

## Neodecortech S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

Consolidated Financial statements at December 31, 2024

As disclosed by the Directors on page 7, the accompanying financial statements of Neodecortech S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

## Independent auditor's Report

pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

To the Shareholders of  
Neodecortech S.p.A.

### Report on the consolidated financial statements

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#### Opinion

We have audited the consolidated financial statements of Neodecortech Group (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity, the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05.

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#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the company Neodecortech S.p.A. (the "Company") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### Key audit matters

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

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**Key audit matter****Audit response**

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**Estimated revenue from “PMG”**

The end of the 2023 financial year signed the introduction of the “regime dei Prezzi Minimi Garantiti - PMG” provided with DL 181/23, which regulations have been issued by the authority ARERA with the resolutions 306/2024 and 518/2024.

The revenues as at 31 December 2024 of the Neodecortech Group include the estimated revenue accrued from the electricity produced by the subsidiary Bio Energia Guarcino S.r.l., for a total amount of Euro 26,982 thousand, of which Euro 598 thousand relating to PMG 2023, recognized in 2024 by the ARERA Authority following a specific recalculation carried out by the Company, and recorded under "Other revenues".

The energy sector is governed by highly complex regulations and authorization procedures. The processes and methods for evaluating and determining the estimate made by the Directors are based on complex assumptions which, by their nature, involve recourse to the judgment of Directors.

We considered this issue to be a key aspect of the audit in relation to the complexity of the regulatory matter as well as the relevance of the items concerned in the consolidated financial statements of the Neodecortech Group as at 31 December 2024.

The information relating to this aspect was provided in the note of the annual report as at 31 December 2024 and the consolidated interim disclosures of the Neodecortech Group «Relevant segment and comments on operation», «Neodecortech Group consolidated income statement» and « significant events after 31 december 2024»

Our review procedures in response to the key audit matters identified included:

- interviews with the Directors to assess their understanding of the regulatory legislation applicable for the purposes of the clerical accuracy of the PMG prepared by the Company and authorized by the Authority, as well as the correct registration, classification and accounting treatment of the revenue;
- examination of the main documentation prepared by the subsidiary Bio Energia Guarcino S.r.l.;
- verification of the exchange of communications/information with the Authority;
- assessment of the adequacy of the forecasts with respect to the final figures presented in the Group's previous interim statements and the financial statements for the year ended 31 December 2024;
- carrying out procedures on a sample of data used by Directors in order to verify the accrual and accuracy of the revenues recorded in the financial statements;
- verification of receipts after year end and until the date of this report;
- verification of the adequacy of the information provided in the Group's Annual Report as at 31 December 2024, in relation to these aspects

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**Responsibilities of the Directors and Those charged with governance for the consolidated financial statements**

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05 and, within the terms prescribed by the law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Parent Company Neodecortech S.p.A. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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### **Auditor's Responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintain professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- concluded on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with Those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided Those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate relevant risks or the safeguards measures applied.

From the matters communicated with Those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in our auditor's report.

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#### **Other information communicated pursuant to article 10 of Regulation (EU) 537/2014**

We were initially engaged by the Shareholders meeting of Neodecortech S.p.A. on December 9, 2019 to perform the audits of the Company's and the consolidated financial statements of each fiscal year starting from December 31, 2020 to December 31, 2028.

We declare that we did not provide prohibited non-audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements of Neodecortech S.p.A. included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to Those charged with governance.

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#### **Report on other legal and regulatory requirements**

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##### **Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815**

The Directors of Neodecortech S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the financial statements, to be included in the Annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements at December 31, 2024 to the requirements of the Delegated Regulation.

In our opinion, the consolidated financial statements at December 31, 2024 have been prepared in XHTML format and have been marked-up, in all material respects, in compliance to the requirements of Delegated Regulation.

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##### **Opinions and statement pursuant to article 14, paragraph 2, (e),e-bis) and e-ter) of Legislative Decree no. 39/10 and of article 123-bis paragraph 4 of Legislative Decree no. 58/98**

The Directors of Neodecortech S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Neodecortech S.p.A. as at December 31, 2024, including their consistency with the consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph. 4, of Legislative Decree n. 58/98, with the consolidated financial statements;
- express an opinion on the compliance of the report on operations and of the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, with the applicable laws and regulations;
- issue a statement on whether the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 contain material misstatements.



In our opinion, the report on operations and the above mentioned specific information of the corporate governance report are consistent with the consolidated financial statements of Neodecortech Group as at December 31, 2024.

Furthermore, in our opinion the report on operations and of the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, are compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, e-ter),), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 31, 2025

BDO Italia S.p.A.  
Signed by Lelio Bigogno  
Partner

## Neodecortech S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

Financial statements at December 31, 2024

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## Independent auditor's Report

pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

To the shareholders of  
Neodecortech S.p.A.

### Report on the financial statements

---

#### Opinion

We have audited the financial statements of Neodecortech S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2024, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05.

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#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### Key audit matters

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

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**Key audit matter****Audit response**

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**VALUATION OF INVESTMENTS**

As at December 31, 2024 investments amounted of about € 46,7 million, referred to the investment in Cartiere di Guarcino S.p.A. for € 46,6 million, NDT energy S.r.l. for € 0,1 million and Changzhou NDT new material technology company Ltd which is also zero.

At least annually, the Directors check for the presence of indicators of impairment of each investment in line with its management strategy for the legal entities belonging to the Group. If any such indicators of impairment are identified, an impairment test is performed on the relevant assets.

Considering the materiality and nature of the financial statements' element involved, we believe that this issue represents a Key Audit Matter.

Disclosure regarding the valuation of investments is provided in the Directors Report of Operation and in the Explanatory Notes to the Financial Statements - Note "General Criteria for the preparation of the financial statements".

Our audit procedures in response to the key audit matter identified included, among the others, the following:

- discussions with the Directors in order to understand the methodology adopted by the Company regarding the identification of any impairment indicators, in line with the provisions of IAS36:
  - examination of the projections of the Business Plan and discussion with the Directors in order to understand and analyze the assumptions used as the basis of the Business Plan;
  - verification of the absence of impairment indicators;
- analysis of the investments' variation over the fiscal year and review of the most significant acquisitions and sales;
- collection of the financial statements for all the investments;
- we also tested the adequacy and appropriateness of the disclosure provided in the Notes to the Financial Statements on the valuation of investments.

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**Responsibilities of the Directors and Those Charged with Governance for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

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

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.

---

## **Other information communicated pursuant to article 10 of Regulation (EU) 537/2014**

We were initially engaged by the shareholders meeting of Neodecortech S.p.A. on December 9, 2019 to perform the audits of the Company's and the consolidated financial statements of each fiscal year starting from December 31, 2020 to December 31, 2027.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to those charged with governance.

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## **Report on other legal and regulatory requirements**

### **Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815**

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We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the financial statements at December 31, 2024 to the requirements of the Delegated Regulation.

In our opinion, the financial statements at December 31, 2024 have been prepared in XHTML format in compliance to the requirements of Delegated Regulation.

---

### **Opinions and statement pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10 and of article 123-bis of Legislative Decree n. 58/98.**

The Directors of Neodecortech S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Neodecortech S.p.A. at December 31, 2024, including their consistency with the financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph. 4, of Legislative Decree n. 58/98, with the financial statements
- express an opinion on the compliance of the report on operations and of the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, with the applicable laws and regulations
- issue a statement on whether the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 contain material misstatements.

In our opinion, the report on operations and the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, are consistent with the financial statements of Neodecortech S.p.A. at December 31, 2024.

Furthermore, in our opinion the report on operations and of the specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, are compliant with applicable laws and regulations.



With reference to the assessment pursuant to article 14, paragraph. 2, e-ter), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 31, 2025

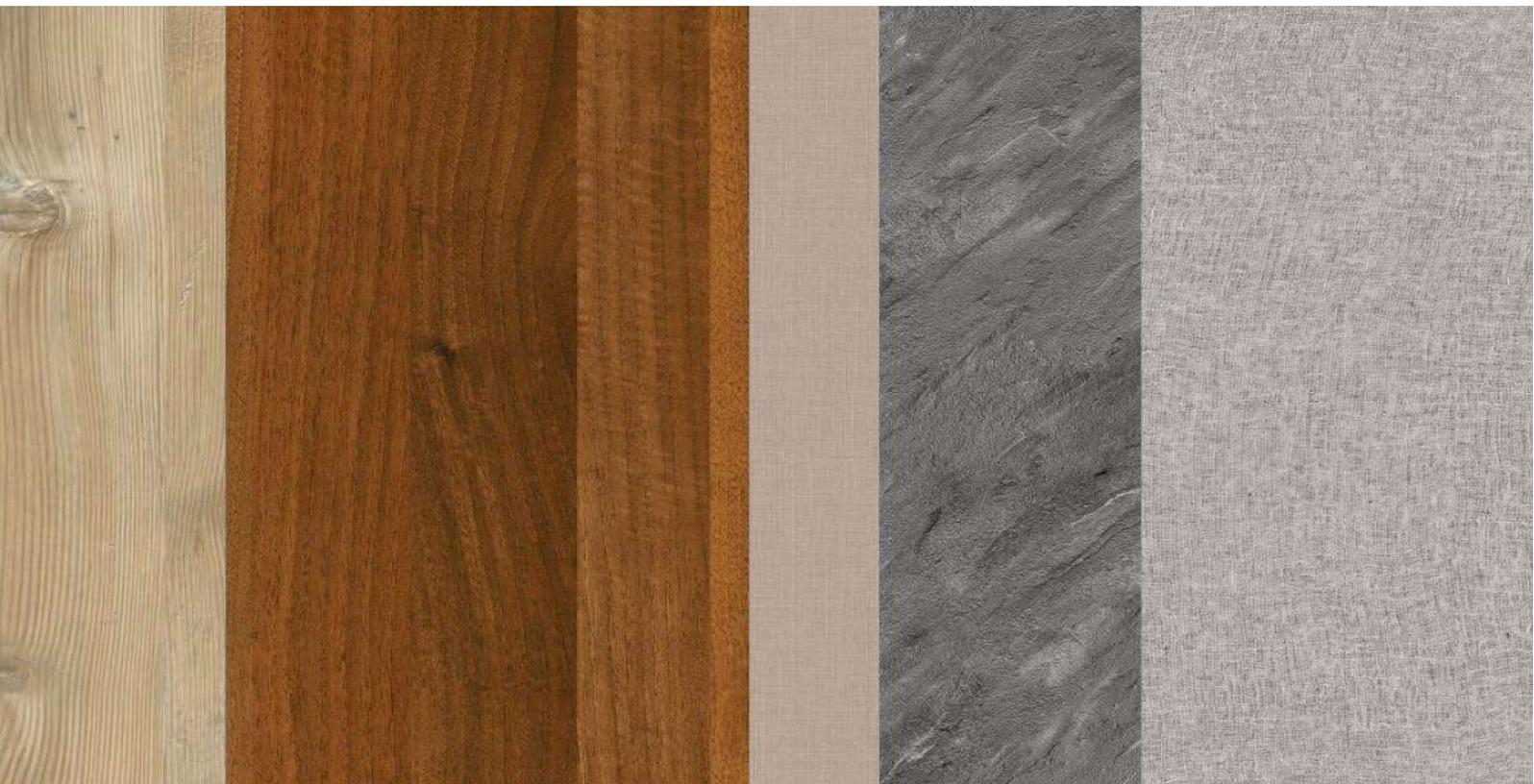
BDO Italia S.p.A.  
Signed by Lelio Bigogno  
Partner



# Annual Report at 31 December 2024

Financial Statements prepared in accordance with IAS/IFRS

Amounts in Euro





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Share Capital  
€ 18,804,209.37 fully paid up  
[www.neodecortech.it](http://www.neodecortech.it)

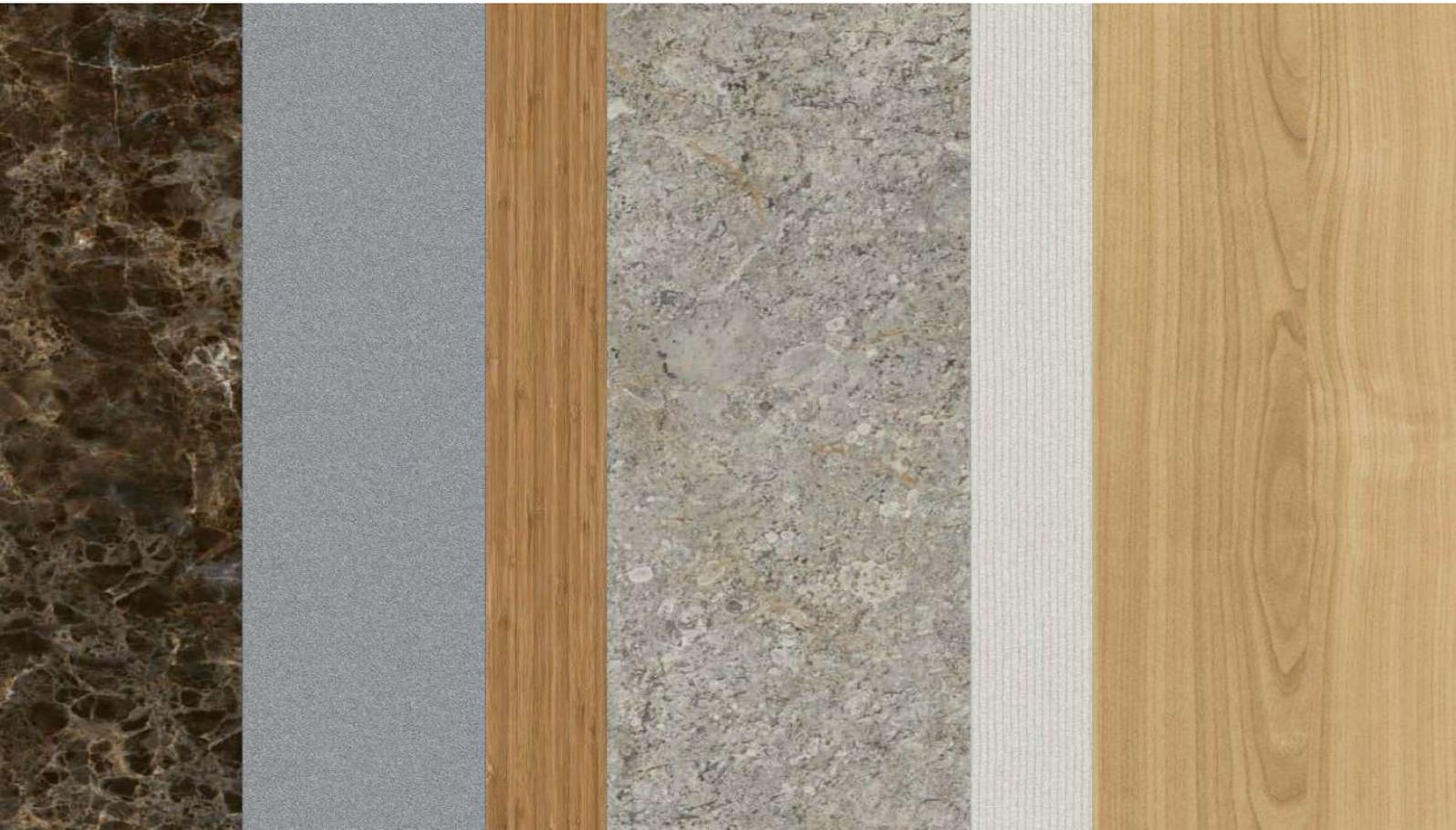
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**NEO  
DECOR  
TECH**

## **The Neodecortech Group**



**Corporate bodies**

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**Board of Directors <sup>(1)</sup>**

Chairman	Luca Peli
Director, Chief Executive Officer	Luigi Cologni
Executive Director	Massimo Giorgilli
Non-Executive Director (Vice Chairman)	Gianluca Valentini
Non-Executive Director	Vittoria Giustiniani
Independent Non-Executive Director	Adriano Bianchi*
Independent Non-Executive Director	Sara Bertolini*
Independent Non-Executive Director	Ida Altimare*
Independent Non-Executive Director	Cinzia Morelli*

*(\*) Independent Director pursuant to Article 148 of the TUF and Article 2 of the Corporate Governance Code adopted by the Corporate Governance Committee of Borsa Italiana S.p.A. to which the Company adheres.*

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**Board of Statutory Auditors <sup>(2)</sup>**

Chair	Edda Delon
Standing Auditor	Stefano Santucci
Standing Auditor	Federica Menichetti
Alternate Auditor	Pier Paolo Gori
Alternate Auditor	Riccardo Losi

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**Financial Reporting Manager <sup>(3)</sup>**

Marina Fumagalli

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**Committees <sup>(4)</sup>**

Remuneration and Appointments Committee	Ida Altimare (Chair) Vittoria Giustiniani Cinzia Morelli
Control, Risk and Sustainability Committee	Adriano Bianchi (Chairman) Luca Peli Ida Altimare

**Related Party Committee**

Sara Bertolini (Chair)  
Cinzia Morelli  
Adriano Bianchi

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**Supervisory Board <sup>(5)</sup>**

Ettore Raspadori (Chairman)  
Federica Menichetti <sup>(6)</sup>  
Laura Bellezza

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**Independent Auditors <sup>(7)</sup>**

BDO Italia S.p.A.

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This document is an English language translation of the official Italian version and is not provided in the European Single Electronic Format (ESEF) and hence it is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. The legally required ESEF-format is filed in Italian language on the Borsa Italiana storage system as well as on Company' website.

<sup>(1)</sup> The Board of Directors of Neodecortech S.p.A. in office was appointed on 27 April 2022 and will remain in office for three financial years until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2024.

<sup>(2)</sup> The Company's Board of Statutory Auditors was appointed on 27 April 2023 and will remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2025.

<sup>(3)</sup> Marina Fumagalli was appointed by the Board of Directors on 07 February 2023 as the Financial Reporting Manager pursuant to Article 154-bis of the TUF.

<sup>(4)</sup> The Board of Directors of Neodecortech S.p.A. resolved on 28 April 2022 to establish (i) a Remuneration and Appointments Committee; (ii) a Control, Risk and Sustainability Committee; (iii) a Related Party Committee.

<sup>(5)</sup> The Board of Directors of Neodecortech S.p.A. passed a resolution on 5 May 2023 appointing Mr. Raspadori and Ms. Menichetti as members of the Supervisory Board of the Company for three financial years, therefore, until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2025. On 05 May 2023, the Board of Directors appointed Laura Bellezza as a member of the SB of the Company.

<sup>(6)</sup> Ms. Menichetti also holds the position of standing auditor of Neodecortech S.p.A.

<sup>(7)</sup> The nine-year statutory audit assignment pursuant to Article 17 of Legislative Decree 39/2010 of the Italian Civil Code for the financial years 2020-2028 was granted by the Ordinary Shareholders' Meeting on 9 December 2019.



## NDTchina

Changzhou NDT new material technology company Ltd (NDT china)

established in 2023, registered office in Changzhou - China and acquired 70% on 15 May 2024. It markets printed decorative paper sold on the local and Far-East markets.

