailed action plan (so called "remediation plan") in September of that year. An updated information report on the status of the implementation of the aforementioned plan was sent to the Bank of Italy on 7 March 2022 and, lastly, on 21 December 2022.
On 24 May 2023, the Board of Directors approved the report formulated by the Internal Audit Department (as required by the Bank of Italy) and prepared by Mr. Giuseppe Ruscio of LPR Management Consulting S.R.L. (in charge as manager of the outsourced department) on the completion of the actions planned in the "remediation plan" previously sent to the Supervisory Board. The report, sent to the Bank of Italy in June 2023, focused on the examination of the organisational design and its effective implementation, through the feedback of the actions implemented by the Strategic Supervisory Board (BoD), the Supervisory Body (Board of Statutory Auditors) and the Management, thus closing the cycle of remedial actions following the 2021 inspection and findings.

Financial statements results as at 31 December 2023

The salient financial and economic results of MARZOTTO SIM as at 31 December 2023 are presented and commented on below.

Table 1 - Balance Sheet Data *(amounts in EUR)*

	2023	*2022*	*Change*	*% Change*
Cash and cash equivalents	3,187,551	7,227,435	-4,039,884	-56%
Financial assets	6,801,541	2,349,464	4,452,077	189%
Shareholdings	-	-	-	0%
Tangible and intangible assets	456,766	510,843	-54,077	-11%
Tax assets	809,839	792,954	16,885	2%
Other assets	126,554	109,846	16,708	15%
Total Assets	**11,382,251**	**10,990,542**	**391,709**	**4%**
Financial liabilities	375,291	394,364	-19,073	-5%
Other liabilities	432,415	877,093	-444,678	-51%
Employee Severance Indemnity	21,008	14,149	6,859	48%
Provisions for risks and charges:	370,000	-	370,000	
Total liabilities	**1,198,714**	**1,285,606**	**-86,892**	**-7%**
Share Capital	10,000,000	10,000,000	-	0%
Reserves	134,050	1,322,843	-1,188,793	-90%
Valuation reserves	11,419	-195,840	207,259	-106%
Profit (Loss) for the financial year	38,068	-1,422,067	1,460,135	-103%
Total shareholders' equity	**10,183,537**	**9,704,936**	**478,601**	**5%**
Total liabilities and shareholders' equity	**11,382,251**	**10,990,542**	**391,709**	**4%**

The decrease in the item Cash and cash equivalents results from the increase in investments in government bonds following the change in investment policy. A substantial part of the Cash and cash equivalents is placed as security for the operations of the Room.
The increase in Financial Assets results from the increase in investments made within the risk profiles of the new investment policy approved by the Board of Directors on 19 July 2023.
Tangible and intangible assets are reduced by depreciation/amortisation for the financial year.
Tax Assets include current items of EUR 33,264 and deferred tax assets (DTA) of EUR 776,575, both referring to IRES and mostly related to tax losses from previous financial years, as well as to a residual extent to ACE benefits.
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.
Employee Severance Indemnity 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 2023.
Provisions for risks and charges recognised as at 31 December 2023 refer to the allocation of the total amount of the bonus pool decided by the AdA on 6 September 2023.

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)*

	2023	*2022*	*Change*	*% Change*
Net trading income	2,711,968	2,029,512	682,456	34%
Gains (Losses) on Sale or Repurchase of Financial Assets Valued at Depreciated/Amortised Cost	-23,189	-	-23,189	
Net commissions	-51,827	-66,090	14,263	-22%
Net interest and dividends	154,292	9,594	144,698	1,508
Net Value Adjustments/Write-backs for Credit Risk	-	-	0	
Net result from financial operations	**2,791,244**	**1,973,016**	**818,228**	**41%**
Administrative Expenses	-2,656,035	-2,687,647	31,612	-1%
of which, for staff	*-1,793,242*	*-1,697,910*	-95,332	6%
of which, other expenditures	*-862,793*	*-989,737*	126,944	-13%
Net provisioning for provisions for risks and charges	*0*	*13,427*	-13,427	-100%
Value Adjustments on Tangible and Intangible Assets	-126,570	-144,274	17,704	-12%
Other proceeds and charges	29,429	94,790	-65,361	-69%
Operating Costs	**-2,753,176**	**-2,723,704**	**-29,472**	**1%**
Profit (Losses) on shareholdings	-	-3,695	3,695	-100%
Profit (Loss) from current operations before tax	**38,068**	**-754,383**	**792,451**	**-105%**
Taxes on the income for the financial year	-	-667,684	667,684	-100%
Profit (Loss) for the financial year	**38,068**	**-1,422,067**	1,460,135	-103%

Net trading income increased significantly as a result of the increase in *Front Office* staff and the ability of the Dealing team to take advantage of market volatility and customer positioning.
The *Net result from financial operations* also shows a modest loss of about EUR 23,000 due to the application of the new *Model Business* which requires that the combined effect of the reversal of the Valuation Reserve from the previous financial year and the countervalue of the sales price 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.
Staff expenditures (which also include the costs of the Board of Directors and the Board of Statutory Auditors) increased overall by 6% because of the 2022/2023 staff turnover and the entry of a Managing Director. The 13% improvement in *Other Administrative Expenses* is related to a lower use of professional consulting and legal services.

Table 3 - Capital adequacy *(amounts in EUR)*

	2023	2022	Change	% Change
Own funds	9,343,736	8,822,429	521,307	6%
Fixed overhead requirement	671,850	680,420	-8,570	-1%
Requirement K factors	248,365	412,692	-164,327	-40%
Minimum requirement	750,000	1,000,000		
Own fund ratio	1245.83%	882.24%		
Buffer (Deficit) of own funds	**8,593,736**	**7,822,429**	**521,307**	**7%**

The increase in own funds benefited from the amount that flowed into the securities Valuation Reserve and, in particular, from the sale of the equity component. The Securities Brokerage Company *(SIM)* has an assets adequacy well in excess of the regulatory minimums.

Significant events occurring after the end of the financial year

In early 2024, the transfer of the company's IT platform to the Cloud was initiated. The objectives are to improve security, optimise structural costs and make the platform scalable.

In light of the results and performance in 2023, the forecasts of the three-year budget have been reshaped with a greater shift in the expected growth for the financial years 2025 and 2026. The strategic priorities are to continue to strengthen the operations room and to diversify the trading business also through strategic agreements with product partners for research and services offered by the Securities Brokerage Company *(SIM)*.

Foreseeable development of operations

The beginning of the year was characterised by a strong recovery in the primary market across all bond classes. In January 2024, a great deal of optimism prevailed after the strong recovery of bond prices in Q4 2023, which was indeed reflected in record issuing volumes.

Economic data showed strong resilience of the economies in both the US and Europe, and expectations of a rate cut were greatly reduced. The scenario for bond markets, despite volatility, is positive and strategic allocations to this asset class are significant on the part of investors.

Business volumes for Marzotto Sim have so far been satisfactory and in line with 2023 with a good recovery in March 2024. We are witnessing greater business diversification with volumes in the credit market increasing. The strategic objective remains that of expanding the number of operators by including professionals with a profile suited to Marzotto SIM's operations. At product level, particular focus is on the area of credit. The expansion of market counterparties for the trading service also continued with the inclusion of Asset Management Companies, Securities Brokerage Companies (*SIMs*) and corporate treasuries.

With the interventions planned and already underway 2024, recruitment initiatives are underway across all corporate departments, positioning the Securities Brokerage Company (*SIM*) on a steady growth path.

Against this backdrop, also taking into account the ability to sustain the consolidation path resulting from the available assets after a 2023 that brought the company back to a positive operating profit situation and showed a turnaround, the Directors believe that the Company can continue to operate smoothly in the near future.

The financial statements for the year 2023 have been prepared on a going concern basis.

Other information

During 2023, the Company did not carry out any research and development activities.
The Company did not hold or hold any of its treasury 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 2023 of Marzotto SIM S.p.A. in the amount of EUR 38,068.20 as follows:

- 5% or EUR 1,903.41 to the legal reserve;
- the remaining EUR 36,164.79 to Revenue Reserves.

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Dear Shareholders,
In thanking you for the trust you have placed in us, we invite you to approve the financial statements for the financial year ending 31 December 2023.