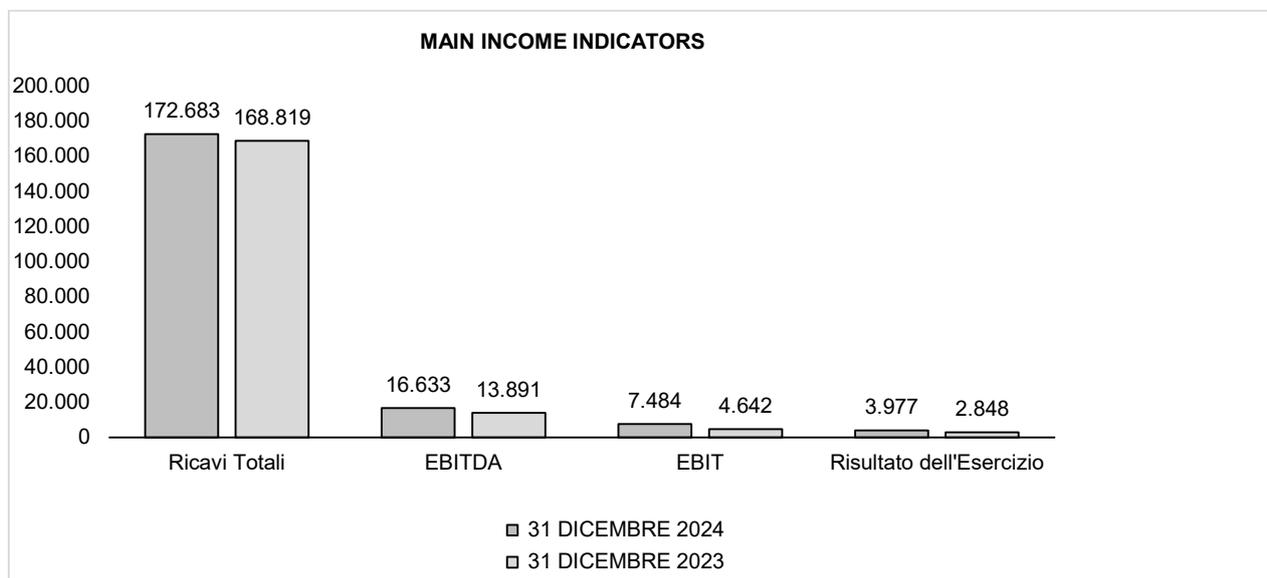
## Financial highlights of the Neodecortech Group

### Income statement

The table below shows the main **consolidated income statement** figures:

<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Revenue from sales and services	168,575	100.0%	161,604	100.0%	6,971	4.3%
Other revenue	4,108	2.4%	7,215	4.5%	(3,107)	(43.1%)
<b>Total revenue</b>	<b>172,683</b>	<b>102.4%</b>	<b>168,819</b>	<b>104.5%</b>	<b>3,864</b>	<b>2.3%</b>
<b>EBITDA</b>	<b>16,633</b>	<b>9.9%</b>	<b>13,891</b>	<b>8.6%</b>	<b>2,742</b>	<b>19.7%</b>
Amortization and depreciation	9,096	5.4%	9,151	5.7%	(55)	(0.6%)
Allocations	53	0.0%	98	0.1%	(45)	(45.9%)
<b>EBIT</b>	<b>7,484</b>	<b>4.4%</b>	<b>4,642</b>	<b>2.9%</b>	<b>2,842</b>	<b>61.2%</b>
<b>Profit for the year</b>	<b>3,977</b>	<b>2.4%</b>	<b>2,848</b>	<b>1.8%</b>	<b>1,129</b>	<b>39.6%</b>

For comments on changes, see the paragraph "CONSOLIDATED INCOME STATEMENT" in the Directors' Report on Operations.



The table below also shows the consolidated operating results with the adjusted profit for 2023, as a result of the 2022 maximization, as detailed in the paragraph "Consolidated Income Statement".

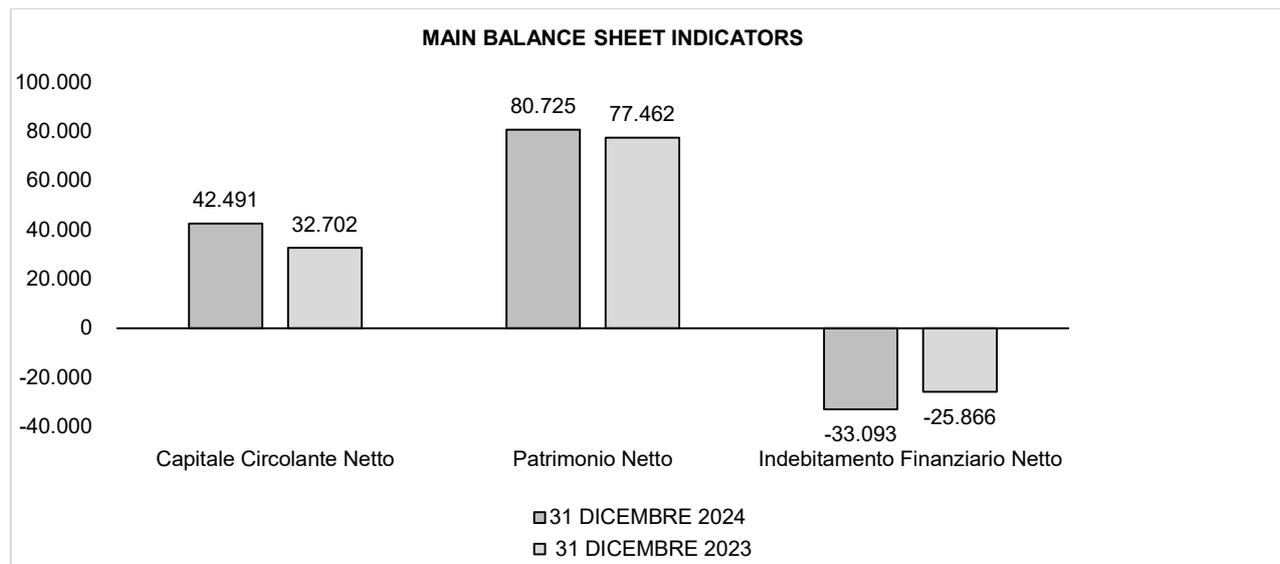
<i>(Euro thousands)</i>	31 DECEMBER 2024		31 DECEMBER 2023		Chg.	
		%		%		% chg.
Revenue from sales and services	168,575	100.0%	161,604	100.0%	6,971	4.3%
Other revenue	4,108	2.4%	7,215	4.5%	(3,107)	(43.1%)
Revenue from reinstatement of BEG maximization for the period Sept-Dec 2022		0.0%	(1,839)	(1.1%)	1,839	(100.0%)
<b>Adjusted Total Revenue</b>	<b>172,683</b>	<b>102.4%</b>	<b>166,980</b>	<b>103.3%</b>	<b>5,703</b>	<b>3.4%</b>
<b>Adjusted EBITDA</b>	<b>16,633</b>	<b>9.9%</b>	<b>12,052</b>	<b>7.5%</b>	<b>4,581</b>	<b>38.0%</b>
Amortization and depreciation	9,096	5.4%	9,151	5.7%	(55)	(0.6%)
Allocations	53	0.0%	98	0.1%	(45)	(45.9%)
<b>Adjusted EBIT</b>	<b>7,484</b>	<b>4.4%</b>	<b>2,803</b>	<b>1.7%</b>	<b>4,681</b>	<b>167.0%</b>
Tax effect revenue reinstatement		0.0%	277	0.2%		
<b>Adjusted Profit for the Year</b>	<b>3,977</b>	<b>2.4%</b>	<b>1,286</b>	<b>0.8%</b>	<b>2,691</b>	<b>209.3%</b>
Reconciliation of Profit for the Year and Adjusted Profit for the Year:						
<b>Adjusted Profit for the Year</b>	<b>3,977</b>	<b>2.4%</b>	<b>1,286</b>	<b>0.8%</b>	<b>2,691</b>	<b>209.3%</b>
Revenue from reinstatement of BEG maximization for the period Sept-Dec 2022		0.0%	1,839	1.1%		
Tax effect revenue reinstatement		0.0%	(277)	(0.2%)		
<b>Profit for the year</b>	<b>3,977</b>	<b>2.4%</b>	<b>2,848</b>	<b>1.8%</b>	<b>1,129</b>	<b>39.6%</b>

## Financial results

The table below shows the main **consolidated financial indicators**:

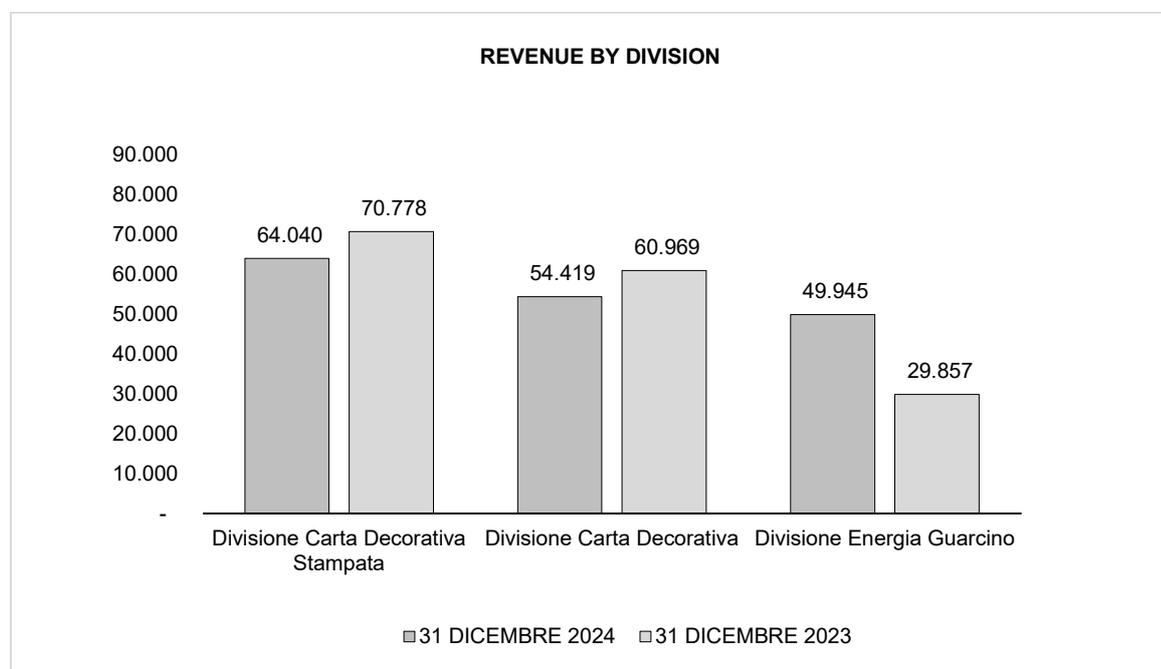
<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023	Chg.	% chg.
Net Working Capital	42,491	32,702	9,789	29.9%
Equity	80,725	77,462	3,263	4.2%
Net Financial Debt	(33,093)	(25,866)	(7,227)	27.9%

For comments on changes, reference should be made to the section "RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION" in this Directors' Report on Operations.



The table below shows **consolidated revenue by operating segment**.

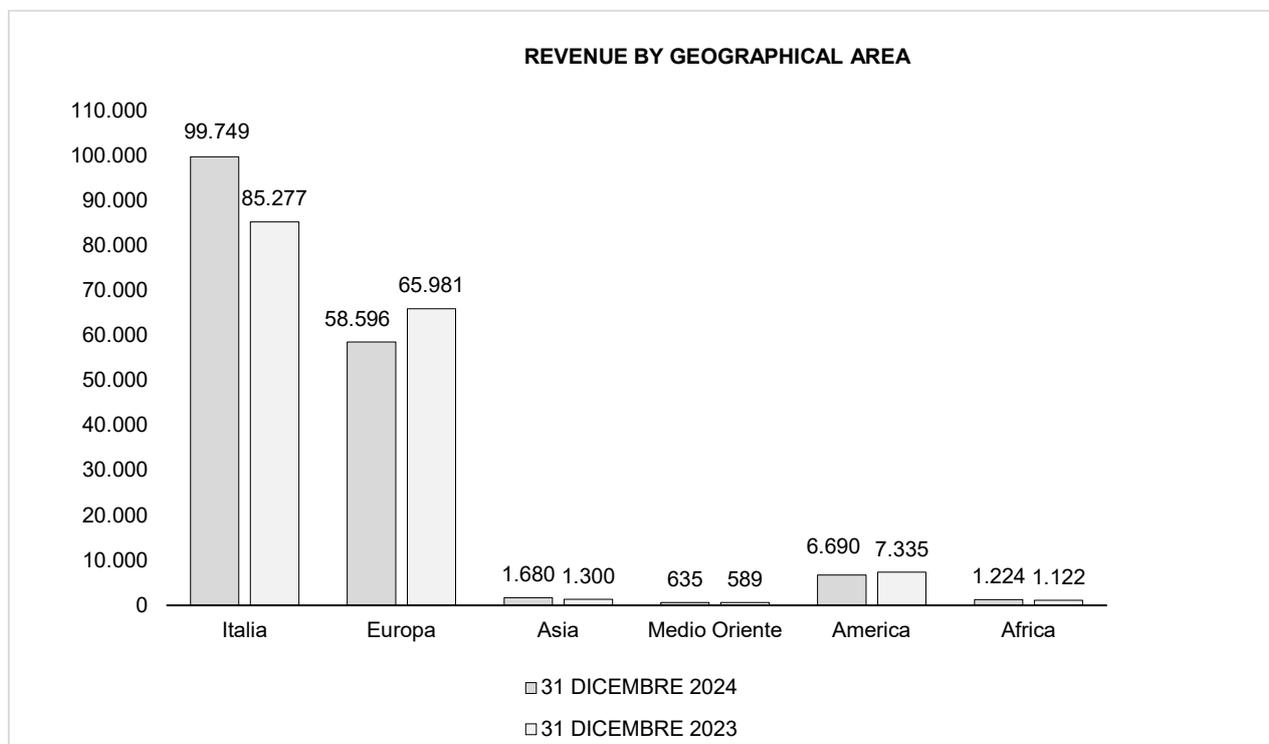
<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Printed Decorative Paper Division	64,040	38%	70,778	44%	(6,738)	(9.5%)
Decorative Paper Division	54,419	32%	60,969	38%	(6,550)	(10.7%)
Guarcino Energy Division	49,945	30%	29,857	18%	20,088	67.3%
Casoli Energy Division	0	0%	0	0%	0	0.0%
NDT China Division	171	0%	0	0%	171	0.0%
<b>Total</b>	<b>168,575</b>	<b>100%</b>	<b>161,604</b>	<b>100%</b>	<b>6,971</b>	<b>4.3%</b>



For comments on the performance of each division, see the section “KEY RESULTS BY OPERATING SEGMENT” in the Directors’ Report on Operations.

The table below shows **consolidated revenue by geographical area**.

<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Italy	49,804	29.5%	55,420	34.3%	(5,616)	(10.1%)
Europe	58,596	34.8%	65,981	40.8%	(7,384)	(11.2%)
Asia	1,680	1.0%	1,300	0.8%	381	29.3%
Middle East	635	0.4%	589	0.4%	46	7.8%
America	6,690	4.0%	7,335	4.5%	(646)	(8.8%)
Africa	1,224	0.7%	1,122	0.7%	102	9.1%
Energy Division	49,945	29.6%	29,857	18.5%	20,088	67.3%
<b>Total</b>	<b>168,575</b>	<b>100.0%</b>	<b>161,604</b>	<b>100.0%</b>	<b>6,971</b>	<b>4.3%</b>



**NEO  
DECOR  
TECH**

**Directors' Report on Operations**



*Shareholders,*

*Submitted to your approval are the Consolidated Financial Statements at 31 December 2024 of the Neodecortech Group (hereinafter also "the Group"), prepared in accordance with the IAS/IFRS international accounting standards and accompanied by this Report presenting the performance of the Group in 2024 as well as its outlook.*

*The period under review shows a positive consolidated result of € 3,977 thousand (versus € 2,848 thousand at 31 December 2023), after accounting for amortization and depreciation provisions of € 9,148 thousand (versus € 9,249 thousand at 31 December 2023), and income tax of € 1,200 thousand (versus a positive tax effect of € +241 thousand at 31 December 2023). This situation is primarily influenced by the dynamics of deferred taxation, particularly regarding unused tax losses for the year and income from tax consolidation.*

*This Report, drawn up with amounts expressed in Euro thousands, is presented together with the consolidated financial statements in order to provide income, financial and operating information of the Group.*

*Below are the trends, uncertainties, demands, commitments or known facts that could reasonably be expected to affect the Group's outlook, including the conflicts in Ukraine and the Middle East.*

## Impacts from the conflict in Ukraine

In relation to the restrictive measures adopted by the EU in response to the Russian military aggression in Ukraine that started in February 2022 and its potential effects on the company's business, it should be noted that the Company is complying with all the measures introduced by the European Union. The Group has implemented and reinforced specific business continuity plans from an IT standpoint. Over three years after the onset of this conflict, there are still lasting effects on the prices of energy sources and titanium dioxide, another critical raw material, which can now be deemed structural for the Group.

All active Group Companies are fully operational.

In early June 2024, Cartiere di Guarcino received notice of the positive outcome of the resolution of a SIMEST loan with a non-repayable portion to support Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus totaling € 2.5 million, of which € 1 million is non-repayable.

## The national and international economic environment

The ECB paper dated December 2024 on macroeconomic projections shows the following.

*The euro area economy is set to continue its gradual recovery over the coming years, amid significant geopolitical and policy uncertainty. Although growth resumed at a moderate pace in the course of 2024, recent indicators suggest a weakening of growth in the short term, with ongoing subdued consumer confidence and high uncertainty likely to reinforce households' saving incentives. Nevertheless, the conditions are in place for economic growth to strengthen again.*

*In particular, rising real wages and employment, in a context of robust labour markets, are expected to support a recovery in which consumption remains one of the main drivers. Domestic demand should also be bolstered by an easing of financing conditions, in line with market expectations of the future path of interest rates. Although surrounded by high uncertainty, fiscal policies are assumed to be on a consolidation path overall. Nevertheless, funds from the Next Generation EU (NGEU) programme should support growth until the expiry of the programme in 2027.*

*Under the baseline assumption that the trade policies of Europe's key trading partners remain unchanged, foreign demand is expected to strengthen and support euro area exports. As a result, net trade is expected to make a broadly neutral contribution to GDP growth, despite existing competitiveness challenges.*

*As some of the cyclical factors that have recently reduced productivity start to unwind, productivity is expected to pick up over the projection horizon, although structural challenges remain. Overall, annual average real GDP growth is projected to be 0.7% in 2024, 1.1% in 2025 and 1.4% in 2026, before moderating to 1.3% in 2027. Compared with the September 2024 ECB staff macroeconomic projections, the outlook for GDP growth has been revised down [...].*

*Headline HICP inflation is projected to rise in late 2024, before declining to hover around the ECB's inflation target of 2% from the second quarter of 2025. Base effects in the energy component are expected to be the main driver of the temporary increase in inflation at the start of the projection horizon. Based on assumptions of declining oil and gas prices, energy inflation is likely to remain negative until the second half of 2025 and to stay subdued thereafter, except for an uptick in 2027 owing to the introduction of new climate change mitigation measures. Food inflation is projected to rise until mid-2025, driven mostly by resurging unprocessed food price dynamics, before declining to an average of 2.2% by 2027. HICP inflation excluding energy and food (HICPX) is expected to decline in early 2025 as the indirect effects of past energy price shocks fade, labour cost pressures recede and the lagged impacts from past monetary policy tightening continue to feed through to consumer prices. [...]*

*The global growth momentum has remained strong, even though increasing headwinds highlight the fragility of the global economic outlook. Global growth increased slightly in the third quarter of this year, broadly in line with the September 2024 projections, as the pace of activity accelerated in China and real GDP growth in the United States was stronger than expected. Despite a broad-based weakness in manufacturing, incoming data suggest that global growth should remain robust in the fourth quarter, supported by strong economic data in the United States and fiscal support in China*

and the United Kingdom. However, geopolitical tensions in the Middle East, the war in Ukraine, lingering weakness in the Chinese real estate market and the possibility that the next US Administration will turn more inward-looking suggest that the global growth momentum remains fragile.

[...] Global growth is projected to remain moderate, declining slightly over the projection horizon. Global real GDP growth is projected to be 3.4% in 2024 and 3.5% in 2025, then to decrease to 3.3% in 2026 and 3.2% in 2027.

[...] After stronger than expected growth in the third quarter, global trade is projected to slow amid a less favourable composition of demand, with downside risks relating to increased trade protectionism and fragmentation.

[...] Global inflation is projected to remain on a declining path over the projection horizon, while growth in euro area competitors' export prices has been revised down compared with the September projections.