Milan, 20 March 2024

On behalf of the Board of Directors
The Chairman

Mr. Riccardo Bruno

FINANCIAL STATEMENTS

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

	Asset Items	2023	2022
10.	Cash and cash equivalents	**3,187,551**	**7,227,435**
30.	Financial assets at fair value through other comprehensive income	**6,800,628**	**2,348,792**
40.	Financial assets measured at amortised cost	**913**	**672**
	a) receivables from banks	913	672
80.	Tangible assets	**393,540**	**404,911**
90.	Intangible assets	**63,226**	**105,932**
100.	Tax assets	**809,839**	**792,954**
	a) current	33,264	16,379
	b) advanced	776,575	776,575
120.	Other assets	**126,554**	**109,846**
	Total Assets	**11,382,251**	**10,990,542**

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

	Liabilities and shareholders' equity items	2023	2022
10.	Financial liabilities measured at amortised/depreciated cost	**375,291**	**394,364**
	a) payables	375,291	394,364
80.	Other liabilities	**432,415**	**877,093**
90.	Employee Severance Indemnity of the staff	**21,008**	**14,149**
100.	Provisions for risks and charges:	**370,000**	**-**
	c) other provisions and risks	370,000	-
110.	Share Capital	**10,000,000**	**10,000,000**
150.	Reserves	**134,050**	**1,322,843**
160.	Valuation reserves	**11,419**	**-195,840**
170.	Profit (Loss) for the financial year	**38,068**	**-1,422,067**
	Total liabilities and shareholders' equity	**11,382,251**	**10,990,542**

INCOME STATEMENT

(amounts in EUR units)

	Items	2023	2022
10.	Net trading income	**2,711,968**	**2,029,512**
30.	Gain (loss) on disposal or repurchase of:	**-23,189**	**-**
	b) Financial assets at fair value through other comprehensive income	-23,189	
50.	Commission income	**-**	**11,710**
60.	Commissions payable	**-51,827**	**-77,800**
70.	Interest and similar income	**183,218**	**22,960**
80.	Interest expenses and similar charges	**-52,701**	**-46,094**
90.	Dividends and similar income	**23,775**	**32,728**
110.	**Intermediation margin**	**2,791,244**	**1,973,016**
130.	**Net result from financial operations**	**2,791,244**	**1,973,016**
140.	Administrative expenses:	**-2,656,035**	**-2,687,647**
	a) staff expenditures	-1,793,242	-1,697,910
	b) other administrative expenses	-862,793	-989,737
150.	Net provisioning for provisions for risks and charges	**-**	**13,427**
160.	Net value adjustments/write-backs on tangible assets	**-83,864**	**-99,889**
170.	Net value adjustments/write-backs on intangible assets	**-42,706**	**-44,385**
180.	Other operating income and charges	**29,429**	**94,790**
190.	**Operating Costs**	**-2,753,176**	**-2,723,704**
200.	Profit (Losses) on shareholdings	**-**	**-3,695**
240.	**Profit (Loss) from continuing operations before tax**	**38,068**	**-754,383**
250.	Income tax for the financial year on current operations	**-**	**-667,684**
260.	**Profit (Loss) from continuing operations after tax**	**38,068**	**-1,422,067**
280.	**Profit (Loss) for the financial year**	**38,068**	**-1,422,067**

STATEMENT OF COMPREHENSIVE INCOME

	Items	2023	2022
10.	**Profit (Loss) for the financial year**	38,068	-1,422,067
	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		-109,016
	Other income components net of taxes with reversal to the income statement		
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	12,477	-85,766
170.	**Total other income components net of taxes**	**245,750**	**-194,782**
180.	**Comprehensive income (Item 10+170)**	**283,818**	**-1,616,849**

The values in the statement reflect the application of the Business Model in relation to investments in proprietary financial instruments. Item 20 refers to sales of capital share securities that generated a positive Realised Reserve of EUR 233,274 allocated to Shareholders' Equity as an increase. Item 140 refers to the positions of financial instruments, both equities and bonds, until 31 December 2023, which generated a Valuation Reserve of EUR 12,477.

The Company therefore generated a total of EUR 283,818, which, according to the classification and presentation criteria of the Business Model (in force since 04 August 2022), were transferred to Shareholders' Equity instead of to the income statement, among realised profits for EUR 233,274 and EUR 12,477 among "Unrealised" profits.

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY 31 DECEMBER 2023

	Existence at 31/12/2022	Changes to opening balances	Existence as at 01/01/2023	Allocation of previous financial year result		Changes in the financial year						Overall profitability financial year 31/12/2023	Shareholders’ equity as at 31/12/2023
							Transactions on shareholders’ equity						
				Reserves	Dividends and other allocations	Changes in reserves	Issuing new shares	Purchase of treasury shares	Extraordinary dividend distribution	Changes in equity instruments	Other variations		
Share Capital	10,000,000	-	10,000,000										**10,000,000**
Emission surcharge	-	-											-
Reserves	-	-											-
a) of 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) other	**-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	-	-											-
Treasury 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 CHANGES IN SHAREHOLDERS’ EQUITY 31 DECEMBER 2022

	Existence at 31/12/2021	Changes to opening balances	Existence as at 01/01/2022	Allocation of previous financial year result		Changes in the financial year						Overall profitability financial year 31/12/2022	Shareholders’ equity as at 31/12/2022
							Transactions on shareholders’ equity						
				Reserves	Dividends and other allocations	Changes in reserves	Issuing new shares	Purchase of treasury shares	Extraordinary dividend distribution	Changes in equity instruments	Other variations		
Share Capital	10,000,000	-	10,000,000										**10,000,000**
Share premium	-	-											-
Reserves	-	-											-
a) of profits	-994.371%	-	-994.371%	-990.414%	-663,000								**1,321,785**
b) other	-	-											-
Valuation reserves	-	-										-194,782	**-194,782**
Capital instruments	-	-											-
Treasury shares	-	-											-
Profit (Loss) for the financial year	990,414	-	990,414	-990,414								-1,422,067	**-1,422,067**
Shareholders’ equity	**11,984,785**	-	**11,984,785**	-	**-663,000**	-	-	-	-	-	-	**-1,616,849**	**9,704,936**

STATEMENT OF CASH FLOWS - Direct method

	2023		2022	
A. OPERATIONAL ACTIVITY				
1. Management		**-2,517,283**		**-2,633,563**
- interest income collected	183,218		55,687	
- interest expense paid	-52,701		-46,094	
- dividends and similar income	23,775		-	
- net fees	-51,827		-66,090	
- staff expenditures	-1,786,383		-1,691,852	
- other costs	-894,159		-1,027,464	
- other revenues	60,794		142,251	
- taxes				
- costs/revenues related to groups of assets under disposal and net of tax effect				
2. Cash generated/absorbed by financial assets		**(895,934)**		**4,009,794**
- financial assets owned for trading purposes	2,711,968		6,277,485	
- financial assets at fair value through other comprehensive income	-4,241,752		-2,348,792	
- financial assets measured at amortised/depreciated cost	- 241		56,506	
- other assets	634,091		24,595	
3. Cash generated/absorbed by financial liabilities		**-597,790**		**35,214**
- financial liabilities measured at amortised/depreciated cost	-19,073		-61,318	
- financial liabilities for trading				
- financial liabilities at fair value				
- other liabilities	-578,717		96,532	
Net cash generated by/absorbed in operations		***-4,011,007***		**1,411,445**
B. INVESTMENT ACTIVITIES				
1. Cash generated by		**-**		**-**
- sale of shareholdings			-	
- dividends received on shareholdings			-	
- sales of tangible assets			-	
- sales of intangible assets			-	
- sale of business units			-	
2. Cash absorbed by		**-28,877**		**-23,572**
- purchases of shareholdings			-	
- purchases of tangible assets	- 28,877		- 15,745	
- purchases of intangible assets	-		- 7,827	
- purchases of business units			-	
Net cash generated by/absorbed in investment activities		***-28,877***		**-23,572**
C. FINANCING ACTIVITIES				
- issuance/purchase of treasury shares			-	
- issuance/purchase of capital share instruments			-	
- dividend distribution and other purposes			(857,046)	
Net cash generated by/absorbed in financing activities		**-**		***(857,046)***
NET CASH GENERATED BY/ABSORBED IN THE FINANCIAL YEAR		***-4,039,884***		**530,828**

RECONCILIATION	**2023**	**2022**
Cash and cash equivalents at the beginning of the financial year	7,227,435	6,696,608
Total net cash generated by/absorbed in the financial year	-4,039,884	530,828
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at end of the financial year	3,187,551	7,227,435

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 2023, in application of Legislative Decree No. 38 of 28 February 2005, have been prepared in accordance with the IAS/IFRS 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.

The application of the IAS/IFRS standards was also made with reference to the Systematic Framework for the Preparation and Presentation of Financial Statements (so-called "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 2023 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 2023:

- IFRS 17 "Insurance Contracts" endorsed on 19 November 2021 by EU Regulation 2036/2021. IFRS 17 superseded IFRS 4 and applies to all types of insurance contracts, regardless of whether it qualifies as an insurance company issuing them, and allows for a unique mode of representation. EU Regulation 2022/1491 of 8 September 2022 introduced certain amendments to IFRS17 in the transitional provisions of the standard, which helped insurers to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts and thus overcome one-off differences in the classification of comparative information from the previous financial year when IFRS17 and IFRS9 "Financial Instruments" were first applied;

- Amendments to IAS 1 "Presentation of Financial Statements", IFRS "Practice Statement 2: Disclosure of Accounting Policies" e Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimate", endorsed on 2 March 2022 by EU Regulation No. 357/2022; these amendments:
    - provide guidelines and examples to help entities apply materiality judgments to accounting standards notice. In fact, the amendments are intended to help entities provide information on accounting standards considered material, which may reasonably influence the decisions of the primary users of financial statements, rather than on significant accounting standards;
    - they introduce a definition of "accounting estimates" and clarify the distinction between changes in accounting estimates and changes in accounting standards and correction of errors;

- Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction", amendments endorsed on 11 August 2022 by EU Regulation No. 1392/2022 provide interpretative clarifications with respect to the accounting for deferred taxes on single transactions, such as leasing and decommissioning obligations, which upon initial recognition result in the recognition in the financial statements of an asset and a liability;

- Amendments to IAS 12: "Income taxes: International Tax Reform – Pillar Two Model Rules" endorsed by EU Regulation No. 2468/2023 of 8 November 2023, introduces a temporary exception to the accounting for deferred taxes related to the application of the OECD Pillar Two provisions and the additional information for affected enterprises.

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

International Accounting Standards endorsed as at 31 December 2023 but effective in subsequent financial years

Endorsement regulation	Title	Effective date
2579/2023	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	01/01/2024
2822/2023	Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent (issued on 23January 2020); - Classification of Liabilities as Current or Noncurrent - Deferral of Effective Date (issued on 15 July 2020); and - Non-current Liabilities with Covenants	01/01/2024

International Accounting Standards not yet endorsed as at 31 December 2023

Type	Principle/Interpretation	Date of publication
Amendments	IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15/08/2023
Amendments	IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	25/05/2023

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 issuance of specific EU Regulations.

Section 2 - General Principles of Preparation

The Financial statements consist of the balance sheet, the income statement, the overall profitability statement, 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.

In addition, with a communication of 14 March 2023, the Bank of Italy repealed and replaced the previous communication of 21 December 2021 with regard to the disclosure to be provided on the effects that Covid 19 and the measures to support the economy have had on the strategies, objectives and policies for risk management, as well as on the economic and financial situation of intermediaries. It should be noted that the update, due to the changed scenario linked to the pandemic, introduced the request for information on loans backed by public guarantee that are not applicable to the Company.

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:
  - to the climate aspects and to the consistency between the information in financial statements and non-financial information, to the accounting of emission allowances (ETS) and renewable energy certificates, and to the climate-related impairment test process;
  - to the impact of the current macroeconomic environment on refinancing and other financial risks, as well as to the process of determining fair value and related disclosure;
  - to alternative performance indicators and to 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.

Going concern information

The Financial Statements have been prepared on a going concern assumption, which seems appropriate in light of the company's economic trend and prospects, in accordance with the principle of accrual-based accounting, in compliance with the principle 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 2023 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 2022.

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 profitability statement 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 20 March 2024, 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.

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 judgements to formulate reasonable assumptions for the recognition of operating 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.

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.

Risks, uncertainties and impacts of the COVID-19 epidemic

Despite the end of the state of emergency to counter the spread of the Covid-19 epidemic, the Company continues to maintain certain preventive measures relating to ventilation and hygienic conditions in the offices. By resolution of the Securities Brokerage Company (*SIM*)'s Board of Directors of 31 March 2022, despite the end of the state of emergency, employees were allowed to use the "agile work" mode for one day a week.

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 2023 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), measurement, derecognition and recognition of income components.

It should be noted that during the 2022 financial year, the Company reclassified/transferred financial assets by switching to a "Hold to Collect and Sell" Business Model for its proprietary portfolio.

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 at fair value through other comprehensive income

Recognition Criteria

In item 30, “Financial assets at fair value through other comprehensive income”, initial recognition takes place on the settlement date if settled with timeframes in accordance with market practice (the so-called 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 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 principal amount to be repaid.

- capital share 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 overall 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 corporate combination transaction to which IFRS 3 applies.

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 capital share 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 line of business or a branch of activitỳ. In rare cases of changes in the business model, financial assets at fair value through other comprehensive income may be reclassified to financial assets measured at amortised/depreciated cost or to financial assets at fair value with an impact on income statement.

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 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 measured 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.

Assessment 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 derecognised. 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).

Capital share 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 capital share 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 share instruments are not subject to the impairment process.

Derecognition criteria

Financial assets measured at fair value through other comprehensive income are derecognised when the contractual rights to the cash flows from them expire or when the financial asset is disposed of by 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 derecognised if control over them has not been maintained. If, on the other hand, control has not been retained, even partially, it is necessary to maintain the assets on the financial statements 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.

Criteria for recognising 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 share 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 capital share 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 cost

Recognition Criteria

Under item "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 provisions of the instrument, i.e. at the time of settlement, at a value equal to the fair value, understood as the cost of the instrument, including any directly attributable costs and income.

Classification Criteria

This item includes financial assets (debt securities and loans) associated with the Hold-to-Collect Business Model whose contractual terms provide, at certain dates, for cash flows represented solely by payments of principal and interest on the principal to be repaid and which therefore passed the SPPI test. They can be associated with the Hold-to-Collect Business Model 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:

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

Assessment 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 principal 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 method of calculating 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 credit 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 the amount represented by the gradual release of the discount calculated at the time the value adjustment was recognised.

Derecognition criteria

Financial assets measured at amortised/depreciated cost are derecognised 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 derecognition of financial assets measured at amortised/depreciated cost is recognised in the income statement under item "30. a) Gains (Losses) on Sale or Repurchase of Financial Assets Valued at Depreciated/Amortised Cost" in the event of disposal. Otherwise, in all other cases, it is recognised 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 tax 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 tax 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

Recognition 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 IFRS16, rights of use acquired under leasing and related to the use of a tangible asset (for lessees), assets granted under operating leasing (for lessors), as well as improvements and incremental expenses incurred on owned assets and rights of use of tangible assets from leasing 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.

Assessment Criteria and Recognition of Income Components

After initial recognition, tangible and intangible assets are stated at cost net of accrued depreciation/amortisation shares and any accumulated impairment losses. For fixed assets acquired during the financial year, depreciation/amortisation 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 depreciated/amortised systematically over their useful life using the straight-line method as the depreciation/amortisation criterion.

"Value adjustments on tangible and intangible fixed assets" were 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 "lease" agreements

Under IFRS 16, a "lease" 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 "lease" agreement transfers to the lessee (user) substantially all the risks and benefits arising from ownership of the asset. Otherwise, the contract is an operating "lease". The commencement of the lease 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 lease 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 lease contract.

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

- financial liability for the lease,
- lease payments made prior to or on the effective date of the lease (net of lease incentives already collected),
- initial direct costs, and
- any (estimated) costs for dismantling or restoring the asset underlying the lease;

- a financial liability arising from the lease agreement corresponding to the present value of the lease payments due. The discount rate used is the implicit interest rate, if determinable; otherwise the lessee's marginal lending rate is used.

If a lease agreement contains 'non-lease elements' (e.g. services, such as routine maintenance, to be recognised in accordance with IFRS 15), the lessee must account separately for 'lease elements' and 'non-lease 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 lease payments due:

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

The term of the lease is determined by taking into account:

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

- During the lease 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 lease liability;
- 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 lease, or, alternatively, at the marginal lending rate, and reduce it for principal and interest payments.