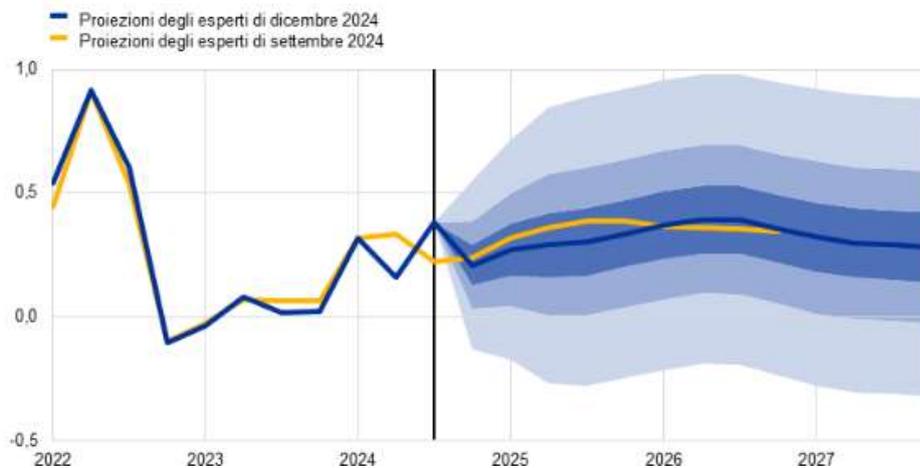
Having broadly stagnated throughout 2023, euro area economic activity increased in the course of 2024,

## Grafico 1

### PIL in termini reali dell'area dell'euro

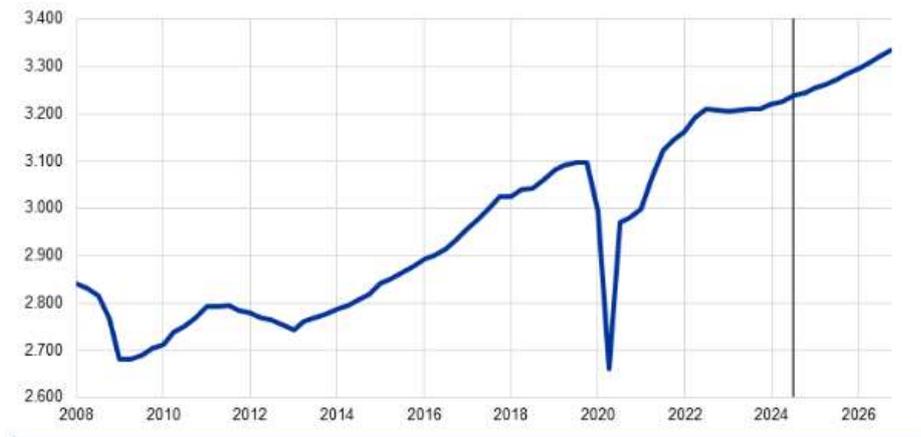
#### a) Crescita del PIL in termini reali

(variazioni percentuali sul trimestre precedente, dati trimestrali destagionalizzati e corretti per il numero di giornate lavorative)



## b) Livello del PIL in termini reali

(volumi concatenati, 2020; miliardi di euro)



Note: Historical data may differ from Eurostat's latest publications. The vertical line indicates the start of the current projection horizon. In panel a), the ranges shown around the central projections provide a measure of the degree of uncertainty and are symmetric by construction. They are based on past projection errors, after adjustment for outliers. The bands, from darkest to lightest, depict the 30%, 60% and 90% probabilities that the outcome of real GDP growth will fall within the respective intervals. For more information, see the box entitled "Illustrating the uncertainty surrounding the projections" in the March 2023 ECB staff macroeconomic projections for the euro area.

[...] Incoming data suggest that euro area GDP growth will weaken somewhat in the short term, amid significant uncertainty.

[...] Real GDP growth is expected to increase over the medium term, supported by a pick-up in consumption, strengthening foreign demand and the fading of the dampening effects of past monetary policy tightening.

[...] The impact of past monetary policy tightening on growth is estimated to fade over the projection horizon, helped by the ongoing decline in policy rates.

[...] Business investment is projected to grow at a modest pace over the projection horizon, amid geopolitical and economic policy uncertainty, but should be supported by a gradual improvement in domestic and foreign demand, robust unit profit growth and more favourable financing conditions.

[...] After a decline in the third quarter of 2024, euro area export growth is expected to remain subdued before picking up next year, conditional on the assumption that global trade tariffs remain unchanged.

(source:

[https://www.ecb.europa.eu/press/projections/html/ecb.projections202412\\_eurosystemstaff~71a06224a5.it.html](https://www.ecb.europa.eu/press/projections/html/ecb.projections202412_eurosystemstaff~71a06224a5.it.html))

With more specific regard to economic trends in Italy, a slight acceleration to 0.8% is forecast for 2025, with economic activity expected to gradually strengthen over the quarters, driven mainly by domestic demand components.

## Relevant segment and comments on operations

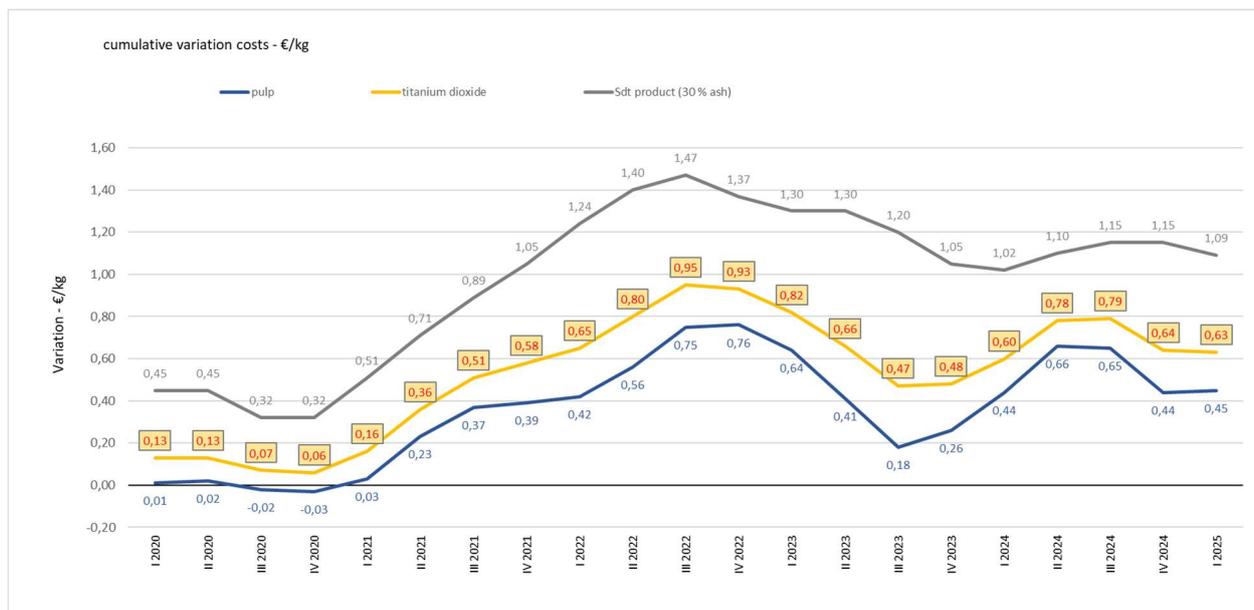
Due to the factors already mentioned regarding the international and domestic economic environment, also in the decorative surfaces supply chain linked to the furniture and furnishings market, both in terms of furniture and flooring, first half 2024 saw a substantial horizontal movement of incoming orders, while the second half experienced a significant contraction in demand compared to the forecasts envisaged in the budget preparation, for both Neodecortech and Cartiere di Guarcino.

In 2024, the prices of some of the Group's strategic materials (animal fat, plastic films) remained basically steady compared to second half 2023. Conversely, a different trend was reported for pulp, which began its price recovery in September 2023 and continued throughout first half 2024. Only in the second part of the year was a return to stability reported, with a slight decrease at end 2024. After the initial increases in first half 2024, the price of titanium dioxide stabilized. There are clear signs of an increase in its cost starting from Q2 2025. Regarding energy carrier costs in particular, after their slight decrease in first quarter 2024, they started an upward trend in the latter part of 2024, which stabilized in first quarter 2025. Against this backdrop, and in a largely stagnant market, margins continued to be lower than expected.

With regard in particular to Cartiere di Guarcino, the Group's most energy-intensive company, it continued to operate according to the scheduled production plan that calls for maintenance-related stoppages during the year, and was always fully operational. This thanks also to the supply of electricity by the subsidiary Bio Energia Guarcino, which operates in a closed distribution system with respect to Cartiere and was able to mitigate the effects of the energy crisis and ensure full uninterrupted production.

As for Bio Energia Guarcino specifically, it has operated within the Guaranteed Minimum Prices scheme starting from 10 December 2023, the day following the publication in the State Gazette of LD 181/23. Under this framework, the Power Plant has been operating at full capacity alongside Cartiere di Guarcino, benefiting from the Guaranteed Minimum Prices (GMP) scheme and supporting Cartiere on both the power and steam supply side.

The chart shows the change in the cost (€/kg) of the key raw materials that make up base printing paper: pulp and titanium dioxide.



Source: Internal processing on FOEX data for pulp and ICIS LOR data for titanium dioxide.

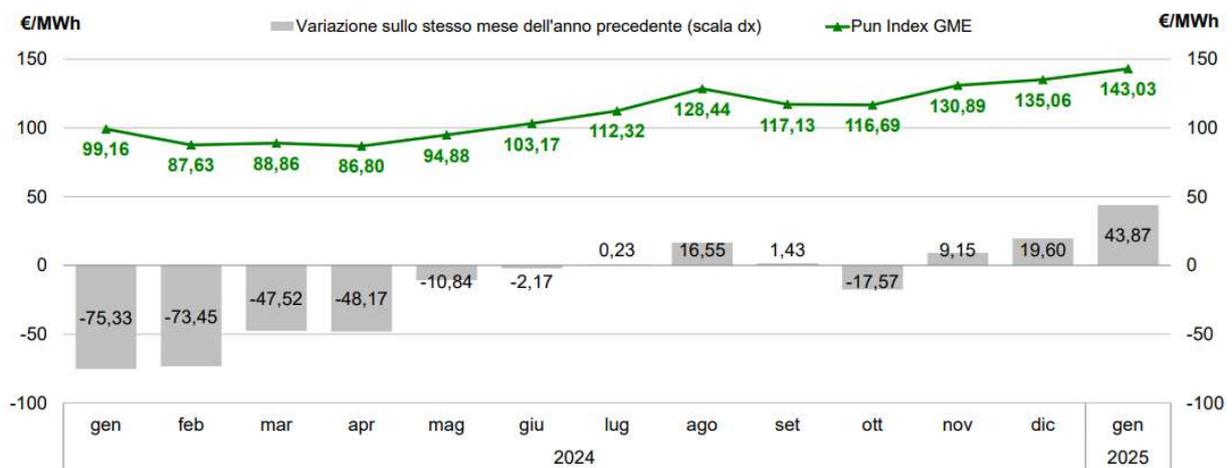
Thanks to the support mechanism of GMPs, BEG has been operating at full capacity. GMP remuneration is recognized for net electricity production and paid net of energy sold, valued at the PUN, along with any ordinary incentives, if applicable.

In 2024 the average PUN stands at approximately 108 Euro/MWh, down from 2023 by -18.71 Euro/MWh.

The chart below shows the PUN trend in 2024.

Grafico 1: MGP, Pun Index GME

Fonte: GME



The management of the GMP system is delegated to the GSE, which proceeds with the payment of advances diversified by plant categories based on their power and setup (with or without cogeneration). Advances are determined by the GSE based on fuel price readings. The first advance was published in October 2024. It was then revised in February 2025 for Q1 2025, at which time the first adjustment for the 23/24 production period was made. The final settlement is expected to be available by summer, after operators provide all the necessary information regarding the fuels used.

As of January 2025, the GMP value for BEG is € 310 MWh. From this amount, as mentioned above, both the PUN and the ordinary incentive must be deducted.

## **Key balance sheet, financial and income figures**



## Neodecortech group consolidated income statement

<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<b>Revenue from sales and services</b>	<b>168,575</b>	<b>100.0%</b>	<b>161,604</b>	<b>100.0%</b>	<b>6,971</b>	<b>4.3%</b>
Changes in work in progress, semi-finished and finished products	(945)	(0.6%)	3,250	2.0%	(4,195)	(129.1%)
Other revenue	4,108	2.4%	7,215	4.5%	(3,107)	(43.1%)
<b>Value of Production</b>	<b>171,738</b>	<b>101.9%</b>	<b>172,069</b>	<b>106.5%</b>	<b>(331)</b>	<b>(0.2%)</b>
Raw and ancillary materials and consum.	(107,227)	(63.6%)	(105,759)	(65.4%)	(1,468)	1.4%
Other operating expense	(26,551)	(15.8%)	(31,436)	(19.5%)	4,885	(15.5%)
<b>Value Added</b>	<b>37,960</b>	<b>22.5%</b>	<b>34,874</b>	<b>21.6%</b>	<b>3,086</b>	<b>8.8%</b>
Personnel expense	(21,327)	(12.7%)	(20,983)	(13.0%)	(344)	1.6%
<b>EBITDA</b>	<b>16,633</b>	<b>9.9%</b>	<b>13,891</b>	<b>8.6%</b>	<b>2,742</b>	<b>19.7%</b>
Amortization and depreciation	(9,096)	(5.4%)	(9,151)	(5.7%)	55	(0.6%)
Allocations	(53)	(0.0%)	(98)	(0.1%)	45	(45.9%)
<b>EBIT</b>	<b>7,484</b>	<b>4.4%</b>	<b>4,642</b>	<b>2.9%</b>	<b>2,842</b>	<b>61.2%</b>
Financial expense	(2,740)	(1.6%)	(2,436)	(1.5%)	(304)	12.5%
Financial income	433	0.3%	401	0.2%	32	8.0%
<b>Profit/(loss) before tax</b>	<b>5,177</b>	<b>3.1%</b>	<b>2,607</b>	<b>1.6%</b>	<b>2,570</b>	<b>98.6%</b>
Income tax	(1,200)	(0.7%)	241	0.1%	(1,441)	(597.9%)
<b>Profit/(loss) for the year</b>	<b>3,977</b>	<b>2.4%</b>	<b>2,848</b>	<b>1.8%</b>	<b>1,129</b>	<b>39.6%</b>

*Revenue from Sales and Services* at 31 December 2024 increased by € 6,971 thousand (+4.3%) versus 31 December 2023. This increase was due to the combined effect of the decrease in revenue for Neodecortech and its subsidiary Cartiere di Guarcino, offset by the significant increase in revenue from Bio Energia Guarcino, which rose by approximately € 16 million. This increase is mainly attributable to the absence of production stoppages at BEG in 2024, unlike in 2023 when activity was interrupted for non-brief periods: 1 April - 15 May and 1 October - 10 December. In 2024, the order backlog decreased, due to the widespread drop in demand within the furnishing segment and a decrease in unit prices by approximately 8% for the subsidiary Cartiere di Guarcino, and approximately 2% for Neodecortech. Excluding the Energy Division, the market that recorded the highest decrease in sales was Europe (-11.2%), followed by Italy (-10.1%) and America (-8.8%). The other markets were steady or up slightly.

*Other revenue* is composed of core and non-core revenue, attributable to Neodecortech S.p.A. for € 946 thousand, to Cartiere di Guarcino for € 2,285 thousand, and to Bio Energia Guarcino for € 877 thousand. This item mainly includes for: i) Neodecortech a total of € 599 thousand from reimbursements of expense and plant grants; ii) for Cartiere di Guarcino S.p.A. € 1,060 thousand from incentives under the law, linked to the non-repayable grant disbursed in August 2024 under the SIMEST- Support Ukraine Fund measure 394.81.2023 (charged pro rata for the investments made), and the aid obtained from the Fund for Energy Transition in the Industrial Sector, European project PUSH2HEAT financed by the Horizon program, as well as the share of 4.0 investments transferred back to the income statement based on the useful life of the asset and € 710 thousand for an internal plant order corresponding to inventory deductions for the spare parts used; iii) Bio Energia secured an internal investment order related to the optimization of the production process and recovery of thermal waste for a total of € 210 thousand. In 2023, other revenue included tax receivables to gas- and energy-intensive companies in the first and second quarters of the year of € 2,944 thousand.

The cost of *consumption of raw and ancillary materials* increased slightly (+1.4%), but with a percentage impact on revenue from sales that decreases by 1.8%. This positive effect, which touched all Group companies, has allowed only a partial improvement in margins, as the slowdown in demand required an immediate transfer of this cost reduction to the sales prices billed to customers in order not to lose market share. A mirrored case for the indirect subsidiary Bio Energia Guarcino, where the reduction in the percentage of the consumption of raw and ancillary materials, together with

a new and different incentive system (GMP), allowed a clear improvement in its margin in absolute value as well as in its profitability ratio.

*Other operating expense* decreased (-15.5% or € 4,885 thousand) versus 2023, due mainly to the effect related to the reduction in energy, gas, and other utility costs, which decreased by € 5,245 thousand.

*Personnel expense* at 31 December 2024 increased by € 344 thousand versus the prior year, due mainly to the effects of the contractual renewals that took place during the year. The number of employees at 31 December 2024 increased to 398 versus 390 at 31 December 2023.

As a result of the above effects, the *EBITDA margin* at 31 December 2024 had an impact on net sales of 9.9%, an increase versus 31 December 2023 (8.6% of sales).

*Amortization and depreciation* at 31 December 2024 was basically steady versus 31 December 2023 and amounted to € 9,096 thousand.

*Allocations* refers to the allocation made by the Group to the provision for doubtful accounts to adjust the face value of trade receivables to the realizable value in accordance with IFRS, equal to approximately 0.1% of total receivables. An allocation of € 617 thousand was also made to the *provision for inventory obsolescence*, reclassified under Consumption of raw and ancillary materials.

Regarding *financial items*, the increase in financial expense was significantly impacted by the higher use of short-term lines necessary to ensure the operation of BEG. This was able to start monetizing the GMP scheme receivables from GSE only in December 2024. At 31 December 2024, there were still € 18 million of receivables pending monetization, with a clear and direct impact on the Group's net financial position. Despite constant optimization of credit lines and improved terms from the banking system, the impact of interest on medium/long-term loans remains high in the current high-interest rate environment, with 73% of the Group's debt at floating rates.

The Group's taxation showed a tax balance for the period of € 1,200 thousand, positively impacted by proceeds from the tax consolidation with Finanziaria Valentini (€ 87 thousand).

For the above effects, *Net Profit* amounted to € 3,977 thousand, representing 2.4% of revenue. It increased by € 1,129 thousand versus 31 December 2023. Net profit in 2023 included the non-recurring items related to the revenue maximization share accrued from 19 September 2022 to 31 December 2022, quantified following the regulations introduced in June 2023. The adjusted net profit at 31 December 2023, net of this item, amounted to € 1,286 thousand (0.8% of revenue).

**Reclassified consolidated statement of financial position**

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023	Chg.	% chg.
Trade receivables	35,713	16,276	19,437	119.4%
Inventory	40,049	42,598	(2,549)	(6.0%)
Trade payables	(29,952)	(33,793)	3,841	(11.4%)
<b>Operating NWC</b>	<b>45,810</b>	<b>25,081</b>	<b>20,729</b>	<b>82.6%</b>
Other current receivables	3,081	12,211	(9,130)	(74.8%)
Receivables from tax consolidation	348	438	(90)	(20.5%)
Tax receivables	1,989	1,652	337	20.4%
Other current payables	(7,462)	(5,777)	(1,685)	29.2%
Tax payables	(1,244)	(786)	(458)	58.3%
Payables from tax consolidation	(31)	(117)	86	(73.5%)
<b>Net Working Capital</b>	<b>42,491</b>	<b>32,702</b>	<b>9,789</b>	<b>29.9%</b>
Tangible fixed assets	74,480	75,969	(1,489)	(2.0%)
Intangible fixed assets	3,317	777	2,540	326.9%
Non-current financial assets	512	617	(105)	(17.0%)
Other non-current assets	359	228	131	57.5%
<b>Fixed assets</b>	<b>78,668</b>	<b>77,591</b>	<b>1,077</b>	<b>1.4%</b>
Post-employment benefits	(2,091)	(2,080)	(11)	0.5%
Provisions for risks and charges	(771)	(825)	54	(6.5%)
Deferred tax assets and liabilities	(4,479)	(4,060)	(419)	10.3%
<b>Net Capital Employed</b>	<b>113,818</b>	<b>103,328</b>	<b>10,490</b>	<b>10.2%</b>
<b>Equity</b>	<b>80,725</b>	<b>77,462</b>	<b>3,263</b>	<b>4.2%</b>
Cash funds	(12,483)	(12,157)	(326)	2.7%
Other current financial receivables	(81)	-	(81)	0.0%
Current financial liabilities	25,689	15,844	9,845	62.1%
Non-current financial liabilities	19,968	22,179	(2,211)	(10.0%)
<b>Net Financial Debt</b>	<b>33,093</b>	<b>25,866</b>	<b>7,227</b>	<b>27.9%</b>
<b>Equity and Net Financial Debt</b>	<b>113,818</b>	<b>103,328</b>	<b>10,490</b>	<b>10.2%</b>

The increase in Net Working Capital ("NWC") is strongly tied to the growth in trade receivables. Specifically, the value of trade receivables in the subsidiary BEG increased by € 17,823 thousand, while the amount of this item in the other Group companies remained basically steady. The Company, in the last quarter of 2023, had stopped its engines until mid-December 2023 when the GMP scheme was defined, zeroing out the amount of its receivables from customers. Regarding other items in the Operating NWC, the value of inventory remained stable in Neodecortech, while decreasing in its subsidiaries due to the trend of raw material prices. In a related way, overall debt exposure also reduced.