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

Derecognition 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. Capital gains and losses, arising from the transfer or retirement of tangible assets, are determined as the difference between the net transfer proceeds (if any) and the carrying amount of the asset and are recognised in the income statement on the same date they are derecognised. The right of use arising from lease contracts is eliminated from the Financial statements at the end of the lease term.

Financial liabilities measured at amortised cost

Recognition 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 balance sheet items:

"10. a) Financial liabilities valued at amortised cost Payables";

"10. b) Financial liabilities valued at amortised cost: Outstanding debt securities".

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

Assessment criteria

After initial recognition, medium- and long-term financial liabilities are measured at amortised 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.

Derecognition criteria

Financial liabilities are derecognised when settled or expired.

The repurchase of own-issued securities leads to their cancellation from the books with the 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 sale or repurchase of: financial liabilities". Any subsequent redemption of own securities, which were previously cancelled, 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 derecognised when they are extinguished.

Staff severance pay

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 fulfil their respective

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 fees, both active and passive, are charged to the income statement on the value date of the transaction to which they refer.

Management and performance fees are also recognised on an accrual basis (i.e. when the services to which they relate are rendered).

Both interest income and interest expenses and similar items have been accounted for on an accrual basis, 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 income statement	Financial assets at fair value through other comprehensive income	31/12/2022	272,560	1,466
Equity Securities	Financial assets measured at fair value through income statement	Financial assets at fair value through other comprehensive income	31/12/2022	-	-
UCITS	Financial assets measured at fair value through income statement	Financial assets 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 Securities Brokerage Company (SIM) did not implement any changes to the Business Model during the financial year 2023. The table is therefore not filled in.

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

The Securities Brokerage Company (SIM) did not implement any changes to the Business Model during the financial year 2023.

Please note that following IFRS 9 with effect from 1 August 2022, the Company changed its previous Business model from “Financial assets at fair value through income statement” to “Financial assets at fair value through other comprehensive income”.

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 2023, financial assets and liabilities measured 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 Evaluation 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 Securities Brokerage Company (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 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, which are recorded at (amortised) cost, mostly on demand or with short-term maturity, the carrying value 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	2023				2022			
	L1	L2	L3	Total	L1	L2	L3	Total
1. Financial assets measured at fair value through income statement	-			-	-	-	-	-
a) financial assets held for trading	-			-				
b) financial assets designated at fair value				-				
c) assets mandatorily measured at fair value	-			-				
2. Financial assets at fair value through other comprehensive income	**6,800,628**			**6,800,628**	**2,348,792**			**2,348,792**
3. Hedging derivatives								
4. Tangible assets								
5. Intangible assets								
Total	**6,800,628**	**-**	**-**	**6,800,628**	**2,348,792**	**-**	**-**	**2,348,792**
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	2023				2022			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets measured at amortised cost	913			913	672			672
2. Tangible assets held for investment purposes								
3. Non-current assets and groups of assets held for sale								
Total	**913**	**-**	**-**	**913**	**672**	**-**	**-**	**672**
1. Financial liabilities measured at amortised cost	375,291			375,291	394,364			394,364
2. Liabilities associated with assets held for sale								
Total	**375,291**	**-**	**-**	**375,291**	**394,364**	**-**	**-**	**394,364**

Key:
VB = Value recorded in financial statements
L1 = Level 1
L2 = Level 2
L3= Level 3

PART B - DISCLOSURE 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 2023	TOTAL 2022
a) Cash	234	147
b) Receivables from banks c/a	3,187,317	7,227,288
Total	**3,187,551**	**7,227,435**

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 cash deposited in current accounts with the following banks:

- Banca Intesa Sanpaolo S.p.A. for a current account relationship of EUR 23,964;
- BFF Bank S.p.A. for fourteen current account relationships denominated 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 37,428 and a *restricted* current account to guarantee the activities of the Operation Room of EUR 2,878,650;
- Banca Generali for a current account balance of EUR 251,539 and in GBP and USD for a total balance of EUR 36.

Section 2 - Financial assets measured at fair value with income statement impact - 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.
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: composition 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 at fair value through other comprehensive income"

Items / Values	Total 2023			Total 2022		
	L1	L2	L3	L1	L2	L3
1. Debt securities						
1.1 structured securities						
1.2 other debt securities	6,800,628			869,399		
2. Equity Securities	-			1,479,393		
3. Loans						
Total	**6,800,628**	**-**	**-**	**2,348,792**	**-**	**-**

Key:
L1 = Level 1
L2 = Level 2
L3= Level 3

The above amount represents the investment of a portion of the Company's liquid assets.
The portfolio, which aims for a medium-low risk profile, consists mainly of Italian and foreign bonds and government bonds.

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

Items/Values	Total 2023	Total 2022
1. Debt securities	**6,800,628**	**869,399**
a) Public administrations	6,612,090	240,202
b) Banks	-	-
c) Other financial companies of which : insurance companies	-	183,979
d) Non-financial companies	188,538	445,218
2. Equity Securities	**-**	**1,479,393**
a) Public administrations	-	-
b) Banks	-	237,847
c) Other financial companies of which : insurance companies	-	77,322
d) Non-financial companies	-	1,164,223
3. Loans	**-**	**-**
a) Public administrations		
b) Banks	-	
c) Other financial companies of which : insurance companies	-	
d) Non-financial companies		
e) Families	-	
Total	**6,800,628**	**2,348,792**

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

4.1 Detail of item 40 "Financial assets measured at amortised cost": Receivables from banks

Composition	TOTAL 2023						TOTAL 2022					
	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	**913**	**-**	**-**	**-**	**-**	**913**	**672**	**-**	**-**	**-**	**-**	**672**
1.1 Time Deposits												
1.2 Current Accounts	913						672					
1.3 Receivables for consulting services												
1.4 Repos												
- of which: on government bonds												
- of which: on other debt securities												
- of which: on equity securities												
1.5 Other Financing												
2. Debt securities												
2.1 Structured securities												
2.2 Other debt securities												
Total	**913**	**-**	**-**	**-**	**-**	**913**	**672**	**-**	**-**	**-**	**-**	**672**

Key:
L1 = Level 1
L2 = Level 2
L3= Level 3

4.2 Detail of item 40 "Financial assets measured at amortised 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.

4.3 Detail of item 40 "Financial assets measured at amortised 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.

Section 8 - Tangible Assets - Item 80

8.1 Fixed assets: breakdown of assets valued at cost

Assets / Values	TOTAL 2023	TOTAL 2022
1. Assets owned by the Company	**44,956**	**33,042**
a) land	-	-
b) buildings	-	-
c) furniture	3,058	3,637
d) electronic equipment	3,704	-
e) other	38,194	29,405
2. Right of use acquired through leasing	**348,584**	**371,869**
a) land	-	-
b) buildings	348,584	368,778
c) furniture	-	-
d) electronic equipment	-	-
e) other	-	3,091
Total	**393,540**	**404,911**

Assets are recorded at cost less accumulated depreciation. The 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 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.

8.6 Fixed assets: annual changes

	Land	Buildings	Furniture	Electronic equipment	Others	Total
A. Gross opening balances	**-**	**-**	**69,754**	**882**	**1,041,249**	**1,111,885**
A.1 Total Net Impairments	-	-	-66,117	-882	-639,240	-706,239
A.2 Net opening balances	-	-	3,637	-	402,009	405,646
B. Increases:	**-**	**-**	**-**	**-**	**28,143**	**28,143**
B.1 Purchases	-	-	-		28,143	28,143
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 investment purposes	-	-	-	-		-
B.7 Other changes	-	-				0
C. Decreases	**-**	**-**	**-579**	**-**	**39,670**	**40,249**
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	-	-579	-	-83,286	-83,865
C.3 Impairment 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 a:	-	-				-
a) tangible assets held for the purpose of investment	-	-				-
b) assets being divested	-	-				-
C.7 Other Changes	-	-	-		43,616	43,616
D. Net closing balance	**-**	**-**	**3,058**	**-**	**390,482**	**393,540**
D.1 Total Net Impairments	-	-	-66,696	-882	-678,910	-746,488
D.2 Gross closing balance	-	-	69,754	882	1,069,392	1,140,028
E. Evaluation at cost	**-**	**-**	**-**	**-**	**-**	**-**

Section 9 - Intangible Assets - Item 90

9.1 Breakdown of Item 90: "Intangible Assets"

Items/Valuation	TOTAL 2023		TOTAL 2022	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Start-up				
2. Other Intangible Assets	**63,226**	**-**	**105,933**	**-**
2.1 generated internally	29,230		49,662	
2.2 others	33,996		56,271	
Total	**63,226**	**-**	**105,933**	**-**

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 depreciation is 20%.