The other NWC items show a significant decrease in *other receivables* (€ -9.8 million), essentially linked again to the subsidiary Bio Energia Guarcono for the portion collected and/or transferred to the factoring company under the maximization scheme first, and GMPs later. The increase in other current receivables, on the other hand, includes the share of deferred income and payables to personnel and/or social security institutions.

The change in *tangible fixed assets* was € -1,489 thousand. New capital expenditure in tangible fixed assets refers mostly to (i) new machinery and upgrading of existing machinery in the parent company Neodecortech; (ii) actions to increase the efficiency of paper machines and to optimize plants in Cartiere di Guarcono; and (iii) expenditure in Bio Energia Guarcono. At 31 December 2024, capital expenditure in tangible fixed assets amounted to € 7,329 thousand. In the same period of 2023, capital expenditure amounted to € 5,976 thousand.

The change in *intangible fixed assets*, amounting to € 2,540 thousand, is mainly related to expenditure in the implementation of the new ERP system, which went into operation on 1 January 2025, as well as the allocation of the higher value paid for the acquisition of the business unit from Loma S.r.l..

**Consolidated Financial Debt** at 31 December 2024 and 31 December 2023, in accordance with ESMA/2013/319 Recommendations and the new guidelines published on 4 March 2021, is shown below:

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023	Chg.	% chg.
A. Cash funds	12,483	12,157	326	2.7%
B. Cash and cash equivalents	0	0	0	0.0%
C. Other current financial assets	82	0	82	0.0%
<b>D. Cash (A) + (B) + (C)</b>	<b>12,565</b>	<b>12,157</b>	<b>408</b>	<b>3.4%</b>
E. Current financial debt	(16,226)	(9,578)	(6,648)	69.4%
F. Current portion of non-current debt	(9,464)	(6,267)	(3,197)	51.0%
<b>G. Current financial debt (E)+(F)</b>	<b>(25,690)</b>	<b>(15,845)</b>	<b>(9,845)</b>	<b>62.1%</b>
<b>H. Net current financial debt (G)-(D)</b>	<b>(13,125)</b>	<b>(3,688)</b>	<b>(9,437)</b>	<b>255.9%</b>
I. Non-current financial debt	(19,968)	(22,179)	2,211	(10.0%)
J. Debt instruments	0	0	0	0.0%
K. Trade payables and other non-current payables	0	0	0	0.0%
<b>L. Non-current financial debt (I)+(J)+(K)</b>	<b>(19,968)</b>	<b>(22,178)</b>	<b>2,210</b>	<b>(10.0%)</b>
<b>M. Total financial debt (H)+(L)</b>	<b>(33,093)</b>	<b>(25,866)</b>	<b>(7,227)</b>	<b>27.9%</b>

The Group's Financial Debt at 31 December 2024 stood at € 33,093 thousand: up by € 7,227 thousand versus 31 December 2023; as a ratio to EBITDA (€ 16,633 thousand), this results in a leverage ratio (Net Debt/EBITDA) of the Group of 1.99. Steady versus 31 December 2023.

*Cash funds* (A) were basically unchanged from 31 December 2023. In fact, during the fourth quarter, the subsidiary BEG collected a portion of the GMP receivable (€ 12,004 thousand), partly through its assignment to a factoring company.

*Current financial payables* (E) increased by a total of € 6,648 thousand due to:

- (i) the increased use of the lines by Cartiere di Guarcino to support working capital and BEG's operations, impacted by the delayed collection of GMP-related receivables.
- (ii) debt consolidation as a result of Cartiere di Guarcino obtaining (i) € 4,500 thousand from Banca Popolare di Sondrio, based on an application submitted in December 2023 under the Industrial Transition Fund (pursuant to the Interministerial Decree of 21 October 2022 and the MIMIT Decree of 30 August 2023); and (ii) € 1,500 thousand under the SIMEST-Support Ukraine Fund measure 394.81.2023.

The current and non-current portions of financial debt (F and I) increased by a total of € 986 thousand, due to the combined effect of the increases for taking out new loans and the repayments of accrued installments.

As mentioned extensively above, the NFP at 31 December 2024 was still significantly impacted by the non-collection of incentives related to the maximization scheme for fixed costs and incentives related to the new GMP scheme, amounting approximately to € 18 million. At 31 December 2023, these receivables amounted to € 10.7 million. Net of this effect, both at 31 December 2024 and in 2023, adjusted net financial debt would amount to approximately € 15.4 million, in line with December 2023 adjusted (€ 15.1 million).

## Key results by operating segment

Under IFRS 8, in order to provide adequate disclosure on the nature and characteristics of revenue, the breakdown of revenue by Company is shown below. The table below also shows the change between 31 December 2024 and 31 December 2023 in the main income statement indicators and balance sheet indicators, both broken down by operating segment, gross of intercompany items (reference is made to the segment reporting in the Notes to the Financial Statements for net intercompany items).

### Income Statement

<i>(Euro thousands)</i>	31 DECEMBER 2024		31 DECEMBER 2023		Chg.	% chg.
<b>Printed Decorative Paper Division</b>						
Revenue from sales and services	64,134	100.0%	70,783	100.0%	(6,649)	(9.4%)
EBITDA	4,025	6.3%	5,946	8.4%	(1,921)	(32.3%)
EBIT	739	1.2%	2,531	3.6%	(1,792)	(70.8%)
Profit (loss) for the year	4,111	6.4%	2,848	4.0%	1,263	44.3%
<b>Decorative Paper Division</b>						
Revenue from sales and services	71,228	100.0%	80,103	100.0%	(8,875)	(11.1%)
EBITDA	4,744	6.7%	4,603	5.7%	141	3.1%
EBIT	1,910	2.7%	1,709	2.1%	201	11.8%
Profit (loss) for the year	3,865	5.4%	712	0.9%	3,153	442.8%
<b>Guarcino Energy Division</b>						
Revenue from sales and services	50,695	100.0%	34,745	100.0%	15,950	45.9%
EBITDA	8,179	16.1%	3,406	9.8%	4,773	140.1%
EBIT	5,391	10.6%	692	2.0%	4,699	679.0%
Profit (loss) for the year	3,540	7.0%	225	0.6%	3,315	1473.3%
<b>Casoli Energy Division</b>						
Revenue from sales and services	0	0.0%	0	0.0%	0	0.0%
EBITDA	(37)	(0.1%)	(47)	(0.1%)	10	(21.3%)
EBIT	(37)	(0.1%)	(46)	(0.1%)	9	(19.6%)
Profit (loss) for the year	(36)	(0.1%)	(49)	(0.1%)	13	(26.5%)
<b>NDT China</b>						
Revenue from sales and services	171	0.3%	0	0.0%	171	0.0%
EBITDA	(254)	(0.5%)	0	0.0%	(254)	0.0%
EBIT	(268)	(0.5%)	0	0.0%	(268)	0.0%
Profit (loss) for the year	(265)	(0.5%)	0	0.0%	(265)	0.0%

## Statement of financial position

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023	Chg.	% chg.
<b>Printed Decorative Paper Division</b>				
Operating NWC	13,907	10,619	3,288	31.0%
Net Working Capital	9,280	7,026	2,254	32.1%
Equity	80,818	77,462	3,356	4.3%
Net Financial Debt	(7,210)	(2,854)	(4,356)	152.6%
<b>Decorative Paper Division</b>				
Operating NWC	19,606	14,968	4,638	31.0%
Net Working Capital	17,922	14,571	3,351	23.0%
Equity	46,707	42,825	3,882	9.1%
Net Financial Debt	(16,581)	(17,149)	568	(3.3%)
<b>Guarcino Energy Division</b>				
Operating NWC	12,702	(323)	13,025	(4032.5%)
Net Working Capital	15,842	11,280	4,562	40.4%
Equity	10,192	11,248	(1,056)	(9.4%)
Net Financial Debt	(9,516)	(6,911)	(2,605)	37.7%
<b>Casoli Energy Division</b>				
Operating NWC	(14)	(26)	12	(46.2%)
Net Working Capital	2	(18)	20	(111.1%)
Equity	111	147	(36)	(24.5%)
Net Financial Debt	84	140	(56)	(40.0%)
<b>NDT China Division</b>				
Operating NWC	(264)	0	(264)	0.0%
Net Working Capital	(428)	0	(428)	0.0%
Equity	(126)	0	(126)	0.0%
Net Financial Debt	130	0	130	0.0%

*Amounts before intercompany transactions*

## Results of Neodecortech S.p.A.

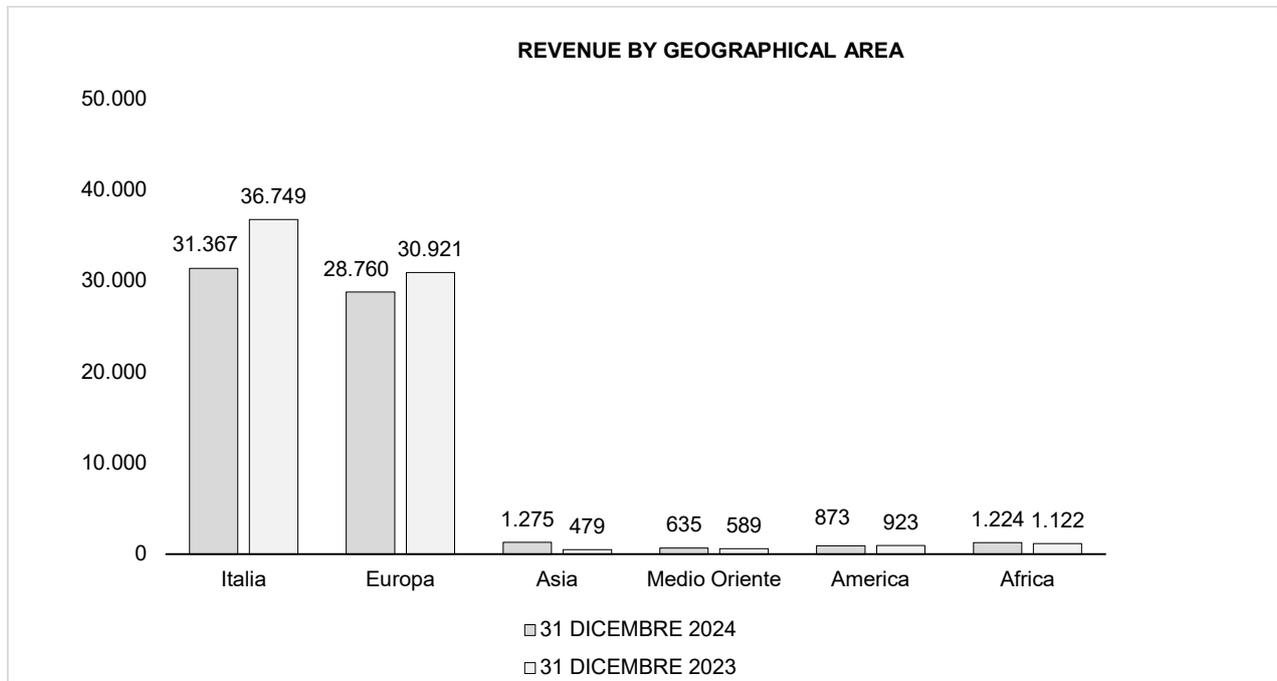
### Business performance

<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<b>Revenue from sales and services</b>	<b>64,134</b>	<b>100.0%</b>	<b>70,783</b>	<b>100.0%</b>	<b>(6,649)</b>	<b>(9.4%)</b>
Changes in work in progress, semi-finished and finished products	(37)	(0.1%)	679	1.0%	(716)	(105.4%)
Other revenue	1,742	2.7%	2,254	3.2%	(512)	(22.7%)
<b>Value of Production</b>	<b>65,839</b>	<b>102.7%</b>	<b>73,716</b>	<b>104.1%</b>	<b>(7,877)</b>	<b>(10.7%)</b>
Raw and ancillary materials and consum.	(38,745)	(60.4%)	(44,368)	(62.7%)	5,623	(12.7%)
Other operating expense	(11,316)	(17.6%)	(12,094)	(17.1%)	778	(6.4%)
<b>Value Added</b>	<b>15,778</b>	<b>24.6%</b>	<b>17,254</b>	<b>24.4%</b>	<b>(1,476)</b>	<b>(8.6%)</b>
Personnel expense	(11,753)	(18.3%)	(11,308)	(16.0%)	(445)	3.9%
<b>EBITDA</b>	<b>4,025</b>	<b>6.3%</b>	<b>5,946</b>	<b>8.4%</b>	<b>(1,921)</b>	<b>(32.3%)</b>
Amortization and depreciation	(3,286)	(5.1%)	(3,381)	(4.8%)	95	(2.8%)
Allocations	0	0.0%	(33)	(0.0%)	33	(100.0%)
<b>EBIT</b>	<b>739</b>	<b>1.2%</b>	<b>2,532</b>	<b>3.6%</b>	<b>(1,793)</b>	<b>(70.8%)</b>
Financial expense	(985)	(1.5%)	(755)	(1.1%)	(230)	30.5%
Financial income	4,370	6.8%	1,200	1.7%	3,170	264.2%
<b>Profit/(loss) before tax</b>	<b>4,124</b>	<b>6.4%</b>	<b>2,977</b>	<b>4.2%</b>	<b>1,147</b>	<b>38.5%</b>
Income tax	(13)	(0.0%)	(129)	(0.2%)	116	(89.9%)
<b>Profit/(loss) for the year</b>	<b>4,111</b>	<b>6.4%</b>	<b>2,848</b>	<b>4.0%</b>	<b>1,263</b>	<b>44.3%</b>

Revenue from sales and services at 31 December 2024 decreased by € 6,649 thousand (-9.4%) versus 31 December 2023. Importantly, this reduction is attributable to both a decrease in volume and mix sold (7.74%) and a reduction in selling prices (1.7%), particularly in printed paper. In 2024, prices were reduced in line with reductions in raw material costs. The product line most affected by the reduction in volume sales was impregnation in the Italian market, with an overall reduction of approximately € 3.6 million, followed by printing in the European market with a reduction of € 2.6 million.

The geographical distribution of revenue in 2024 versus 2023 is shown below.

<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Italy	31,367	48.9%	36,749	51.9%	(5,382)	(14.6%)
Europe	28,760	44.8%	30,921	43.7%	(2,161)	(7.0%)
Asia	1,275	2.0%	479	0.7%	796	166.2%
Middle East	635	1.0%	589	0.8%	46	7.8%
America	873	1.4%	923	1.3%	(50)	(5.4%)
Africa	1,224	1.9%	1,122	1.6%	102	9.1%
<b>Total</b>	<b>64,134</b>	<b>100.0%</b>	<b>70,783</b>	<b>100.0%</b>	<b>(6,649)</b>	<b>(9.4%)</b>



In 2024, *other revenue* includes, among other things, grants related to Industry 4.0 and SIMEST, carried to the income statement over the useful life of the asset for which they were received, amounting to € 268 thousand.

The percentage of *consumption of raw and ancillary materials* (-2.3% versus 2023) clearly indicates that, despite the decline in raw material prices, this reduction was promptly transferred to customer price lists, preventing the anticipated margin recovery.

*Other operating expense* decreased by € -778 thousand versus 31 December 2023; however, there was a slight increase in the percentage of revenue, which stands at 17.6% (17.1% in 2023). Specifically, utility costs (energy and gas), which account for 26% of other expense, decreased. The cost associated with the new ERP system implementation and business transformation is included in intangible fixed assets under construction. The new ERP started operations on 1 January 2025.

*Personnel expense*, € +445 thousand versus 2023, accounts for 18% of sales (16% in 2023). In 2024, the Company resorted to CIGO for a total of 4,492 hours to counter the decline in sales orders. The increases envisaged in the Papermakers' collective bargaining agreement were applied.

At 31 December 2024, *amortization and depreciation* decreased by € 95 thousand versus 2023, with a steady percentage at 5% of sales.

For 2024, the *provision for doubtful accounts*, determined in accordance with IFRS 9, was found to be sufficient, and therefore no allocation had to be made. An allocation of € 45 thousand was however made to the provision for inventory obsolescence, reclassified under *Consumption of raw and ancillary materials*.

Regarding *financial expense/income*, in 2024, the adjustment of the value of the investment in Cartiere di Guarcino S.p.A., based on the equity method, positively impacted the result for the year by € 3,887 thousand, while the adjustments for NDT Energy S.r.l. and Changzhou NDT New Material Technology Company Ltd negatively impacted the result for the year by € -36 thousand and € -231 thousand, respectively. "Pure" financials, net of the effects of the equity measurement of investments, shows bank interest expense of € 718 thousand (€ 704 thousand in 2023) and interest income of € 484 thousand (€ 500 thousand in 2023), mainly for loans provided to subsidiaries.

With regard to the percentage of direct tax on income for the year, the tax rate stood at approximately 2%, reflecting a marginal decrease versus the prior year, linked to the non-taxability of the equity measurement of investments and income from tax consolidation with Finanziaria Valentini.

Net Profit amounted to € 4,111 thousand, accounting for 6.5% of revenue (€ 2,848 thousand at 31 December 2023, or 4%).

## Reclassified Statement of Financial Position of Neodecortech S.p.A.

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023	Chg.	% chg.
Trade receivables	10,639	10,045	594	5.9%
Trade receivables - intercompany	1,078	-	1,078	0.0%
Inventory	9,455	9,237	218	2.4%
Trade payables	(7,265)	(8,662)	1,397	(16.1%)
Trade payables - Intercompany	-	-	-	0.0%
<b>Operating NWC</b>	<b>13,907</b>	<b>10,619</b>	<b>3,288</b>	<b>31.0%</b>
Other current receivables	430	518	(88)	(17.0%)
Receivables from tax consolidation	13	-	13	0.0%
Tax receivables	530	545	(15)	(2.8%)
Other current payables	(4,955)	(4,078)	(877)	21.5%
Tax payables	(645)	(462)	(183)	39.6%
Payables from tax consolidation	-	(117)	117	(100.0%)
<b>Net Working Capital</b>	<b>9,280</b>	<b>7,026</b>	<b>2,254</b>	<b>32.1%</b>
Tangible fixed assets	32,339	31,456	883	2.8%
Intangible fixed assets	2,093	482	1,611	334.2%
Financial fixed assets	46,727	42,859	3,868	9.0%
Non-current financial assets	67	172	(105)	(61.1%)
Non-current financial assets - IC	-	907	(907)	(100.0%)
Other non-current assets	337	209	128	60.9%
<b>Fixed assets</b>	<b>81,563</b>	<b>76,085</b>	<b>5,478</b>	<b>7.2%</b>
Post-employment benefits	(693)	(655)	(38)	5.8%
Provisions for risks and charges	(296)	(210)	(86)	40.8%
Deferred tax assets and liabilities	(1,826)	(1,930)	104	(5.4%)
<b>Net Capital Employed</b>	<b>88,028</b>	<b>80,316</b>	<b>7,712</b>	<b>9.6%</b>
<b>Equity</b>	<b>80,818</b>	<b>77,462</b>	<b>3,356</b>	<b>4.3%</b>
Cash funds	(1,629)	(6,224)	4,595	(73.8%)
Other current financial receivables	-	-	-	0.0%
Other current financial receivables IC	(4,216)	(4,120)	(96)	2.3%
Current financial liabilities to banks	5,632	3,101	2,531	81.6%
Current financial liabilities to other lenders	90	87	3	3.1%
Current financial liabilities IC	-	-	-	0.0%
Non-current financial liabilities to banks	6,574	9,176	(2,602)	(28.4%)
Non-current financial liabilities IC	-	-	-	0.0%
Non-current financial liabilities to other lenders	759	834	(75)	(9.0%)
<b>Net Financial Debt</b>	<b>7,210</b>	<b>2,854</b>	<b>4,356</b>	<b>152.6%</b>
<b>Equity and Net Financial Debt</b>	<b>88,028</b>	<b>80,316</b>	<b>7,712</b>	<b>9.6%</b>

At 31 December 2024, operating NWC came to € 13,907 thousand, an increase of € 3,288 thousand versus the prior year (+31%), due to an increase in intercompany receivables and a reduction in trade payables. On the other hand, NWC increased by only € 2,254 thousand, driven by the increase in operating NWC described above, but offset by the increase in other current payables by € 802 thousand.

The change in *tangible fixed assets* relates to capital expenditure of € 3,957 thousand in new machinery, maintenance, improvement and efficiency expense on existing plants offset by depreciation for the period. *Intangible fixed assets* includes capital expenditure in the new ERP system, which started operations on 1 January 2025.

The change in *financial fixed assets* is related to the adjustment of the value of the investment held in CDG, measured at equity, the investment in NDT energy S.r.l. and Changzhou NDT new material technology company Ltd.

The **net financial debt of Neodecortech S.p.A.** at 31 December 2024 and 31 December 2023, according to the ESMA guidance approved on 4 March 2021, is shown below:

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023	Chg.
A. Cash funds	1,629	6,224	(4,595)
B. Cash and cash equivalents	0	0	0
C. Other current financial assets	4,216	4,120	96
<b>D. Cash (A) + (B) + (C)</b>	<b>5,845</b>	<b>10,344</b>	<b>(4,499)</b>
E. Current financial debt	(1,511)	(45)	(1,466)
F. Current portion of non-current debt	(4,211)	(3,144)	(1,067)
<b>G. Current financial debt (E)+(F)</b>	<b>(5,722)</b>	<b>(3,189)</b>	<b>(2,533)</b>
<b>H. Net current financial debt (G)-(D)</b>	<b>123</b>	<b>7,155</b>	<b>(7,032)</b>
I. Non-current financial debt	(7,333)	(10,009)	2,676
J. Debt instruments	0	0	0
K. Trade payables and other non-current payables	0	0	0
<b>L. Non-current financial debt (I)+(J)+(K)</b>	<b>(7,333)</b>	<b>(10,009)</b>	<b>2,676</b>
<b>M. Total financial debt (H)+(L)</b>	<b>(7,210)</b>	<b>(2,854)</b>	<b>(4,356)</b>

The increase in financial debt amounted to € 4,356 thousand versus 31 December 2023, and resulted in a net financial debt of € 7,210 thousand at year end. Against EBITDA (€ 4,025 thousand), this resulted in a leverage ratio (Net Debt/EBITDA) of 1.8 (0.5 at 31 December 2023).

*Current financial payables* (E) increased by € 1,466 thousand due to certain bank advances made during the year to ensure the necessary support for the operations of the indirect subsidiary BEG.

*Non-current financial payables* (I) decreased by € 2,676 thousand due to the combined effect of repayments of medium-/long-term loan installments and the signing of a new loan of € 2,000 thousand with a term of 36 months (monthly installments) with BPER.

The following is a **reconciliation between Parent Company equity and results and the Consolidated Financial Statements** at 31 December 2024:

CONSOLIDATED FIGURES IN EURO THOUSANDS	EQUITY 31 DECEMBER 2024	PROFIT (LOSS) FOR THE YEAR 31 DECEMBER 2024	EQUITY 31 DECEMBER 2023	PROFIT (LOSS) FOR THE YEAR 31 DECEMBER 2023
<b>Equity and profit for the period attributable to the parent company</b>	<b>80,818</b>	<b>4,111</b>	<b>77,462</b>	<b>2,848</b>
Elimination of the carrying amount of consolidated investments:				
Difference between carrying amount and pro-rata amount of equity			-	
Currency translation difference	(1)		-	
Pro-rata results of investees		7,184		888
Cancellation of write-downs/write-backs of investments		(7,044)		(714)
Amortization of fair value of fixed assets (allocation of BEG goodwill)		(162)		(162)
Elimination of the effects of transactions between consolidated companies:				
Intercompany profits included in the value of closing inventory	-	22	-	(12)
Intercompany profits on disposal of fixed assets	(55)	(54)	-	-
<b>Equity and profit for the year attributable to the shareholders of the parent</b>	<b>80,762</b>	<b>4,057</b>	<b>77,462</b>	<b>2,848</b>
Non-controlling interests	(37)	(80)	-	-
Total equity	80,725	3,977	77,462	2,848

## Business and financial performance of the subsidiaries

### CARTIERE DI GUARCINO S.P.A.

#### Business performance

(Euro thousands)	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Revenue from sales and services	71,228	100.0%	80,103	100.0%	(8,875)	(11.1%)
Other revenue	2,558	3.6%	3,567	4.5%	(1,009)	(28.3%)
<b>Total revenue</b>	<b>73,786</b>	<b>103.6%</b>	<b>83,670</b>	<b>104.5%</b>	<b>(9,884)</b>	<b>(11.8%)</b>
<b>EBITDA</b>	<b>4,744</b>	<b>6.7%</b>	<b>4,603</b>	<b>5.7%</b>	<b>141</b>	<b>3.1%</b>
Amortization and depreciation	2,782	3.9%	2,829	3.5%	(47)	(1.7%)
Allocations	52	0.1%	64	0.1%	(12)	0.0%
<b>EBIT</b>	<b>1,910</b>	<b>2.7%</b>	<b>1,709</b>	<b>2.1%</b>	<b>201</b>	<b>11.8%</b>
<b>Profit (loss) for the year</b>	<b>3,865</b>	<b>5.4%</b>	<b>712</b>	<b>0.9%</b>	<b>3,153</b>	<b>442.8%</b>

The company reaffirms a robust focus on exports, accounting for 51% of its annual sales, with a notable presence in Europe (83%), America (16%) and, to a lesser extent, Asia.

The geographical distribution of revenue in 2024 versus 2023 is shown below.

<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Italy	35,340	49.6%	37,810	47.2%	(2,470)	(6.5%)
Europe	29,836	41.9%	35,060	43.8%	(5,223)	(14.9%)
Asia	234	0.3%	821	1.0%	(586)	(71.4%)
Middle East	0	0.0%	0	0.0%	0	-
America	5,817	8.2%	6,412	8.0%	(596)	(9.3%)
Africa	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>71,228</b>	<b>100.0%</b>	<b>80,103</b>	<b>100.0%</b>	<b>(8,875)</b>	<b>(11.1%)</b>

Sales performance is affected by the macroeconomic and industry context, with a -11.1% decrease (€ -8,875 thousand) at 31 December 2024, attributable to volume and mix effect of 3.3% and sales price effect of 7.8%, which is in turn related to the deflationary trend of raw materials.

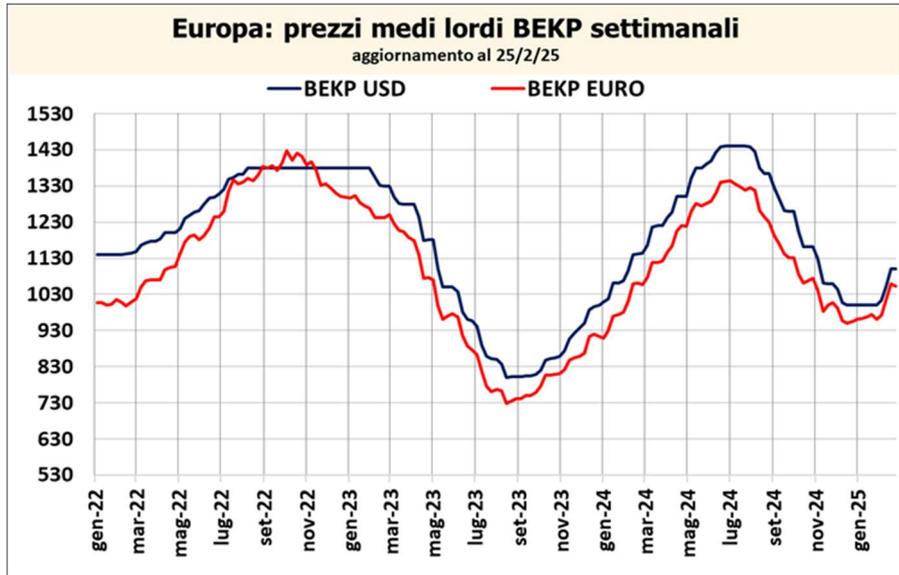
On the production side, typical logics related to the organizational approach of lean production have been applied for years now, with related expenditure referring to Industry 4.0 plans. Generally speaking, significant attention is devoted to continuously increasing productivity and reducing resource usage, with the aim of enhancing the Company's competitive edge.

The operating-financial results of Cartiere di Guarcino S.p.A. at 31 December 2024 show a drop in revenue (-11.1%), while EBITDA was up slightly (+3.1%) versus the same period of the prior year. The result for the year shows a profit of € 3,865 thousand, impacted by the write-back of the investment in Bio Energia Guarcino S.r.l. (€ +3,378 thousand in 2024 and € +63 thousand in 2023) and by tax of € 245 thousand, compared to almost zero in 2023 thanks to the non-taxability, IRES and IRAP, of the tax receivable to energy-and gas-intensive companies.

The strategic raw materials that collectively account for 85% of the total raw materials used are pulp and titanium dioxide.

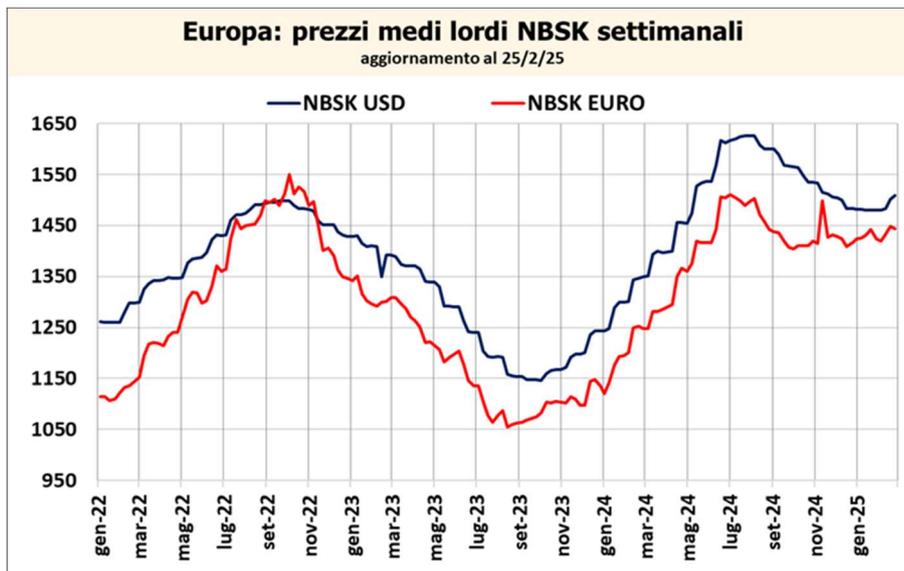
As for the pulp market, in first half 2024, the price of short fibre intensified the increase that began in the second half of the prior year, rising from \$1060 in December 23 to the maximum price of \$1440 reached in May 2024. Since July, the price retraced as strongly as it had risen, ending the year at a price of \$1000, lower than the 2023 close. The first months of 2025 are already showing initial signs of an increase. A similar trend seen for long fibre, with the difference being that the price reduction was less pronounced, closing 2024 with prices of \$1350/\$1400. Long fibre also saw an increase in the first months of the year, although with a more subdued pace, partly due to the significant spread between the two fibres.

The following is the trend of gross prices for Short Fibre (FOEX data).



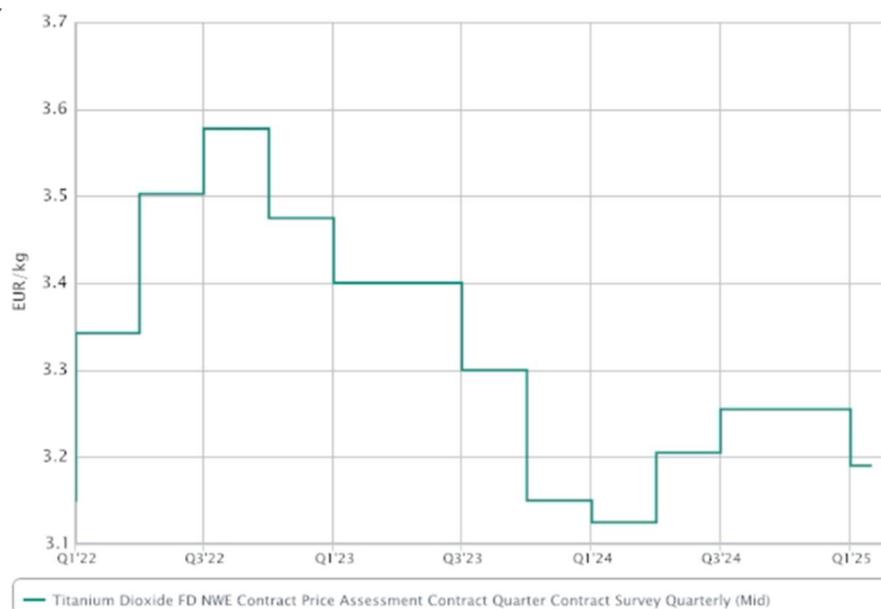
Source FOEX

The following is the trend of gross prices for Long Fibre (FOEX data).



Source FOEX

Titanium dioxide prices were less volatile than pulp in 2024. After a slight decrease in first quarter 2024 versus last quarter 2023, prices rose in the middle of the year and then stabilized in last quarter 2024. The start of 2025 saw weak demand, good product availability, and slightly declining prices. The year 2024 was also shaped by the European Commission's decisions regarding the application of anti-dumping tariffs on products imported from China. In July 2024, a decision was made to apply provisional tariffs in the range of 14.4% to 39.7%. These tariffs were then confirmed in a decision dated 9 January 2025, defined within a range of € 0.25/kg to € 0.74/kg.



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Source ICIS

## Financial performance

(Euro thousands)	31 DECEMBER 2024	31 DECEMBER 2023	Chg.	% chg.
Trade receivables	5,910	4,896	1,013	20.7%
Trade receivables - intercompany	717	191	525	274.4%
Inventory	27,356	29,334	(1,978)	(6.7%)
Trade payables	(14,062)	(19,207)	5,145	(26.8%)
Trade payables - Intercompany	(315)	(247)	(67)	27.3%
<b>Operating NWC</b>	<b>19,606</b>	<b>14,968</b>	<b>4,637</b>	<b>31.0%</b>
Other current receivables	945	891	54	6.1%
Receivables from tax consolidation	-	76	(76)	(100.0%)
Tax receivables	31	639	(608)	(95.1%)
Other current payables	(2,293)	(1,685)	(608)	36.1%
Tax payables	(336)	(318)	(18)	5.7%
Payables from tax consolidation	(31)	-	(31)	0.0%
<b>Net Working Capital</b>	<b>17,922</b>	<b>14,571</b>	<b>3,351</b>	<b>23.0%</b>
Tangible fixed assets	38,136	37,905	232	0.6%
Intangible fixed assets	1,083	277	806	291.5%
Financial fixed assets	10,354	11,571	(1,217)	(10.5%)
Non-current financial assets not included in NFP	445	445	-	0.0%
Non-current financial assets not included in NFP - IC	-	-	-	0.0%
Other non-current assets	22	18	4	20.2%
<b>Fixed assets</b>	<b>50,039</b>	<b>50,215</b>	<b>(176)</b>	<b>(0.4%)</b>
Post-employment benefits	(1,362)	(1,392)	30	(2.2%)

Provisions for risks and charges	(542)	(595)	53	(8.8%)
Deferred tax assets and liabilities	(2,769)	(2,826)	57	(2.0%)
<b>Net Capital Employed</b>	<b>63,288</b>	<b>59,974</b>	<b>3,314</b>	<b>5.5%</b>
<b>Equity</b>	<b>46,707</b>	<b>42,825</b>	<b>3,882</b>	<b>9.1%</b>
Cash funds	(8,927)	(3,624)	(5,303)	146.3%
Other current financial receivables	(81)	-	(81)	0.0%
Other current financial receivables IC	(6,008)	(2,241)	(3,768)	168.2%
Current financial liabilities to banks	14,698	7,611	7,087	93.1%
Current financial liabilities to other lenders	48	44	5	11.3%
Current financial liabilities IC	4,216	2,787	1,429	51.3%
Non-current financial liabilities to banks	12,464	11,634	830	7.1%
Non-current financial liabilities IC	-	907	(907)	(100.0%)
Non-current financial liabilities to other lenders	170	31	139	448.4%
<b>Net Financial Debt</b>	<b>16,581</b>	<b>17,149</b>	<b>(568)</b>	<b>(3.3%)</b>
<b>Equity and Net Financial Debt</b>	<b>63,288</b>	<b>59,974</b>	<b>3,314</b>	<b>5.5%</b>

At 31 December 2024, the operating NWC increased (+31%) due to the combined effect of an increase in trade receivables (€ +1,538 thousand), a reduction in inventory (€ -1,978 thousand), and payables to suppliers (€ -5,078 thousand). This increase, despite a -11.1% drop in revenue, is primarily impacted by a reduction in trade payables, which occurred to take advantage of financial discounting opportunities from suppliers, and partly due to destocking resulting from weak demand and the downward phase of raw material prices in last quarter 2024. Net NWC was up too (+23%), but partly offset, due mainly to the reduction in tax receivables and the increase in other current payables that include deferred income amounting to € 477 thousand, by charging, pro rata for the expenditure made, the € 1,000 thousand SIMEST non-repayable amount – facility measure “Support for Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus”.

The change in *financial fixed assets* is related to the adjustment of the value of the investment under the equity method in the subsidiary Bio Energia Guarcino S.r.l. (€ +3,378 thousand).

Net financial debt at 31 December 2024 decreased versus the prior year due to cash flow from operations (€ 4,487 thousand) and the dividend received from Bio Energia Guarcino S.r.l. in December 2024 (€ 4,600 thousand).

Overall, the NFP of Cartiere di Guarcino S.p.A. in the period 2018 - 2024 improved by approximately € 22.5 million.

With regard to the parent company Neodecortech S.p.A., the remaining loan position at 31 December 2024 is as follows:

- loan of € 17,642 thousand, novated on 21 December 2018 by rescheduling in 136 monthly installments for the amount of € 130 thousand effective from 31 December 2019. Outstanding debt amounting to € 907 thousand.
- Intragroup A/C payable on demand € 3,131 thousand.

## BIO ENERGIA GUARCINO S.R.L.

### Business performance

(Euro thousands)	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Revenue from sales and services	50,695	100.0%	34,745	100.0%	15,950	45.9%
Other revenue	877	1.7%	2,419	7.0%	(1,542)	(63.7%)
<b>Total revenue</b>	<b>51,572</b>	<b>101.7%</b>	<b>37,164</b>	<b>107.0%</b>	<b>14,408</b>	<b>38.8%</b>
<b>EBITDA</b>	<b>8,179</b>	<b>16.1%</b>	<b>3,406</b>	<b>9.8%</b>	<b>4,773</b>	<b>140.1%</b>
Amortization and depreciation	2,788	5.5%	2,713	7.8%	75	2.8%
Allocations	0	0.0%	0	0.0%	0	0.0%
<b>EBIT</b>	<b>5,391</b>	<b>10.6%</b>	<b>692</b>	<b>2.0%</b>	<b>4,699</b>	<b>679.0%</b>
<b>Profit (loss) for the year</b>	<b>3,540</b>	<b>7.0%</b>	<b>225</b>	<b>0.6%</b>	<b>3,315</b>	<b>1473.3%</b>

The increase in revenue in 2024 is related to higher production made possible by operating fully under the guaranteed minimum prices system (GMP) introduced by LD 181/23, with application rules issued by ARERA in Resolutions 306/2024 and 518/2024.