9.2 Intangible assets: annual changes

A. Initial value	**105,932**
B. Increases	**-**
B.1 Purchases	-
B.2 Write-backs	
B.3 Positive changes in fair value charged to	
a) shareholders' equity	
b) income statement	
B.4 Other Changes	-
C. Decreases	**-42,706**
C.1 Sales	
C.2 Depreciation	-42,706
C.3 Value adjustments from :	
- *shareholders' equity*	
- income statement	
C.4 Negative Changes in Fair Value :	
a) shareholders' equity	
b) income statement	
C.5 Other changes	
D. Closing values	**63,226**

Section 10 - Tax Assets and Tax Liabilities - Item 100

10.1 Breakdown of item 100 "Tax assets: current and deferred" and of item 100 "Tax liabilities: current and deferred"

Items/Values	2023	2022
1. Current	**33,263**	**16,379**
a) deductions made	16,885	0.34
b) IRES credits	16,378	16,378
c) IRAP credits	-	-
d) severance pay substitute tax credits		
2. Anticipated	**776,575**	**776,575**
a) Past tax losses	632,575	632,575
b) ACE (AID TO ECONOMIC GROWTH)	144,000	144,000
Total	**809,838**	**792,954**

The amount of EUR 776,575 refers to the Company's credit for prepaid taxes, and in particular, EUR 632,575 refers to the credit on tax losses generated in previous years and EUR 144,000 for ACE.
Based on the current legal framework, for the purposes of recognising the related deferred tax benefit, the credit for prepaid taxes can be carried forward for an unlimited period.
The credit was valued at an amount consistent with the plan's projections for the three-year period 2024-2026. The amount did not change from the previous year because, as detailed in Table 10.3 below, the amount used to express the taxes accrued on taxable income is exactly equal to the amount of prepaid taxes recognised in the year.

10.3 Change in prepaid taxes (with offsetting entry to the income statement)

	2023	2022
1. Initial value	**776,575**	**1,444,259**
2. Increases	**120,774**	**-**
2.1 Prepaid taxes recognised during the year	120,774	-
a) relating to previous financial years	120,774	
b) due to changes in accounting policies	-	-
c) write-backs		
d) other	-	-
2.2 New taxes or tax rate increases		
2.3 Other Increases		
3. Decreases	**120,774**	**667,684**
3.1 Prepaid tax recorded in the financial year	120,774	667,684
a) reclassifications	120,774	
b) write-downs for non-recoverability	-	667,684
c) change of accounting policies	-	-
d) other	-	-
3.2 Tax Rate Reductions		
3.3 Other decreases		
a) conversion into tax credits under Law No. 214/2011		
b)other	-	-
4. Final amount	**776,575**	**776,575**

Point 3.1.a) of euro 120,774 refers to the utilisation of prepaid taxes for the reduction of taxable income for the year. The credit for prepaid taxes arising from past losses was utilised in accordance with the Law, in the amount of Euro 96,619, up to 80% of taxable income; while the credit arising from Ace was utilised in the amount of Euro 24,155 to cover the additional 20%. Point 2.1.a) of euro 120,774, on the other hand, concerns the recognition of new credit for prepaid taxes of the same nature as those utilised, since they exist and, as indicated above, are consistent with the Plan's projections.

Section 12 - Other assets - Item 120

12.1 Breakdown of item 120 "Other assets"

Items/Values	2023	2022
a) Sundry receivables	18,226	31,079
b) Security deposits	21.398	21.398
c) Advances to suppliers	17,779	1,638
d) Prepaid expenses	69,150	55,731
Total	**126,553**	**109,846**

Sundry receivables refer for about EUR 11,000 to professionals, for about EUR 5,000 to accrued income on current accounts for interest income accrued but not yet received, for about EUR 2,000 to refunds from counterparties due to claims incurred.

Security deposits refer to rental contracts.

Prepaid expenses mainly relate to costs for Info Provider (Bloomberg) services for about Euro 22 thousand, Directors' Liability insurance premium for about Euro 12 thousand, the licence to use the Marzotto trademark for about Euro 8 thousand, office multi-risk insurance premium and rent for a total of Euro 10 thousand, and software/hardware fees for Euro 17 thousand.

LIABILITIES

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

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

Items/Values	2023			2022		
	To banks	To financial companies	To customers	To banks	To financial companies	To customers
1. Loans	-	-	375,291	-	-	394,364
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			375,291			394,364
3. Other payables						
Total	**-**	**-**	**375,291**	**-**	**-**	**394,364**
Fair value - level 1						
Fair value - level 2						
Fair value - level 3			**375,291**			**394,364**
Total fair value	**-**	**-**	**375,291**	**-**	**-**	**394,364**

The item lease payables refers to the financial debt related to the office lease agreement in application of IFRS16 "leases".

Section 8 - Other liabilities - Item 80

8.1 Breakdown of item 80 "Other liabilities"

Items/Values	2023	2022
a) Payables to suppliers	226,085	259,952
b) Payables to personnel	75,624	296,749
b1) Payables to Directors	-	133,640
b2) Payables to Statutory Auditors	19,911	34,577
c) Payables to social security institutions	49,416	51,684
d) Payables to tax authorities	57,060	60,324
e) Other payables	643	38,724
f) Accrued expenses and deferred income	3,676	1,442
Total	**432,415**	**877,093**

Payables to suppliers refer to invoices received and to be received for services rendered up to 31/12/2023., including Payables to Directors who are independent contractors.

Payables to personnel relate to accrued and unused holidays and leave.
Payables to Statutory Auditors include accrued fees as at 31.12.2023 and 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.

Section 9 - Employee Severance Indemnity - Item 90

9.1 "Employee severance indemnity": annual changes

	2023	2022
A. Initial value	**14,149**	**8,091**
B. Increases	**14,154**	**14,694**
B.1 Provision for the year	14,154	14,694
B.2 Other Increases		
C. Decreases	**-7,295**	**-8.637**
C.1 Payments made	-7,295	-8.637
C.2 Other decreases		
D. Closing values	**21,008**	**14,149**

The provision relates to rights accrued as at 31 December 2023 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 2023, 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 liabilities and charges - Item 100

10.1 Breakdown of "Provisions for liabilities and charges"

Items/Values	2023	2022
1. Commitments and guarantees given	**-**	**-**
2. Corporate pension funds	**370,000**	**-**
3. Other provisions for risks and charges	**370,000**	**-**
3.1 legal and tax disputes	-	-
3.2 personnel charges	370,000	-
3.3 other	-	-
Total	**370,000**	**-**

Item 3.2 "Personnel expenses" is in line with the provisions of the Company's Remuneration Policy.

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

11.1 Composition of item 110 "Share capital"

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

As at 31 December 2023, 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 134,050, refers to EUR 1,012,314 for the legal reserve, EUR 310,528 for the reserve of profits carried forward, EUR 1,422,067 for the previous year's result, and, finally, EUR 233,273 for profits recognised in Shareholders' equity due to the application of the Business Model.

Item 160, "Valuation Reserves", amounting to EUR 11,419, relates to securities in portfolio reclassified to "Financial assets measured at fair value through other comprehensive income" and for EUR 1,058 to the negative reserve generated following the first-time application of the IFRS.

Shareholders' equity: origin, possibility of utilisation and distribution of reserves (details pursuant to Article 2427, Paragraph 7-bis, of the 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
Share Capital	**10,000,000**				**878,076**	
	-		-			
Share premium reserve	-	A, B	-		**1,545**	
a) Profit reserves:	**1,556,116**		**1,322,843**			
Legal Reserve	1,012,314	B	1,012,314			
Retained earnings - previous years	310,528	A,B,C	310,528		15,610	663,000
Capital gains/losses	233,274	A,B,C				
b) Other Reserves	**-1,058**					
FTA IFRS 9 Reserve	-1,058					
Previous financial year's loss	-1,422,067					
Valuation reserves	12,477	A,B	12,477			
Profit (loss) of the financial year	38,068					
Grand total	**10,183,537**		**1,335,320**	**-**	**895,231**	**663,000**

Possibility of use:	**Total non-distributable share**	**1,335,320**
A: *for capital increase*	**Residual distributable portion**	-
B*: to cover losses*		
C: for distribution to shareholders		

PART C - INFORMATION ON THE INCOME STATEMENT

Section 1 - Net trading income- Item 10

1.1 Breakdown of item 10 "Net result from trading activities"

Income Items/components	2023				
	Capital gains	Trading profits	Capital losses	Trading losses	Net result
1. Financial assets held for trading	**-**	**2,738,043**	**-**	**26,251**	**2,711,792**
1.1. Debt securities	-	2,738,043	-	26,251	2,711,792
1.2. Equity securities and UCITS units	-	-	-	-	-
1.3. Other assets					-
2. Financial liabilities held for trading					
2.1 Debt securities					-
2.2. Payables";					-
2.3. Other liabilities					-
3. Financial Assets and Liabilities: Exchange Rate Differences	**21**	**25,104**	**518**	**24,431**	**176**
4. Financial derivatives					
4.1. on debt securities and interest rates					-
4.2. on equities and equity indices					-
4.3. on currencies and gold					-
4.4 Others					-
5. Credit derivatives					**-**
of which: natural hedges related to the fair value option					
Total	**21**	**2,763,147**	**518**	**50,682**	**2,711,968**

This item contains the economic results generated by dealing as principal and exchange rate differences generated on financial assets and liabilities.

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

Income Items/components	2023			2022		
	Profits	Losses	Net result	Profits	Losses	Net result
1. Financial assets						
1.1 Financial assets measured at cost amortised:			-	-	-	-
- to banks						
- to financial companies						
- to customers						
1.2 Financial assets at fair value through other comprehensive income:	5,319	28,508	-23,189	-	-	-
- debt securities	5,319	28,508	-23,189	-	-	-
- loans						
Total (1)	**5,319**	**28,508**	**-23,189**	**-**	**-**	**-**
2. Financial liabilities measured at amortised cost						
2.1 Payables	-	-	-	-	-	-
2.2 Outstanding Securities	-	-	-	-	-	-
Total (2)	**-**	**-**	**-**	**-**	**-**	**-**
Total (1+2)	**5,319**	**28,508**	**-23,189**	**-**	**-**	**-**

This section shows, as a result of the application of the Model Business, 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 Income"

Detail	2023	2022
1. Proprietary Trading	-	-
2. Execution of orders on behalf of clients;	-	-
3. Placement and distribution	-	-
- of titles		
- of third-party services		
- portfolio management		
- collective management		
- insurance products		
- others		
4. Portfolio management	-	**1,704**
- own	-	1,704
- delegated by third parties	-	-
5. Receiving and transmitting orders	-	-
6. Investment advisory.	-	**10,006**
7. Financial Structure Consulting	-	-
8. Management of multilateral trading facilities	-	-
9. Management of organised trading systems	-	-
10. Custody and administration	-	-
11. Currency trading	-	-
12. Other services	-	-
Total	**-**	**11,710**

The Company has no income components related to the investment services shown in the table.

5.2 Breakdown of item 60 "Passive Commissions"

Detail	2023	2022
1. Proprietary Trading	51,827	77,800
2. Execution of orders on behalf of clients;	-	-
3. Placement and distribution	-	-
- of securities		
- of third-party services		
- portfolio management		
- others		
4. Portfolio management	-	-
- own	-	-
- delegated by third parties	-	-
5. Order collection	-	-
6. Investment advisory.	-	-
7. Custody and administration	-	-
8. Other services	-	-
Total	**51,827**	**77,800**

The item commission expenses "Dealing as principal" include the fees paid to the platforms and the custodian bank for the settlement of transactions executed by the Operations Room.

Section 6 - Interest - Items 70 and 80

6.1 Breakdown of Item 70: "Interest income and similar income"

Items/Technical forms	**Debt securities**	**Loans**	**Other transactions**	**2023**	**2022**
1. **Financial assets measured at fair value through income statement**					
1.1. Financial assets held for trading	-	-	-	-	**14,079**
1.2. Financial liabilities designated at fair value					
1.3. Other financial assets required to be measured at fair value	-	-	-	-	-
2. Financial assets at fair value through other comprehensive income	**111,484**		-	**111,484**	**7,142**
3. Financial assets measured at amortised cost					
3.1 Receivables from banks	-	-		-	**1,738**
3.2 Receivables from financial companies	-	-	-	-	-
3.3 Loans and advances to customers	-	-	-	-	-
4. Hedging derivatives	-	-		-	
5. Other assets	-	-	71,735	**71,735**	-
6. Financial liabilities	-	-	-	-	
Total	**111,484**	**-**		**183,218**	**22,960**
of which: interest income on impaired financial assets					

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**	**2023**	**2022**
1. Financial liabilities measured at amortised cost						
1.1 Towards banks	-		-		**-**	
1.2. To financial companies	-	-	-	-	**-**	**-**
1.3. To customers			-	15,571	**15,571**	**16,350**
1.4. Outstanding debt securities".	-			-	**-**	
2. Financial liabilities from trading					**-**	
3. Financial liabilities designated at fair value					**-**	
4. Other liabilities	-	-	-	37,130	**37,130**	**29,745**
5. Hedging derivatives	-	-	-		**-**	**-**
6. Financial assets	-	-	-		**-**	**-**
Total	**-**	**-**	**-**	52,701	**52,701**	**46,095**
of which: interest expenses related to leasing payables				**15,571**		**16,350**

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

Section 7 - Dividends and similar income - Item 90

7.1 Breakdown of "Dividends and similar income"

Items/Income	Total 2023		Total 2022	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading			25,974	
B. Other financial assets compulsorily measured at fair value				
C. Financial assets at fair value through other comprehensive income	23,775		6,754	
D. Shareholdings				
Total	**23,775**	-	**32,728**	-

The item relates to dividends received on investments in equity securities in the proprietary portfolio.

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 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 costs"

Items/Sectors	2023	2022
1. Employees	**1,320,659**	**1,369,130**
a) wages and salaries	1,015,194	1,090,452
b) social security charges	166,899	169,832
c) severance indemnity	-	-
d) social security expenses	1,763	1,778
e) provision for staff severance indemnities	14,159	14,694
f) provision for pensions and obligations	-	-
- defined contribution		
- to definitive benefits		
g) payments to external supplementary pension funds:	-	-
- defined contribution plans	31,511	32,620
- defined benefits plans		
h) other employee benefits	91,133	59,754
2. Other staff in activity	-	-
3. Directors and Statutory Auditors	**472,583**	**328,780**
4. Retired staff	-	-
5. Recovery of expenses for employees seconded to other companies	-	-
6. Reimbursement of expenses for employees seconded to the company	-	-
Total	**1,793,242**	**1,697,910**

9.2 Average number of employees by category

	TOTAL 2023	TOTAL 2022
a) Executives	3	3
b) Middle Managers	3	2
c) Other employees	5	5
Total employees	**11**	**10**

9.3 Breakdown of item 140.b "Other administrative expenses"

Description of cost item	2023	2022
Membership fees	11,792	7,821
Rental expenses and utilities	70,029	51,799
Software assistance and licence fees	31,583	30,602
Back office outsourcing fees	48,800	44,409
Maintenance fees	2,095	4.584
Subscription/rental fees	4,467	14,374
Legal, administrative and tax advisory	47,672	87,331
Professional Services	250,228	299,275
Assistance and use of server room facilities	14,990	39,556
Auditing firm fees	30,538	29,155
Business expenses	-	-
Travel, board and lodging expenses	5,509	2,797
Expenses for newspapers, books and magazines	171	229
Stationery and printed materials	3,606	3,478
Postage and stamps	441	4,161
Utilities/telephone costs	22,221	17,310
Bank fees and charges	11,712	8,283
Taxes and duties	4,022	3,619
Infoprovider	221,627	239,650
Other expenses and charges	81,290	101,304
Total	**862,793**	**989,737**

The decrease in other administrative expenses is mainly attributable to a lower use of professional and legal services of about EUR 90,000, a lower use of IT support services of about EUR 25,000, and a saving in the use of Infoprovider platforms of about EUR 18,000. Lastly, a moderate increase in office rent (inflation adjustment as measured by ISTAT) and electricity-related costs should be noted.