Revenue from sales and services includes revenue from the sale of energy - both to the grid and to Cartiere di Guarcino S.p.A. - revenue related to the ordinary GRIN incentive, with a unit value of € 54.80 per MWh, and the reinstatement of revenue related to the guaranteed minimum price system.

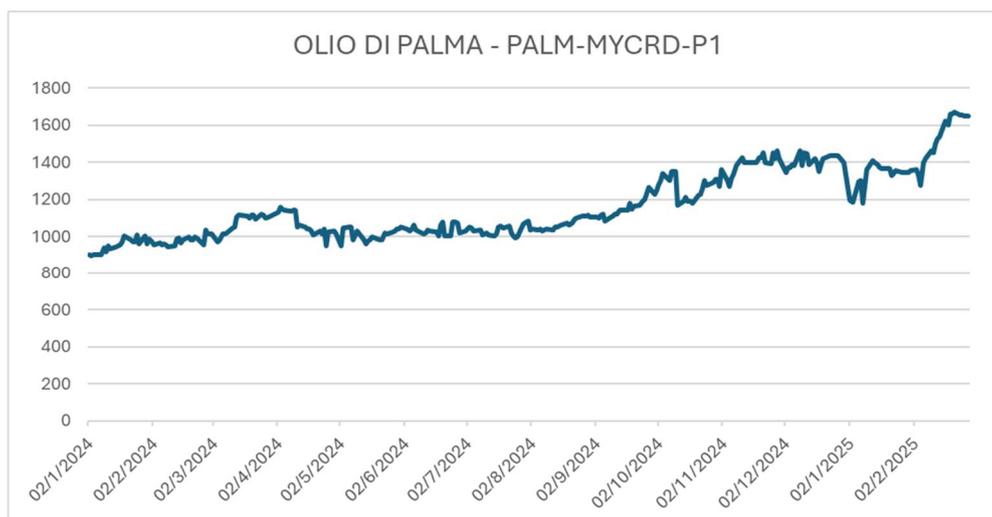
The Power Plant operated for 23,970 hours, up versus the prior year's 17,181 hours, and generated approximately 158,134 MWh versus 116,181 MWh in 2023. Energy fed into the grid was 115,840 MWh versus 85,554 MWh in 2023; energy sold to CDG was 37,653 MWh, up from 26,498 MWh in 2023.

At 31 December 2024, EBITDA amounted to € 8,179 thousand (+140.1%), due to both higher production supported by the GMP revenue reinstatement mechanism and the positive management of operating costs and sustainable bioliquids procurement.

On the raw material cost front, the animal fats market, after being steady in the first part of the year, grew in a range of between 6% and 11%. A similar trend was seen for palm oil, albeit with a more pronounced increase. Prices in the Rotterdam market at the beginning of the year were just under \$1000/tonne, closing at the end of 2024 around \$1400/tonne. It should be noted that, from 1 January 2025, only certified low-ILUC palm oil and/or other vegetable oils from the European supply chain can be used.

2024

GRASSI ANIMALI	Dicembre 2023	gennaio	febbraio	marzo	aprile	maggio	giugno	luglio	agosto	settembre	ottobre	novembre	dicembre	Variazione 12 mesi	%
Sego 2-3 FFA-MIU 1 - FAC 7-9	925	929	934	921	927	931	940	936	935	935	939	963	981	56	6,08%
Grasso acidità 4 - MIU 1	890	894	899	886	892	899	920	916	915	915	919	943	961	71	8,01%
Grasso max 7 FFA - MIU 1	805	809	814	801	810	819	844	841	840	840	845	873	891	86	10,71%
Grasso max 10 FFA - MIU 1	770	774	779	766	775	784	809	806	803	800	805	833	851	81	10,55%



## Financial performance

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023	Chg.	% chg.
Trade receivables	19,158	1,335	17,823	1335.2%
Trade receivables - intercompany	(444)	247	(691)	(279.8%)
Inventory	3,365	4,184	(819)	(19.6%)
Trade payables	(8,561)	(5,898)	(2,663)	45.2%
Trade payables - Intercompany	(815)	(191)	(624)	326.0%
<b>Operating NWC</b>	<b>12,702</b>	<b>(323)</b>	<b>13,025</b>	<b>(4032.5%)</b>
Other current receivables	1,782	10,813	(9,031)	(83.5%)
Receivables from tax consolidation	335	362	(27)	(7.5%)
Tax receivables	1,406	461	945	205.2%
Other current payables	(121)	(26)	(95)	369.5%
Tax payables	(263)	(6)	(257)	4283.3%
Payables from tax consolidation	-	-	-	0.0%
<b>Net Working Capital</b>	<b>15,842</b>	<b>11,281</b>	<b>4,561</b>	<b>40.4%</b>
Tangible fixed assets	3,635	6,129	(2,495)	(40.7%)
Intangible fixed assets	141	19	122	646.3%
Non-current financial assets	-	-	-	0.0%
Other non-current assets	-	-	-	0.0%
<b>Fixed assets</b>	<b>3,775</b>	<b>6,148</b>	<b>(2,373)</b>	<b>(38.6%)</b>
Post-employment benefits	(36)	(34)	(3)	8.3%
Provisions for risks and charges	(20)	(20)	-	0.0%
Deferred tax assets and liabilities	147	783	(636)	(81.2%)
<b>Net Capital Employed</b>	<b>19,708</b>	<b>18,159</b>	<b>1,549</b>	<b>8.5%</b>
<b>Equity</b>	<b>10,192</b>	<b>11,248</b>	<b>(1,056)</b>	<b>(9.4%)</b>
Cash funds	(1,714)	(2,169)	455	(21.0%)
Current financial liabilities to banks	5,221	5,001	220	4.4%
Current financial liabilities to other lenders	-	-	-	0.0%

Current financial liabilities IC	6,008	3,574	2,434	68.1%
Non-current financial liabilities to banks	-	505	(505)	(100.0%)
Non-current financial liabilities to other lenders	-	-	-	0.0%
<b>Net Financial Debt</b>	<b>9,516</b>	<b>6,911</b>	<b>2,605</b>	<b>37.7%</b>
<b>Equity and Net Financial Debt</b>	<b>19,708</b>	<b>18,159</b>	<b>1,549</b>	<b>8.5%</b>

NWC increased by € 4,561 thousand due to the rise in sales (+45.9%). It is worth noting that in 2023, BEG had not operated the plants during two periods: the first from 1 April to 15 May, and the second from 1 October to 10 December, due to the end of the maximization scheme and the start of the new GMP system. Additionally, receivables related to GMP remuneration at 31 December 2024 remained uncollected, amounting to € 16,397 thousand. This situation was resolved in the first two months of 2025 thanks to the implementation of the advances system. At 31 December 2024, the Company had yet to collect the fixed cost component related to the maximization period (€ 1,639 thousand).

All these factors resulted in net financial debt at 31 December 2024 of € 9,516 thousand, a deterioration from the prior period when it stood at € 6,911 thousand.

Furthermore, the regular repayment of bank loans continued, with the remaining debt of € 505 thousand scheduled for settlement in 2025, while in 2023, the only outstanding lease, concerning the three electric power generators, had been fully repaid.

## Main Alternative Performance Measures (APMs)

The European Securities and Market Authority (ESMA) has published guidelines on Alternative Performance Measures ("APMs") for listed issuers.

The APMs constitute information used by Management and investors to analyze the trends and performance of the Group, which are directly derived from the financial statements, even though not required by IAS/IFRS. These measures, used by the Group continuously and consistently for several years now, are relevant to assist Management and investors in analyzing the Group's performance. Investors should not consider these APMs as substitutes, but rather as additional information to the figures included in the financial statements. It should be noted that the APMs as defined may not be comparable to APMs of a similar name used by other listed groups.

The definition of the main APMs used in this Directors' Report on Operations is given below:

- **EBITDA and EBIT:** alternative performance measures not defined by IAS/IFRS but used by Group Management to monitor and measure its performance, as they are not affected by volatility, due to the effects of the range of criteria for determining taxable income, the amount and characteristics of the capital employed and - for EBITDA - the amortization/depreciation policies. These measures are also commonly used by analysts and investors to assess company performance;
- **ADJUSTED EBITDA and EBIT:** a measure used by Management to strip EBITDA and EBIT of the effect of non-recurring cost and revenue components;
- **ADJUSTED NET PROFIT:** a measure used by Management to strip net profit of the effect of non-recurring cost and revenue components;
- **OPERATING WORKING CAPITAL, NET WORKING CAPITAL, FIXED ASSETS and NET INVESTED CAPITAL.** They allow a better assessment of both the ability to meet short-term trade commitments through current trade assets and the consistency of the structure of loans and sources of financing in terms of time;
- **NET FINANCIAL DEBT:** The figure shown is in line with the value of net financial debt determined in accordance with the recommendations of the CESR (Committee of European Securities Regulators) of 10

February 2005 and referred to by CONSOB. It also takes account of the ESMA recommendations of March 2021. This measure allows a better assessment of the overall level of debt, capital strength and debt repayability.

### **Main risks and uncertainties to which Neodecortech S.p.A. and the Group are exposed**

The Group's risk management is based on the principle of accountability that the risk is managed by the person in charge of the business process directly involved.

The main risks are reported and discussed at the top management level of the Group companies in order to create the conditions for their management, coverage, insurance and assessment of the residual risk.

Financial risks - for a detailed analysis of which reference should be made to the Notes to the Financial Statements in "Financial Risk Management" of the separate and consolidated financial statements - are managed within the framework of specific directives of an organizational nature that govern their management and the oversight of all transactions that are strictly relevant to the composition of assets and liabilities of a financial and trade nature. Risks are also monitored by means of a structured system (ERM) for all Group companies, with specific reporting to the relevant Board of Directors and, in aggregate form, to the Board of Directors of the Parent Company.

Below is an analysis of risks and the resulting uncertainties.

#### **Non-financial risks**

##### *Risks associated with the general economic situation*

As the Group operates in a global competitive scenario, its financial position, results and cash flows are affected by the general conditions and performance of the world economy, as well as by the continued Russian-Ukrainian conflict. Any negative economic cycle or political instability in one or more relevant geographical markets may influence the Company's performance and strategies and affect its future prospects in both the short and medium/long term. In order to alleviate risk, the Group operates both nationally and internationally, in order to diversify the source of its sales. This is to avoid both the concentration of sales from a single country and to adopt business strategies that allow it not to depend on customers located in high-risk countries. Specifically,

in light of the Russian-Ukrainian conflict that broke out at end February 2022, the Group can attest that it has not carried out any development activities or invested in these countries. Purchases, including indirect ones (such as the basic component for melamine resins), and sales in both Russia and Ukraine, are limited. Except for sales of Cartiere goods that are not embargoed. Still, the ongoing conflict has undeniably dampened the consumption propensity of furniture and flooring buyers, impacting indirectly on the Group's results.

The prevailing macroeconomic uncertainty has been further compounded by the Israeli-Palestinian conflict that broke out on 7 October 2023.

##### *Risks associated with the level of competitiveness and cyclicality in the segment*

Demand trends are cyclical and vary according to the general economic conditions and the consumption propensity of end customers. An adverse trend in demand, or if the Group is not able to adapt effectively to the external market context, could have a significant negative impact on the Group's business prospects, as well as on its performance and financial situation. The

Group primarily generates its revenue in the decorative surfaces sector, particularly for furniture and flooring applications. The Group competes primarily in Europe with other major international groups. These markets are all highly competitive in terms of product quality, innovation and price. The Group has launched new product lines in order to seize new market segments

that are more lucrative than traditional business; these new lines will not only allow it to acquire new

customers, but also to expand sales and further strengthen its relationships with existing customers.

#### *Risks associated with sales on international markets*

Part of the Group's sales takes place outside the European Union. The Group is therefore exposed to the risks related to exposure to local economic and political conditions and to the possible implementation of restrictive import and/or export policies. The Group

constantly monitors the development of political and financial risks associated with countries whose general economic and political situation could prove unstable in the future, in order to take possible mitigation actions.

#### *Risks associated with fluctuations in the price of raw materials and components*

The Group's exposure (in particular the Paper and Energy Division) to the risk of an increase in prices of raw materials for production is definitely real. In order to manage this risk, the Group constantly monitors the market prices of the raw materials it procures for its activities in order to promptly anticipate any significant price increases, always keeping at least two suppliers that are able to supply the same quantity and quality of raw materials. In this context however, the Group does

not carry out specific hedges against these risks but rather tends to implement targeted purchasing policies to ensure stability for periods normally of no less than a quarter. The technical methods of setting prices on the raw materials market, as well as the fierce level of competition in the Group's area of operation, do not always allow it to transfer all of the sudden and/or significant increases in procurement costs to sales prices.

#### *Risks associated with the ability to propose innovative products*

The success of the Group's activities depends on its ability to maintain or increase its share in its markets of operation and/or to expand into new markets through innovative, high-quality products that ensure adequate levels of profitability. Specifically, should the Group be unable to develop and offer innovative and competitive products compared to those of its main competitors in terms of price and quality, the Group's market shares could shrink, impacting negatively on its business prospects, results and/or financial situation. The Group

invests constantly in technological innovation in order to mitigate this risk. Investments in recent years have been channeled mainly into the new lacquering line for EOS products, the expansion of an embossing line for plastic films, the purchase of a new lamination line and new impregnation line, the revamping of a printing press, the purchase and engraving of cylinders, as well as work to maintain and upgrade existing process technologies which, at Cartiere, have escalated to an extraordinary scale.

#### *Risks associated with the concentration of sales on a small number of customers and with production on order*

Part of the Group's revenue is concentrated on a small number of customers. Production on order is strictly affected by relations with the Group's main customers, which can have a significant impact on revenue generation. Group revenue relates mainly to business on order, where prices are based on the production batch. The Group therefore bears the risk that the work required to complete individual job orders is higher than budgeted and that, consequently, expectations in terms of profit margins may be significantly lower. Additionally, production on order is subject to possible

fluctuations in revenue in the short term. Consequently, the increase or decrease in revenue in a given period may not be indicative of revenue trends over the long term. In order to mitigate the resulting risk, the Group companies have developed long-term relationships with their main customers based on trust and great focus on quality. The products developed become "niche" products, not just commodities. Decorations are developed, in some cases, ad hoc at the customer's request; the Group, therefore, adopts a loyalty system with this practice.

## *Risks associated with the compliance with environmental, health and safety regulations in the workplace*

The Group is an industrial entity and, as such, is subject to laws and regulations governing the environment, health and safety in the workplace. Violations of the regulations applicable to these areas could result in restrictions on the Group's activities, the application of sanctions and/or claims for damages. In performing its activities, the Group is subject to strict environmental and health and worker protection legislation, applicable within the plants where production activities are carried out. In this regard, Neodecortech S.p.A. and its subsidiaries have obtained ISO 14001 environmental certification and ISO 45001 on health and safety in the workplace. As far as environmental protection is concerned, in accordance with applicable legislation, the Group has the burden of requesting and obtaining permits and authorizations to carry out its activities. Specifically, the Parent Company completed the initial steps for the renewal of the Integrated Environmental Authorization (AIA), with the last session of the services conference held on 15/10/2024. Meanwhile, the subsidiary Cartiere di Guarcino, with resolution no. G04146 of

11/04/2024, saw the Lazio Region positively conclude the services conference for the revision, validating the renewal of the A.I.A. for the Company. The Region issued provisions, and in compliance with them, Cartiere di Guarcino S.p.A. submitted updated technical documentation to the Region (and for information to ARPA Lazio), along with a synoptic overview of the fulfillment of these requirements. Additionally, production activities imply a controlled use of hazardous chemical materials that require a special system for their management and disposal. With regard to health and safety in the workplace, the Group is required to comply with laws and regulations (for instance, Legislative Decree no. 81 of 2008) aimed at mapping and managing risks, also with a view to preventing accidents. To this end, the Group has adopted policies and procedures to comply with regulatory provisions; the presence of requirements regarding safety, health and hygiene in the workplace is secured thanks to the constant updating and implementation of the legally prescribed controls.

## *Risks associated with Management*

The success of the Group depends to a large extent on the ability of its Executive Directors and other members of management to effectively manage the Group and its individual business areas.

The current governance structure of Neodecortech S.p.A. - with the presence of two Executive Directors with longstanding experience in the specific line of business - allows management of operating discontinuities in the short term resulting, for instance,

from a replacement of Managing Directors before the ordinary expiry of their office or resignation, thus ensuring continuity and stability in the management of the Company and the Group. Additionally, the Group has fitted itself with an effective organizational setup, which provides, for each department within the Companies, a manager with adequate powers to exercise the role.

## *Cyber Security Risk*

With regard to cyber security, the Group is implementing all necessary actions to align its structure with the main national and international industry standards. Technological and organizational measures were recently put in place with the aim of: managing the threats to which the organization's network infrastructure and information systems are exposed, in

order to ensure a level of security appropriate to the existing risk; preventing incidents and minimizing their impact on the security of the network and information systems used for production and business, in order to ensure their continuity.

A business continuity/disaster recovery procedure is in place to deal with any unforeseen events.

## *Climate Change Risk*

Neodecortech acknowledges climate change as a significant global challenge that can impact its business operationally, financially, and reputationally. The Group has initiated a structured process to analyze its environmental impacts and mitigation activities, focusing on identifying physical and transitional risks associated with climate change. Since 2021, Neodecortech has been working to assess climate change risks and opportunities as part of its broader sustainability program. This analytical process involves mapping both direct and indirect impacts on its plants and operations, continuously monitoring global environmental sustainability regulations and trends, and assessing accounting estimates that may be affected by climate risks. Continuing this effort, Neodecortech has intensified its focus on monitoring and progressively

reducing environmental impacts by adopting innovative technologies and optimizing production processes. At the same time, climate risk management has been incorporated into the Enterprise Risk Management (ERM) system, with ongoing assessments and monitoring of climate change risks. These risks are systematically addressed and integrated into corporate strategies, in alignment with CONSOB's relevant principles and guidelines. Neodecortech ensures constant alignment between the financial and non-financial information disclosed in its financial statements and sustainability report. This approach improves the consistency and transparency of information, avoiding potential discrepancies (greenwashing) and providing stakeholders with a comprehensive view of the Group's environmental impacts and mitigation strategies.

## **Financial risks**

### *Risks associated with financial requirements*

Liquidity risk is normally defined as the risk that a company will be unable to meet its payment obligations due to the difficulty of raising funds (funding liquidity risk) or liquidating assets on the market (asset liquidity risk). The Group efficiently manages its financial resources through a loan agreement between the Parent Company and its Subsidiaries in order to make surplus liquidity available, if necessary, to cover its requirements. Short-term bank credit lines are in line with commitments undertaken and planned, while medium-term loans guarantee adequate coverage for investments in fixed assets, keeping cash flows and the resulting liquidity generated in balance.

Thanks to the provision of low-interest loans obtained through emergency law decrees in 2020 and to a loan obtained in 2022 through a SupportItalia guarantee, in addition to two loans from SIMEST with a non-repayable portion to *support Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus* obtained in 2023 and 2024, the Company was able to redefine the maturities of its debt by lengthening its duration. Reference should be made for further details to the Directors' Report on Operations and to Note 25 "Non-current financial liabilities" and "Current financial liabilities".

### *Credit risk*

The current assets of Group companies, with the exception of inventory, are primarily trade receivables. The Group presents different credit risk concentrations in its different relevant markets. While the Group has longstanding relationships with its main clients, changes in these relationships or in the business strategies of some of these clients could have negative effects on the results and

financial position of the Group itself. The Group takes measures to carefully manage trade receivables in order to minimize collection time and credit risk, also adopting a policy of advance payments and guarantees, including the insurance of most receivables. To date, the Group has not encountered particular issues in the collection of trade receivables and does not expect to have a significant negative impact from this situation in the future.