Section 10 - Net provisions for risks and charges - Item 150

10.1 Breakdown of "Net Provisions for Risks and Charges"

Items/Adjustments and write-backs	Provisions	Unlocking of funds	2023	2022
Net provisions of which:	**-**	**-**	**-**	**13,427**
1. Legal and tax disputes	-	-	-	
2. personnel costs	-	-	-	13,427
Total	**-**	**-**	**-**	**13,427**

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	Impairment adjustments	Value recovery	Net result
1. For functional use:	**83,864**	**-**	**-**	**83,864**
- owned	20,054	-	-	20,054
- rights of use acquired through leasing	63,810	-	-	63,810
2. held for investment purposes:	-	-	-	-
- owned	-	-	-	-
- rights of use acquired through leasing	-	-	-	-
Total	**83,864**	**-**	**-**	**83,864**

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	Impairment adjustments	Value recovery	Net result
1. Intangible assets other than goodwill	**42,706**			**42,706**
1.1 owned	**42,706**	**-**	**-**	**42,706**
- internally generated	42,706	-	-	42,706
- other		-	-	-
1.2 Rights of use acquired through leasing	-	-	-	-
Total	**42,706**	**-**	**-**	**42,706**

Section 13 - Other operating income and expenses - Item 180

13.1 Breakdown of item 180 "Other operating income and expenses"

Items	2023	2022
1. Contingent assets	4,835	123,869
2. Contingent liabilities	-13,991	-23,081
3. Other income/expenses	38,585	-5,998
Total	**29,429**	**94,790**

Contingent assets were characterised in the previous year by the recovery of social security contributions, which were not present in the current year. The item Other income and expenses 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 14 - Profit (Losses) on shareholdings - Item 200

14.1 Breakdown of item 200 “Profit (Losses) on shareholdings”

Items	2023	2022
1. Proceeds		
1.1 Revaluations		
1.2 Gains on Disposal		
1.3 Value recovery		
1.4 Other income		
2. Charges		
2.1 Write-downs		**-3,695**
2.2 Losses on disposal		
2.3 Value adjustments for impairment		
2.4 Other charges		
Net result	**-**	**-3,695**

The Company does not hold any shareholdings. The amount for 2022 refers to the divestment of the UK subsidiary.

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

18.1 Breakdown of “Income Taxes on Current Year Operations”

Income tax on current year operations	2023	2022
1. Current taxes (-)	120,774	-
2. Changes in current taxes of previous years (+/-)	-	-
3. Reduction in current taxes for the year (+)	-	-
3bis. Reduction in current taxes for the year for tax credits under Law No. 214/2011 (+)	-	-
4. Change in prepaid taxes (+/-)	-120,774	667,684
5. Change in deferred taxes (+/-)	-	-
Taxes for the year	**-**	**667,684**

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	**2023**	**2022**
Tax rate used	**24%**	**24%**
Profit/(Loss) before tax	**38,068**	**-754,383**
Increases in the tax base:	**659,221**	**234,560**
- Definitive	266,382	42,388
- Temporary deductible in future years	392,839	192,172
- Use of deferred taxes from previous years		
Decreases in the tax base:	**-194,063**	**-378,721**
- Definitive	-194,063	-378,721
- Temporary taxable in future years		
- Temporary use of previous years		
Gross tax profit/(loss)	**503,226**	**-898,544**
- Use of losses carried forward	-402,581	
- Use of ACE benefit	-100,645	
Tax profit/loss	**-**	**-898,544**

Increases in the tax base mainly refer to temporary changes for deductible expenses in the financial year 2023 related to the personnel area.
With regard to IRAP, no reconciliation was made, as the Company did not realise any taxable income 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		**17,744,380,451**
A.1 Debt Securities		17,744,380,451
of which government bonds		11,560,299,984
A.2 Equity Securities		
A.3 UCITS units		
A.4 Financial Instruments		
- financial derivatives		
- credit derivatives		
B. Sales in the financial year		**17,747,092,243**
B.1 Debt Securities		17,747,092,243
of which government bonds		11,561,957,775
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 2023.

Section 2 - Information on risks and related hedging policies

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

The IFR Regulation governs the more quantitative aspects, including: categorisation of Securities Brokerage Companies (SIM) 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 in charge of strategic supervision, has identified the objectives, strategies, profile and risk levels, defining company policies and the policies 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 relevant one for the Company is the K-COH;
- Risk to Market (RtM) - the relevant one for the Company is the K-NPR;
- Risk to the firm itself (RtF) - the relevant one for the Company is the K-DTF.

		Mapping first-pillar risks	
Pillar I	**RtC** (Risk to customers)	asset managed K-AUM	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	Relevant
		compensation margin provided K-CMG	N/A
	RtF (Risk to firm)	default of the counterparty of the K-TCD trade	N/A
		K-DTF daily trading flow	Relevant
		K-CON concentration risk	N/A

Risk to customer (RtC): *RtC* risk is not material in view of the business conducted by Sim in 2023.

Risk to Market (RtM): for the SIM is represented by the K-RtM factor, relevant 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 96,471. All the securities in the portfolio are in EUR, so there is no exchange rate risk.

Items as at 31.12.2023	Value	Coeff. Weighting	Capital requirement
Specific position risk for debt instruments (Italian and other EU government bonds)	6,612,090	0.0%	-
Specific position risk for debt instruments (with credit weighting between 20% and 50%)	188,538	8.0%	15,083
Specific position risk for other instruments	-	8.0%	-
Generic position risk (maturity method)	6,800,628	various	81,388
Total position risk			**96,471**
Position risk on CIUs	-	-32.0%	192,941
Generic position risk on CIUs	-	various	-
Total risk position on CIUs			**192,941**
Settlement risk	-	8.0%	-
Total Settlement Risk			**-**
Exchange rate risk	-	8.0%	-
Total Exchange Rate Risk			**-**
TOTAL MARKET RISK			**96,471**
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, repo transactions, securities and commodities lending and borrowing transactions, long term settlement transactions, margin lending, 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 netting and collateral exchange. In order to further align the treatment of counterparty credit 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 credit 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 relevant for Marzotto SIM, which concerns securities dealing as principal. The own funds absorption requirement stood at EUR 151,894.

Second Pillar Risks

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

Pillar II	Credit risk	Not relevant
	Interest rate risk	Not relevant
	Strategic and business risk	Relevant
	Money Laundering and Terrorist Financing (AML) Risk	Not relevant
	Conduct risk (operational risk)	Not relevant
	Reputation risk (operational risk)	Relevant
	IT risk (operational risk)	Relevant

Strategic and business risk: the Company's exposure to this risk is linked to the proper implementation of the strategic planning and budgeting process, the results of which 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 Company's exposure to business risk was estimated by assuming an adverse event on the structure of the Operations Room, which is now the prevailing business, with the replacement by an equivalent figure, but 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 2023.

	Negotiated volumes 2023	15% reduction in OTC volumes
OTC brokered value	**34,713,083,964**	**29,506,121,369**
value brokered PLATFORMS	778,388,730	778,388,730
Average margin %	0.0076%	0.0076%
Net trading margin	2,711,968	2,314,094
Impact on profit		-397,873
BUSINESS RISK		**59,681**

Reputational risk: this is closely linked to the Company’s external image, 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 advisors, or from the selection of unsuitable partners with respect to the development plans outlined by the corporate bodies.
The Company, since it considered relevant 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
Relevant indicator: ***Intermediation margin + other net operating income***		
	Year 2021	4,132,682
	Year 2022	2,101,838
	Year 2023	2,852,039
Calculation of the average value of the intermediation margin over the last three years		3,028,853
Calculation of capital requirement against operational risk (15% of the value in the previous line)		**454,328**

IT Risk: the Company includes in the event type of operational risk the risk 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.

The risk can be quantified in relation to the average costs incurred in outsourcing the IT functions over the last five years. On a prudential basis, the annual average of these costs is considered to fully represent capital at risk and consequently the capital requirement for IT risk is quantified at 100 per cent of this value.

IT Risk *Figures in €/000*	CURRENT 2023
Average IT costs last 5 years	**89,621**
Capital ratio	**100%**
Capital requirement for IT risk	**89,621**
% absorption of own means	*0.96%* - -

Section 3 - Information on capital

3.1 The company's capital

3.1.1 Information of qualitative nature

The 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.

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

3.1.2 Quantitative disclosure

The following table shows the breakdown of shareholders' equity.