### *Currency risk*

The Group is obviously exposed to market risks associated with fluctuations in exchange rates and interest rates. Exposure to exchange rate risks is related mainly to the procurement of certain raw materials (pulp and titanium dioxide) and, to a lesser extent, to the sale of products, which leads to cash flows denominated in

currencies other than those of the production area (mainly US dollars). This exposes the Group to the risk of fluctuations in the Euro against the US dollar, against which specific exchange rate hedging policies are adopted, but not accounted for in hedge accounting.

### *Interest rate risk*

The Group companies have in place - inter alia - financial liabilities (loans) at floating rates. In order to alleviate the negative effects of a possible increase in interest rates, a hedging derivative (IRS - Interest Rate Swaps) is in place, accounted for using the fair value hedge accounting method. Specifically, at 31

December, the Parent Company had an IRS in place relating to the mortgage loan agreement with BPM, with a notional value of € 3,559 thousand and a positive fair value of € +67 thousand (a positive € 172 thousand at 31 December 2023).

## **Corporate Governance**

The Company has aligned its corporate governance system to the relevant provisions set out in Legislative Decree no. 58/1998 ("TUF"), and has adopted the Corporate Governance Code approved by the Corporate Governance Committee, published on 31 January 2020, applicable as from 1 January 2021 (the "Corporate Governance Code") and adopted by the Company on the same date.

Following the provision of Borsa Italiana for admission to the STAR segment dated 5 March 2021, trading of the Company's ordinary shares began on 15 March 2021 on the STAR segment of Euronext Milan organized and managed by Borsa Italiana.

The Company has a traditional management and control model in place, which envisages the presence of the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors and the Independent Auditors (for further information, reference should be made to the chapter "CORPORATE BODIES" at the beginning of this Report).

At the meeting held on 18 March 2024, the Chairman of the Board of Directors of the Company submitted to the review of the other members of the Board the recommendations contained in the communication of the Chairman of the Corporate Governance Committee of Borsa Italiana of 14 December 2023 referring to (i) sustainable success and the promotion of dialogue with stakeholders, (ii) the classification of the Company with regard to the categories defined by the Corporate Governance Code with a view to proportionality and the adoption of the simplification options put forward by the Corporate Governance Code, (iii) the management of pre-Board disclosure, (iv) the appointment and succession of directors, (v) compliance with gender equality and equal opportunities, and (vi) remuneration policies (the "Recommendations"); the Board of Directors discussed then took account of all the Recommendations and ascertained that the Company's governance is already aligned with most of them; the considerations made and any further initiatives will be formalized and reflected in the Report on Corporate Governance and Ownership Structure pursuant to Article 123 bis of the TUF.

For further information on the Company's corporate governance, reference should be made to the specific section on the Company website [www.neodecortech.it](http://www.neodecortech.it), Investors, Corporate Governance section.

## Report on Corporate Governance and Ownership Structure

The Report on Governance and Ownership Structure pursuant to Article 123 bis of the TUF of Neodecortech S.p.A. is contained in a separate report from the Directors' Report on Operations, published jointly with the latter and available on the Neodecortech S.p.A. website ([www.neodecortech.it](http://www.neodecortech.it)).

## Related party transactions

Following the transposition into Italian law of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (Shareholders Right Directive II), through Legislative Decree no. 49/2019, and in light of the CONSOB amendments with resolution no. 21624 of 10 December 2020 to the regulation containing provisions on related party transactions adopted by CONSOB with resolution no. 17221 of 12 March 2010, on 30 March 2023, the Board of Directors of the Company approved the update to the Related Party Transactions Procedure (the "RPT Procedure"), adopted by the Company on 25 June 2020 and amended on 10 December 2020 and on 28 June 2021.

The procedure aims to ensure full transparency and correctness of transactions carried out with Related Parties. The updated text of the Procedure for Transactions with Related Parties of Neodecortech S.p.A. is available on the Company website ([www.neodecortech.it](http://www.neodecortech.it)).

Reference should be made to the Explanatory Notes to the Consolidated Financial Statements, which provide a detailed comment on transactions with related parties; it should be noted that during the year under review, no atypical or unusual transactions were carried out with such parties and that business transactions with related parties, including those outside Group companies, were carried out at conditions corresponding to normal market value.

## Capital expenditure

Capital expenditure in tangible and intangible fixed assets in 2024 amounted to € 10,188 thousand. € 5,838 thousand of this expenditure refers to the Parent Company and relates to new plant and machinery and the improvement and efficiency of existing ones, as well as the new ERP system.

As for the subsidiaries, capital expenditure in tangible fixed assets amounted to € 2,999 thousand for Cartiere di Guarcino S.p.A., regarding actions to increase output and optimize plants, € 848 thousand in intangible fixed assets, related mainly to the new ERP system, and € 301 thousand related to Bio Energia Guarcino S.r.l. for planned or extraordinary maintenance of the Power Plant. Additionally, € 130 thousand was invested in intangible fixed assets, related mainly to the new ERP system.

All Group plants are continuing their 4.0 process revision actions to further strengthen the production process, with active control of critical variables and plant upgrading.

In 2023, an investment in intangible fixed assets was initiated across all Group companies for the new ERP system, which was completed in 2024 and became operational on 1 January 2025.

## Research & Development

Innovation has long been the driving force at Neodecortech, shaping ideas, projects, products, and development processes. Fueled by research, this commitment to innovation fosters the development and sharing of knowledge, benefiting various market sectors.

In 2024, with regard to the Parent Company, research and innovation activities continued, as well as the improvement of the processes of both historical and new production lines. In recent years, the Group has embarked on a path of product and market diversification, offering environmentally-sustainable solutions, also in consideration of recent European regulations, such as the SUP directive that establishes a ban on the sale of all single-use plastic products. In

response to this law, Neodecortech is working on research projects to experiment lines of decorative papers for new applications and alternative uses, oriented towards environmental protection and produced using cutting-edge and highly efficient technologies, capable of generating productivity increases, lower pollution and lower production of waste, ensuring a sustainable product, from production to disposal.

Creative development is overseen by the Neodecortech Lab, which collaborates closely with the sample department. Equipped with digital printers and laboratory rotogravure machines, the sample department ensures meticulous sampling and matching to the sample, offering customers the highest reproduction quality plus fast work time.

In 2022, the subsidiary Cartiere di Guarcino S.p.A. launched the European project PUSH2HEAT backed by the Horizon program, continued in 2024, which involves the formation of consortia of companies to promote new technologies within Member Countries. The primary objective of PUSH2HEAT is to develop, install, and monitor systems that can utilize waste heat (in the form of hot flue gas or hot water) generated by industrial processes and convert it into steam, i.e., higher enthalpy heat, by utilizing heat pumps. Cartiere di Guarcino takes part in the project as one of the chosen demonstration sites, where two machines (heat pump and mechanical steam re-compressor) will be installed to extract steam through heat contained in the cooling water of the Bio Energia Guarcino S.r.l. cogeneration plant. The project involves partial coverage of the costs of personnel involved and the activities required in the implementation of the machinery, up to the amount of € 734 thousand; the project is developed on a 4-year time horizon, starting from 01/10/2022. At 31 December 2024, € 350 thousand of non-repayable co-financing was granted from the Horizon Project.

Cartiere di Guarcino S.p.A. continues the project on an innovative paper for food use, submitting on 10/12/2020 an aid application under the "Circular Economy" call pursuant to Ministerial Decree 05/08/2020 and DD 11/06/2020 20/06/2013, regarding the project on the "Study and development of an innovative paper for food use". On 23/01/2025, the MIMIT issued the Granting Decree, which provides for an allowable cost of up to € 2,000 thousand, a subsidized loan of € 1,000 thousand and a non-repayable grant of € 200 thousand.

## **Information on the environment, safety and health and, more generally, on ESG topics**

### **Environment**

Environmental impact is a crucial issue for the Neodecortech Group. As proof of this, the Parent Company, since 2007, has acquired a series of system certifications that offer its stakeholders tangible evidence of its commitment and of the transparency and correctness of its business activities.

This approach has also been gradually adopted by the subsidiaries Cartiere di Guarcino S.p.A. and Bio Energia Guarcino S.r.l.. Below is a list of the certifications obtained by each Group company. With regard to environmental targets and policies, in 2023 the Group continued with the implementation of the ESG 2021-2023 Plan adopted at the Board meeting in May and November 2021, and at the Board meeting in February 2024 approved the 2024-2026 ESG Plan.

Moreover, given the product sector in which the Group companies operate and their activities, there are no reports of specific activities and/or accidents with repercussions on the environment. During the year, the Group caused no environmental damage for which it was found guilty, nor was it imposed fines or penalties for environmental offences or damage.

**Neodecortech**

UNI EN ISO 9001 (since 2009) - Quality System Certification

UNI EN ISO 14001 (since 2007) - Environmental Certification - for the improvement of environmental performance

BS OHSAS 18001 (since 2011 and later replaced by UNI EN ISO 45001) - Certification related to occupational health and safety management

UNI EN ISO 45001 (since 2020) - Certification related to occupational health and safety management

UNI EN ISO 50001 (since 2017) - Certification related to energy use efficiency and gradual improvement of energy performance

FSC® CHAIN CUSTODY (since 2010) - Certification related to the sustainability of the forests where the pulp used in the paper we employ is obtained from

MADE IN ITALY 100% (since 2015) - Supply Chain Certification

GRI-compliant SUSTAINABILITY REPORT (2016 to 2020)

NON-FINANCIAL STATEMENT (since 2021) with limited assurance.

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**Cartiere di Guarcino**

UNI EN ISO 9001 (since 2017) - Quality System Certification

UNI EN ISO 14001 (since 2012) - Environmental Certification - for the improvement of environmental performance

BS OHSAS 18001 (since 2012 and later replaced by UNI ISO 45001) - Certification related to occupational health and safety management

UNI ISO 45001 (since 2019) - Certification related to occupational health and safety management

UNI EN ISO 50001 (since 2018) - Certification related to energy use efficiency and gradual improvement of energy performance

FSC® CHAIN CUSTODY (since 2010) - Certification related to the sustainability of the forests where the pulp used in the paper we employ is obtained from

PEFC (since 2015) - Programme for Endorsement of Forest Certification

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**Bio Energia  
Guarcino**

UNI EN ISO 9001 (since 2017) - Quality System Certification

UNI EN ISO 14001 (since 2012) - Environmental Certification - for the improvement of environmental performance

BS OHSAS 18001 (since 2016 and later replaced by UNI ISO 45001) - Certification related to occupational health and safety management

UNI ISO 45001 (since 2019) - Certification related to occupational health and safety management

UNI EN ISO 50001 (since 2018) - Certification related to energy use efficiency and gradual improvement of energy performance

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### **Safety and Health**

The Group, in compliance with current regulations, adopts all measures and protocols for the protection of health and safety in the workplace.

No particular critical issues and/or incidents were reported in this area. During the year, the Group caused no damage for which it was found guilty, nor was it imposed fines or penalties for offences or damage on health and safety.

### **ESG topics and Climate Change**

Regarding climate risks, as outlined in the section "Main risks and uncertainties to which Neodecortech S.p.A. and the Group are exposed" and specifically related to Climate Change, the Group conducted a preliminary internal assessment to identify the extent and pervasiveness of these risks at both the actual and forecast levels. Possible impacts on estimates, changes in the useful life of assets, potential impairment of trade receivables, and other assets were analyzed. It is believed that, based on the business model and the analyses performed, the Group does not face significant exposures to environmental risks, particularly those related to climate change.

Commitment to social responsibility and territorial issues has long been an integral part of the principles and conduct of Group companies. These are geared towards maintaining high levels of safety, environmental protection, energy efficiency, and staff training, as well as raising awareness and involvement on social responsibility topics.

In 2024, as in previous years, there was no environmental damage for which any of the Group's companies was declared definitively liable.

More generally, regarding ESG topics, the Board of Directors of Neodecortech S.p.A. approved the new 2024-2026 ESG Action Plan in February 2024. This plan continues the scope of the 2021-2023 plan, maintaining continuity and commitment to sustainability.

The 2024-2026 ESG Action Plan focuses on strategic priorities such as combating climate change, improving water use efficiency, reducing and managing waste, and applying circular economy principles. Additionally, support for local communities continues, and the commitment to ethical and responsible supply chain management is strengthened. In this context, a new supplier analysis methodology has been implemented through the introduction of a Vendor Rating system. This system allows suppliers to be periodically evaluated based on sustainability criteria, particularly those related to human rights, environmental impact, and ethical business practices. This tool will help select and retain suppliers aligned with the Group's ESG goals and values.

In parallel, targeted training was initiated for managers and middle managers, aimed at raising their awareness and training on sustainability principles and ESG objectives. This will enable them to integrate these principles into their daily activities and strategic business decisions. The aim of this training is to ensure that all levels of management have full awareness of ESG topics and are able to implement and monitor initiatives that comply with these principles within the Group. Over the past year, significant achievements have been made in the area of ESG initiatives, further strengthening the commitment to sustainability and corporate responsibility.

The main actions include:

- Introduction of a control and audit system to ensure suppliers' compliance with the Code of Conduct, with a three-year audit plan (ESG Vendor Rating).
- Establishment of a cross-departmental role in product quality assurance at the Filago and Casoli locations.
- Update of materiality analysis with the involvement of suppliers and customers (presented to the Board of Directors in February 2024) and the voluntary implementation of the double materiality exercise.
- Development of environmental offset plans to maintain carbon neutrality for Scope 1 and 2, with partial coverage for 2024 through CER allowances.

In 2023, the Group achieved carbon neutrality for Scopes 1 and 2 for all its member companies.

Since 2016, based on 2015 figures, the Neodecortech Group has prepared the GRI-compliant Sustainability Report.

Starting from 2021, in a continued effort to increase its transparency also on data and events of a non-income, equity or financial nature, Neodecortech has chosen to implement its sustainability reporting, with the publication of the first [consolidated non-financial statement](#) (NFS) pursuant to Legislative Decree 254/2016, on a voluntary basis certified by a limited assurance by BDO Italia S.p.A., according to the criteria indicated by ISAE 3000 Revised. The consolidated non-financial statement for 2024 with related figures is being prepared and will be subject to limited assurance by BDO Italia SpA.

## Human resources and organization

There is no significant information relating to human resources that requires disclosure.

PERSONNEL IN SERVICE				31 DECEMBER 2024	31 DECEMBER 2023
	Printed Decorative Paper Division	Decorative Paper Division	Energy Division	GROUP	GROUP
Executives	6	5	0	11	10
Managers/White collars	65	51	2	118	109
Blue collars	149	115	2	266	271
Trainees	1	2	0	3	0
<b>Total</b>	<b>221</b>	<b>173</b>	<b>4</b>	<b>398</b>	<b>390</b>

The average number of employees in 2024 amounted to 398 resources. Additionally, 5 resources from Cartiere di Guarcino S.p.A. work on secondment at the subsidiary Bio Energia Guarcino S.r.l..

The Group resorted to CIGO in 2024 to counter the decline in sales orders (NDT 4,492 hours and CDG 47,813 hours).

## Diversity and equal opportunities

The composition of Neodecortech Group's human resources reveals a predominance of male workers, a trend typical of manufacturing companies in the industry. This trend is influenced by the nature of manufacturing activities, which still involve a substantial amount of manual labour and tasks that require specific physical strength. While technological advancements and automation are gradually reducing the reliance on these factors, the representation of women in production areas will continue to be rather limited. The male labour force represents approximately 85% of the workforce in the productive area, while it significantly decreases in the non-productive areas, where it stood at 57% in 2024.

Aside from this gender-related specificity, the Group is committed to promoting a more inclusive and accessible work environment, encouraging skill development, and adopting strategies to enhance workforce diversity.

### **Atypical and/or unusual transactions during the year**

In 2024, the Group did not carry out any significant transactions qualifying as non-recurring, atypical and/or unusual.

### **Significant events after 31 December 2024**

With regard to Cartiere di Guarcino S.p.A., on 23/1/2025 a Decree was issued by the Ministry of Enterprises and Made in Italy to grant the application for facilitation of 10/12/2020 under the "Circular Economy" call pursuant to Ministerial Decree 05/08/2020 and DD 11/06/2020 20/06/2013, regarding the project on the "Study and development of an innovative paper for food use", which provides for an allowable Cost of up to € 2,000 thousand, a subsidized loan of € 1,000 thousand and a non-repayable grant of € 200 thousand.

With regard to the subsidiary Bio Energia Guarcino S.r.l., following the regulations on Guaranteed Minimum Prices (GMP) for power generation plants fueled by sustainable bioliquids (ARERA Resolution 306/2024/R/eel, updated following subsequent consultation, with further Resolution 518/2024/R/eel), stipulate that the GSE will disburse the remuneration due, calculated as the difference, if positive, between the minimum guaranteed revenue and conventional revenue, and that payment will be made by year-end adjustment, subject to the disbursement of a monthly advance of up to a maximum of 90% of the grant due. The full regularization of the flow of GMP advances accrued until 31 December 2024 occurred in the first months of 2025. These advances were collected for a total of € 14,253 thousand (in addition to the € 12,004 thousand from December 2024) through assignment without recourse of the advance payment invoices issued to the GSE. Additionally, the GSE settled invoices in favor of the Factor for a total of € 16,904 thousand, and a further total of € 9,353 thousand will be paid by 31 March 2025.

The 2025 billing cycle has gone into full swing. Each month, the GSE is billed for the net electricity production generated in the prior month, with the price set by the quarterly GSE fixing bulletin (€ 310 per MWh), from which the incentive and PUN are to be deducted. At the same time, the assignment without recourse to Banca Sistema of 100% of the assigned amount is finalized, while the GSE payment to the Factor is made in the following month.

This results in a significant reduction in the Net Financial Position of the subsidiary Bio Energia Guarcino, with the ability to repay the payable on the intercompany current account, with full settlement expected in 2025. At 31 December 2024, the payable to Cartiere di Guarcino amounted to € 6,008 thousand.

On 4 February 2025, the subsidiary NDT energy S.r.l. obtained a permit for the construction and operation of a co-incineration waste-to-energy plant for non-hazardous special waste in the Municipality of Atri (TE) Stracca - Industrial Zone (plant code AU-TE-043). The Company is currently reviewing the applications and requirements included in this authorization.

### **Compliance with the simplified system under Articles 70 and 71 of the Issuer Regulation**

It should be noted that the Company, pursuant to Articles 70, paragraph 8 and 71, paragraph 1-bis, of the Regulation adopted by CONSOB through resolution no. 11971/1999, as supplemented and amended (the "Issuer Regulation"), complies with the opt-out system provided for by the above articles, availing itself of the right to depart from the obligations to publish the information documents envisaged in Annex 3B of the Issuer Regulation on the occasion of significant

transactions relating to mergers, spin-offs and capital increases through contribution of assets in kind, acquisitions and transfers.

### **Treasury shares and shares of the Parent Company**

Pursuant to Articles 2435-bis and 2428 of the Italian Civil Code, it should be noted that, at the closing of the year, the Company held no. 527,000 treasury shares for the equivalent of € 1,687,610.

The Shareholders' Meeting held on 19 April 2024 approved the additional purchase of ordinary shares of the Company, up to a maximum of 10% of the Company's share capital, equal to a maximum of no. 1,421,802 ordinary shares. The purchase of treasury shares may be made, in one or more tranches, within eighteen months.

In 2024, the Company continued with the purchase of additional treasury shares based on and within the limits of the above resolution. A total of no. 229,291 shares were purchased in 2024.

At 31 December 2024 and in 2024, the Company did not hold and did not purchase any shares of the parent company.

### **Other information**

Pursuant to paragraph 5 of Article 2497-bis of the Italian Civil Code, we certify that the Company is not subject to the direction and coordination of others.

The Shareholders' Meeting held on 19 April 2024 of the Parent Company Neodecortech S.p.A. approved the Financial Statements at 31 December 2023, allocating profit for the year of € 2,848,012.95 as follows:

- € 142,400.65 to the legal reserve;
- € 650,884.24 to the non-distributable revaluation reserve for investments recorded pursuant to Legislative Decree no. 38/05 Article 6, paragraph 1;
- € 2,054,728.06 to the extraordinary reserve.

On 1 October 2021, Neodecortech S.p.A. reached a preliminary agreement with the Revenue Agency to take advantage of the Patent Box tax break over the five-year period 2018-2022. The tax benefit for 2018 was € 180 thousand. For the subsequent 2019-2022 periods, the Company submitted a petition to the relevant regional directorate of the Revenue Agency to redefine the effects of the calculation, considering extraordinary events such as the COVID-19 pandemic or the translisting costs to the regulated segment of Borsa Italiana.