	2023	2022
1. Share Capital	10,000,000	10,000,000
2. Issue surcharges		
3. Reserves		
a) profits of which:	**1,556,116**	**1,322,843**
- legal	*1,012,314*	*1,012,314*
- previous years' profits	*310,528*	*310,528*
- profits from realisation	*233,274*	
b) other	***- 1,423,125***	***-1,058***
FTA IFRS 9 Reserve	*-1,058*	*-1,058*
Loss from previous years	*-1,422,067*	
4. (Own shares)		
5. Valuation reserves	**12,477**	**-194,782**
- Equity Securities designated at fair value through other comprehensive income		
- Hedges of equity securities designated at fair value through other comprehensive income		
-Financial assets at fair value through other comprehensive income		
-Tangible assets		
-Intangible assets		
- Foreign Investment Coverage		
- Cash Flow Hedging		
- Hedging instruments		
- Exchange rate differences		
-Non-current assets and groups of assets held for sale		
Financial assets measured at fair value through income statement		
- Special revaluation laws		
- Actuarial gains/losses on defined benefit pension plans		
- Portion of valuation reserves relating to equity-accounted investments		
6. Capital instruments		
7. Profit (loss) for the year	38,068	-1,422,067
	10,183,537	**9,704,936**

3.2 Own Funds and Regulatory Ratios

3.2.1 Own funds

3.2.1.1 Information of qualitative nature

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.

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, Tier 1 capital consists of share capital and reserves, less net intangible assets and 100 per cent of deferred tax assets.

3.2.1.2 Quantitative disclosure

OWN FUNDS	2023
Primary Tier 1 capital	
Paid-up capital	10,000,000
(+) Share premium	
(-) CET 1 Art. 36 CRR instruments (share warrants)	
(+) Other accumulated other comprehensive income (valuation reserve)	245,751
(+) Reserves - other (legal reserve)	1,011,257
(+) Retained earnings or (-) losses carried forward	-1,111,539
(+) Profit or (-) loss for the year	38,068
(-) Deductions from CET1: Start-up	
(-) Deductions from CET1: Other intangible assets	-63,226
(-) Deductions from CET1: Deferred tax assets	-776.575%
(-)Deductions from CET1: Art. 36, 43 and 45 CRR	
Total Primary Tier 1 Capital	**9,343,736**
Total Additional Tier 1 Capital	
Total Class 2 Capital	
TOTAL OWN FUNDS	**9,343,736**

3.2.2 Capital adequacy

3.2.2.1 Qualitative disclosure

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 >= 56%
- Primary Tier 1 capital + Additional Tier 1 capital / Minimum capital to be held >= 75%.
- Primary Tier 1 capital + Additional Tier 1 capital + Tier 2 capital / Minimum capital to be held >= 100%.

	Requirement	Own funds	% own funds	Surplus
Primary Tier 1/D capital >= 56%.	420,000	9,343,736	2,224,70%	8,923,736
Primary Tier 1 capital + Additional Tier 1/D capital >= 75%.	562,500	9,343,736	1,661,11%	8,781,236
Primary Tier 1 capital + Additional Tier 1 capital + Tier 2 capital/	750,000	9,343,736	1,245.83%	8,593,736

D=Minimum capital to be held

3.2.2.2 *Quantitative disclosure*

Category 2 SIMs, as provided for in Art. 11 of Reg. 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 IFD;
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 (UNDER ART.11 Reg. 2019/2033)	**2023**
Minimum capital requirement	750,000
Fixed overhead requirement	671,850
Requirement K factors	248,365

REGULATORY FRAMEWORK

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

		2023
Own funds		9,343,736
Own fund requirement		750,000
Permanent minimum capital requirement		750,000
Fixed overhead requirement		671,850
Total K-Factor Requirement:		248,365
COH	*0*	
RISK TO MKT	*96,471*	
RISK TO FIRM	*151,894*	
CET 1 Ratio		1,245.83%
Tier 1 Ratio		1,245.83%
Own Funds Ratio		1,245.83%

Capital ratios	**Amount**
CET 1 Ratio	1,245.83%
Surplus(+)/Deficit(-) of CET 1 Capital - 56%	8,923,736
Tier 1 Ratio	1,245.83%
Surplus(+)/Deficit(-) of Tier 1 Capital – 75%	8,781,236
Own Funds Ratio	1,245.83%
Surplus(+)/Deficit(-) of Total capital -100%	8,593,736

LIQUIDITY RISK

Liquidity requirements	Amount
Liquidity Requirement	223,950
Client guarantees	
Total liquid assets	3,191,618
Unencumbered short term deposits	3,191,618

In view of the activity for which the Company has been authorised, the only obligations that the SIM must fulfil are those towards its personnel, 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 2023, the SIM held cash and cash equivalents, consisting entirely of on-demand receivables from banks represented by current accounts, in the amount of EUR 3,191,618, which exceeded one-third of the fixed overhead requirement and amounted to EUR 223,950.

Section 5 - Transactions with Related Parties

5.1 Information on the remuneration of key management personnel

Remuneration paid to key management personnel and to Board members	2023
a) Executives	780,245
b) Board members	405,789
Total	**1,186,034**

Key management personnel are allotted extraordinary and variable bonuses for the year 2023.
Directors' fees include social security contributions and VAT, when due. Reimbursement of expenses and insurance costs are excluded.

5.2 Loans 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 related party transactions

No transactions with related parties took place during 2023.

Section 7 - Other Information Details

7.1 Average number of financial promoters

The Company has no relationships with financial promoters.

7.2 Fees 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 fees (excluding expenses, ISTAT updates and VAT) for the year 2023 paid to the Auditing Firm for audit and non-audit services.

Type of services	Service provider	Fees (Euro)
Attestation services	BDO Italia S.p.A	3,839
Auditing	BDO Italia S.p.A	27,364
Total		31,203

Milan, 20 March 2024

Marzotto SIM S.p.A.
Chairman of the Board of Directors
(Mr. Riccardo Bruno)

MARZOTTO SIM S.p.A.

Registered Office in MILAN (MI) - Piazza della Repubblica n. 32
Share Capital Euro. 10,000,000,00 fully paid in
Tax code and Milan Companies Register No. 02582181208
R.E.A. (Economic and Administrative Index) 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 called to approve the Financial Statements as at 31.12.2023

Dear Shareholders,

The Board of Statutory Auditors, in its current composition, was appointed by the Shareholders' Meeting held on 25 May 2023.

During the financial year ended 31 December 2023, 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 the company as at 31.12.2023, prepared in accordance with the IAS-IFRS International Accounting Standards adopted by the European Union and in accordance with the formats and provisions on the financial statements of IFRS intermediaries other than banking intermediaries issued by the Bank of Italy, have been submitted for your examination.

The financial statements were made available to the Board within the legal deadline.

The Board of Statutory Auditors, not being entrusted with the audit of the accounts, carried out on the financial statements the supervisory 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.

In fact, the responsibility of verifying that the financial statements are consistent with the accounting data lies with the audit firm, BDO Italia S.p.A., which delivered its report dated 8 April 2024 to the Board of Auditors, which contains an unqualified opinion.

According to the report of the audit firm, the financial statements as at 31.12.2023 give a true and fair view of the asset and financial position, results of operations and cash flows of the Company and have been prepared in accordance with the regulations governing their drafting.

1) Supervisory Activities pursuant to Article 2403 et seq. of the 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 Board of Directors' Meetings 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 operations 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 supervisory activities with the audit firm in a timely manner.

We met with the heads of the control functions, and no relevant data or information emerged that needs to be highlighted in this report.

We have read the report of the Supervisory Board and no critical issues have emerged with regard to the proper implementation of the organisational model.

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 operations, by obtaining information from department heads and examining company documents, and in this regard, we have no particular comments to report.

No complaints from shareholders pursuant to Articles 2408 and 2409 of the Civil Code were received.

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

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

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

During our supervisory 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

As stated in the report of the independent auditor "*the annual financial statements provide a true and correct representation of the Company's asset and financial position as at 31 December 31.12.2023 the economic result and the cash flows for the financial year ended on that date, in accordance with the International Financial Reporting Standards adopted by the European Union, as well as the measures issued implementing Article 43 of Legislative Decree 136/15*".

To our knowledge, in preparing the financial statements, the Directors did not derogate from Article 2423, paragraph 4, of the Italian Civil Code.

3) Observations and proposals regarding approval of the financial statements

In light of the foregoing, we express our opinion in favour of approving the financial statements for the year ended 31 December 2023, with a profit for the year of EUR 38,068.20, agreeing with the allocation of the latter as proposed to you by the Board of Directors.

Milan, 8 April 2024

On behalf of the Board of Statutory Auditors

Stefano Santucci (Chairman)

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