### **Business and market outlook**

At the time of writing this document, the entire production chain in which Neodecortech and Cartiere di Guarcino operate continues to be affected by the general slowdown in demand that is impacting the target market. However, production activity is operating at normal levels, showing that while there was a decrease in the order backlog compared to historical trends in last quarter 2024, activity levels have nearly returned to normal. Making accurate predictions about the sales trend in the coming months is difficult due to the uncertainties related to the application of tariffs between economic areas and the consequent effects within each of them. The geopolitical context we are experiencing is clearly having a strong impact on consumer expectations regarding the propensity to purchase durable goods such as furniture, and potentially on the markets for strategic raw materials used by the Group, with evident cost implications.

More specifically, the current geopolitical situation remains complex due to the ongoing Russian-Ukrainian war and the Israeli-Palestinian conflict. Furthermore, the growing tension between global powers, such as the USA-China rivalry, adds a layer of uncertainty, while challenges to the world order continue to emerge. The early months of 2025 saw a consolidation of the trend for certain strategic raw materials: pulp prices, which saw growth in 2024, essentially stabilized.

Titanium dioxide has started to show signs of cost increase. Simultaneously, the costs of energy carriers increased in last quarter 2024 and in first quarter 2025; however, through the forwards in the upcoming quarters, they seem to have stabilized.

With regard to the CONSOB notice of 7 March 2022, aimed at compliance with the restrictive measures adopted by the EU in response to the Russian military aggression in Ukraine, it should be noted that the Group is continuing to comply with all the measures introduced by the European Union. Additionally, from an IT point of view, the Group has adopted stringent business continuity plans, guaranteeing the full operation of back-ups, including offline solutions, to protect company systems and data from possible cyber-attacks, which could intensify as a result of the continuing Russian-Ukrainian conflict.

Taking account of all the above considerations, in light of current events and as far as we can assess to date, the Group currently believes that it will be able to achieve the targets set in the 2025 Budget approved by the Board of Directors of Neodecortech S.p.A. on 5 December 2024 and by the Board of Directors of Cartiere di Guarcino on 4 December 2024, further detailed below.

#### **Printed Decorative Paper Division - Neodecortech**

As noted earlier, economic expansion halted in mid-2022, and since then, activity has remained largely stagnant amid a decline in household purchasing power and a slump in domestic and external demand. Despite a partial reduction in the prices of certain raw materials and energy, there was immediate downward pressure on sales prices, resulting in little or no recovery of margins as anticipated.

In preparing the 2025 Budget, it was considered, in line with macroeconomic forecasts, that this market situation would not change substantially during the year. To cope with this situation, the Company is focusing its resources on the development of higher-margin products, particularly laminates and plastic film products, which are expected to experience growing volumes. For "historical" products, only ordinary growth is anticipated.

#### **Paper Division - Cartiere di Guarcino**

The trend in demand for decorative paper mirrors that outlined for Neodecortech, reflecting general market trends. This condition was considered in preparing the 2025 Budget. However, in light of the above comments on the domestic and international economic environment, the future scenario should be taken with caution with regard to sales trends.

It is reasonable to expect a stability in sales, due to the following significant factors, which also had an impact in 2024: (i) the consolidation of market share among class A customers; (ii) the growth of market share for backer papers; and (iii) the strong emphasis on sustainability.

#### **Energy Division - Bio Energia Guarcino**

In May 2025, the 15-year ordinary GRIN incentive period will end. To complement the current incentive and ensure the continuity of production for sustainable bioliquid-fueled power plants, LD 181/23 introduced the Guaranteed Minimum Prices (GMP) system, which will remain valid until 31 December 2025, or until the introduction of a dedicated capacity trading mechanism.

On 23 July 2024, ARERA's Resolution 306/2024/R/eel, which establishes the criteria for the application of the Guaranteed Minimum Prices (GMP), was published. This was later supplemented by Resolution 518/2024, which incorporated part of the feedback provided by electricity operators.

GMP remuneration is recognized for net electricity production and is calculated based on plant capacity and the bioliquid used. It also includes remuneration for operating costs (routine and extraordinary maintenance, as well as personnel costs).

The remuneration in Euro/MWh, once determined, is adjusted by revenue from energy sold, any ordinary incentives payable, and notional revenue related to the sale of heat, which is calculated based on the cost of production that would be incurred by using gas. Management is delegated to the GSE.

Currently, the capacity-based system introduced by LD 181/23 is under review by the Ministry.

As a result of the above, the Company has not identified the presence of impairment indicators regarding the recoverability of the carrying amount of tangible fixed assets and has therefore not conducted an impairment test in accordance with IAS36.

Filago (BG), 19 March 2025

For the Board of Directors

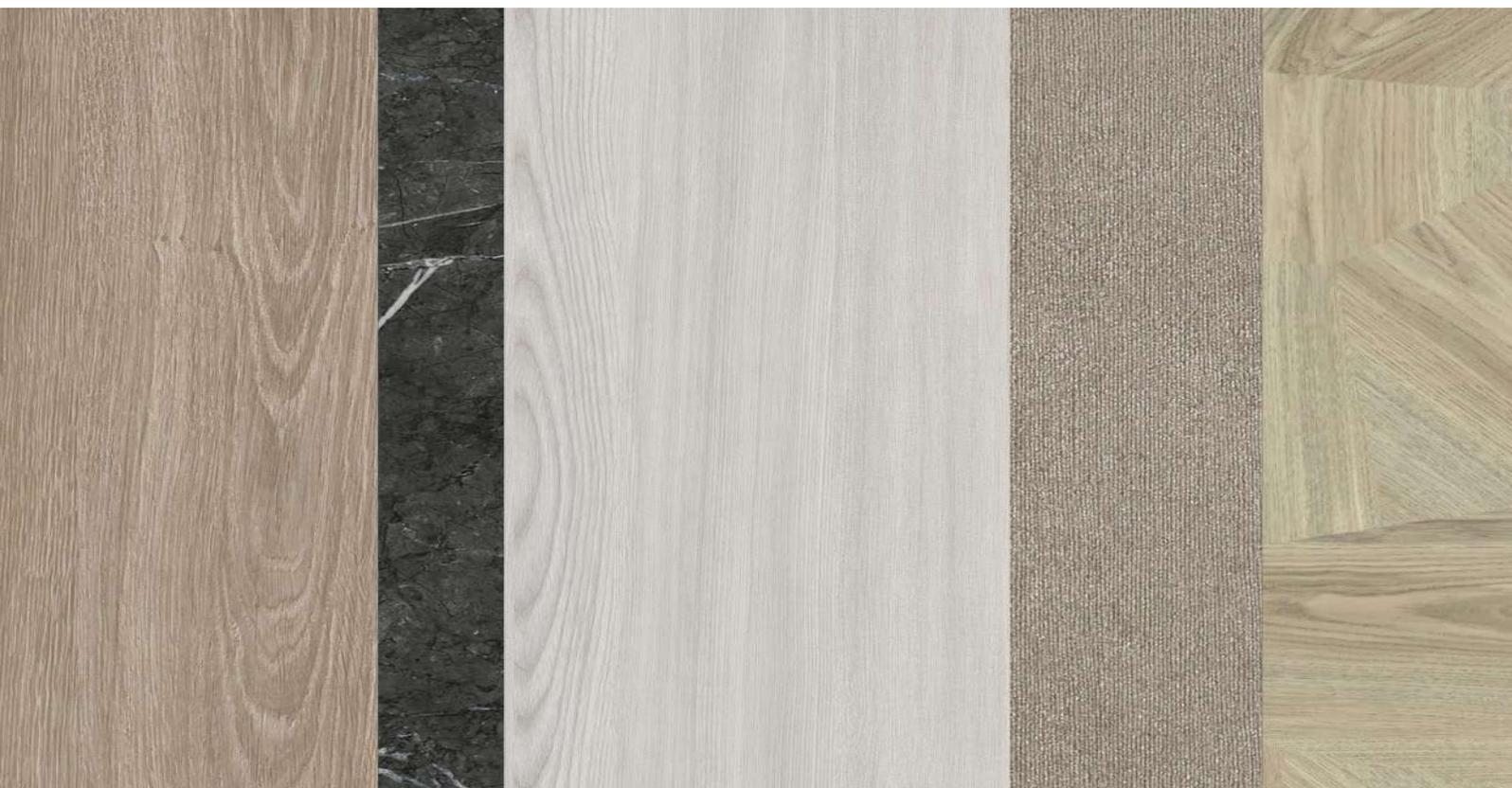
The Chief Executive Officer

(Luigi Cologni)



**NEO  
DECOR  
TECH**

# **Consolidated Financial Statements at 31 December 2024**



**Consolidated income statement at 31 December 2024**

<i>(Euro thousands)</i>	Notes	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<b>Revenue from sales and services</b>	1	<b>168,575</b>	<b>100.0%</b>	<b>161,604</b>	<b>100.0%</b>	<b>6,971</b>	<b>4.3%</b>
Changes in work in progress, semi-finished and finished products	2	(945)	(0.6%)	3,250	2.0%	(4,195)	(129.1%)
Other revenue	3	4,108	2.4%	7,215	4.5%	(3,107)	(43.1%)
<b>Value of Production</b>		<b>171,738</b>	<b>101.9%</b>	<b>172,069</b>	<b>106.5%</b>	<b>(331)</b>	<b>(0.2%)</b>
Raw and ancillary materials and consum.	4	(107,227)	(63.6%)	(105,759)	(65.4%)	(1,468)	1.4%
Other operating expense	5	(26,551)	(15.8%)	(31,436)	(19.5%)	4,885	(15.5%)
<b>Value Added</b>		<b>37,960</b>	<b>22.5%</b>	<b>34,874</b>	<b>21.6%</b>	<b>3,086</b>	<b>8.8%</b>
Personnel expense	6	(21,327)	(12.7%)	(20,983)	(13.0%)	(344)	1.6%
<b>EBITDA</b>		<b>16,633</b>	<b>9.9%</b>	<b>13,891</b>	<b>8.6%</b>	<b>2,742</b>	<b>19.7%</b>
Amortization and depreciation	7	(9,096)	(5.4%)	(9,151)	(5.7%)	55	(0.6%)
Allocations	8	(53)	(0.0%)	(98)	(0.1%)	45	(45.9%)
<b>EBIT</b>		<b>7,484</b>	<b>4.4%</b>	<b>4,642</b>	<b>2.9%</b>	<b>2,842</b>	<b>61.2%</b>
Financial expense	9	(2,740)	(1.6%)	(2,436)	(1.5%)	(304)	12.5%
Financial income	10	433	0.3%	401	0.2%	32	8.0%
<b>Profit/(loss) before tax</b>		<b>5,177</b>	<b>3.1%</b>	<b>2,607</b>	<b>1.6%</b>	<b>2,570</b>	<b>98.6%</b>
Income tax	11	(1,200)	(0.7%)	241	0.1%	(1,441)	(597.9%)
<b>Profit/(loss) for the year</b>		<b>3,977</b>	<b>2.4%</b>	<b>2,848</b>	<b>1.8%</b>	<b>1,129</b>	<b>39.6%</b>
Of which Group profit/(loss) for the year		4,057		2,848			
Of which Profit/(loss) for the year of non-controlling interests		(80)					

**Consolidated statement of comprehensive income at 31 December 2024**

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023
<b>Profit/(loss) for the year</b>	<b>3,977</b>	<b>2,848</b>
<b>Other items of the comprehensive income statement</b>		
Actuarial gains (losses) net of tax effect	27	(32)
<b>Total items that will not be reclassified in the income statement for the year</b>	<b>27</b>	<b>(32)</b>
Gains/(losses) on cash flow hedging instruments	(80)	(133)
<b>Total items that will or may be reclassified in the income statement for the year</b>	<b>(80)</b>	<b>(133)</b>
<b>Total other items of the comprehensive income statement</b>	<b>(53)</b>	<b>(165)</b>
<b>Comprehensive income (loss) for the year</b>	<b>3,924</b>	<b>2,683</b>
Profit for the year attributable to:		
Shareholders of the Parent	4,004	2,683
Non-controlling interests	(80)	
<b>Earnings per share (in Euro):</b>		
Basic	0.29	0.20
Diluted	0.29	0.20

## Consolidated statement of financial position at 31 December 2024

Assets	Notes	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<i>(Euro thousands)</i>							
Intangible assets	12	3,317	1.9%	777	0.5%	2,540	326.9%
Tangible assets	13	74,480	42.9%	75,969	46.1%	(1,489)	(2.0%)
Investments		0	0.0%	0	0.0%	0	0.0%
Other non-current assets	14	358	0.2%	400	0.2%	(42)	(10.5%)
Non-current financial receivables	15	512	0.3%	445	0.3%	67	15.1%
Deferred tax assets	16	1,055	0.6%	1,881	1.1%	(826)	(43.9%)
<b>Non-current assets</b>		<b>79,722</b>	<b>46.0%</b>	<b>79,472</b>	<b>48.2%</b>	<b>250</b>	<b>0.3%</b>
Inventory	17	40,049	23.1%	42,598	25.8%	(2,549)	(6.0%)
Trade receivables	18	35,713	20.6%	16,276	9.9%	19,437	119.4%
Receivables from tax consolidation	19	348	0.2%	438	0.3%	(90)	(20.5%)
Tax receivables	20	1,989	1.1%	1,652	1.0%	337	20.4%
Current financial receivables	15	81	0.0%	0	0.0%	81	0.0%
Other current receivables	21	3,081	1.8%	12,211	7.4%	(9,130)	(74.8%)
Cash funds	22	12,483	7.2%	12,157	7.4%	326	2.7%
<b>Current assets</b>		<b>93,744</b>	<b>54.0%</b>	<b>85,332</b>	<b>51.8%</b>	<b>8,412</b>	<b>9.9%</b>
<b>Total assets</b>		<b>173,466</b>	<b>100.0%</b>	<b>164,804</b>	<b>100.0%</b>	<b>8,662</b>	<b>5.3%</b>

Equity and liabilities	Notes	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<i>(Euro thousands)</i>							
Share capital		18,804	10.8%	18,804	11.4%	0	0.0%
Share premium reserve		18,864	10.9%	18,864	11.4%	0	0.0%
Other reserves		30,276	17.5%	28,185	17.1%	2,091	7.4%
Prior years' profit (loss)		8,761	5.1%	8,761	5.3%	0	0.0%
Profit (loss) for the year		4,057	2.3%	2,848	1.7%	1,209	42.5%
<b>Group equity</b>		<b>80,762</b>	<b>46.6%</b>	<b>77,462</b>	<b>47.0%</b>	<b>3,300</b>	<b>4.3%</b>
Equity attributable to non-controlling interests		43	0.0%	0	0.0%	43	0.0%
Profit (loss) for the year attributable to non-controlling interests		(80)	0.0%	0	0.0%	(80)	0.0%
<b>Total equity attributable to non-controlling interests</b>		<b>(37)</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>(37)</b>	<b>0.0%</b>
<b>Total equity</b>	<b>30</b>	<b>80,725</b>	<b>46.5%</b>	<b>77,462</b>	<b>47.0%</b>	<b>3,263</b>	<b>4.2%</b>
Provisions for risks and charges	23	771	0.4%	825	0.5%	(54)	(6.5%)
Deferred tax	16	5,534	3.2%	5,941	3.6%	(407)	(6.9%)
Post-employment benefits	24	2,091	1.2%	2,080	1.3%	11	0.5%
Non-current financial liabilities	25	19,968	11.5%	22,179	13.5%	(2,211)	(10.0%)
<b>Non-current liabilities</b>		<b>28,364</b>	<b>16.4%</b>	<b>31,025</b>	<b>18.8%</b>	<b>(2,661)</b>	<b>(8.6%)</b>
Trade payables	26	29,951	17.3%	33,792	20.5%	(3,841)	(11.4%)
Payables from tax consolidation	27	31	0.0%	117	0.1%	(86)	(73.5%)
Tax payables	28	1,244	0.7%	786	0.5%	458	58.3%
Current financial liabilities	25	25,689	14.8%	15,844	9.6%	9,845	62.1%
Other current payables	29	7,462	4.3%	5,778	3.5%	1,684	29.1%
<b>Current liabilities</b>		<b>64,377</b>	<b>37.1%</b>	<b>56,317</b>	<b>34.2%</b>	<b>8,060</b>	<b>14.3%</b>
<b>Total equity and liabilities</b>		<b>173,466</b>	<b>100.0%</b>	<b>164,804</b>	<b>100.0%</b>	<b>8,662</b>	<b>5.3%</b>

## Consolidated statement of changes in equity at 31 December 2024

CONSOLIDATED FIGURES EURO THOUSANDS	NOTES	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT								
		SHARE CAPITAL	HEDGING AND TRANSLATION RESERVES	EQUITY RESERVES	OTHER RESERVES	TREASURY SHARES	PROFIT (LOSS) FOR THE YEAR	EQUITY	EQUITY NON- CONTROLLING INTERESTS	TOTAL EQUITY
<b>Balance at 01/01/2023</b>	<b>28</b>	<b>18,804</b>	<b>264</b>	<b>18,864</b>	<b>31,373</b>	<b>(468)</b>	<b>8,437</b>	<b>77,274</b>	<b>0</b>	<b>77,274</b>
Other items of the comprehensive income statement		0	(133)	0	(32)	0	0	(165)	0	(165)
Profit for the year		0	0	0	0	0	2,848	2,848	0	2,848
<b>Total comprehensive income/loss for the year</b>		<b>0</b>	<b>(133)</b>	<b>0</b>	<b>(32)</b>	<b>0</b>	<b>2,848</b>	<b>2,683</b>	<b>0</b>	<b>2,683</b>
Dividend distribution						(1,973)		(1,973)	0	(1,973)
Allocation of prior year's profit (loss)						8,437	(8,437)	0	0	0
Other changes		0	0	0	(4)	(518)		(522)	0	(522)
<b>Balance at 31/12/2023</b>	<b>28</b>	<b>18,804</b>	<b>131</b>	<b>18,864</b>	<b>37,801</b>	<b>(986)</b>	<b>2,848</b>	<b>77,462</b>	<b>0</b>	<b>77,462</b>
<b>Balance at 01/01/2024</b>	<b>28</b>	<b>18,804</b>	<b>131</b>	<b>18,864</b>	<b>37,801</b>	<b>(986)</b>	<b>2,848</b>	<b>77,462</b>	<b>0</b>	<b>77,462</b>
Other items of the comprehensive income statement		0	(80)	0	27	0	0	(53)	0	(53)
Profit for the year		0	0	0	0	0	4,057	4,057	(80)	3,977
<b>Total comprehensive income/loss for the year</b>		<b>0</b>	<b>(80)</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>4,057</b>	<b>4,004</b>	<b>(80)</b>	<b>3,924</b>
Dividend distribution						0		0	0	0
Allocation of prior year's profit (loss)						2,848	(2,848)	0	0	0
Other changes		0	(1)	0	(1)	(702)		(704)	43	(661)
<b>Balance at 31/12/2024</b>	<b>28</b>	<b>18,804</b>	<b>50</b>	<b>18,864</b>	<b>40,675</b>	<b>(1,688)</b>	<b>4,057</b>	<b>80,762</b>	<b>(37)</b>	<b>80,725</b>

## Consolidated statement of cash flows at 31 December 2024

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023
Profit (loss) for the year	3,977	2,848
Income tax	732	288
Deferred/(prepaid) tax	468	(529)
Interest expense/(interest income)	2,528	2,084
(Dividends received)	0	0
(Gains)/losses from disposal of assets	25	14
<b>1 Profit (loss) for the year before income tax, interest, dividends and gains/losses from disposals</b>	<b>7,730</b>	<b>4,705</b>
Adjustments for non-monetary items that had no balancing entry in net working capital:		
Allocation to post-employment benefits	146	48
Allocations to other provisions	163	277
Amortization and depreciation of fixed assets	9,096	9,151
Write-downs for impairment losses	0	0
Other adjustments for non-monetary items	(1,159)	170
<b>2 Cash flow before changes in NWC</b>	<b>15,976</b>	<b>14,351</b>
Changes in net working capital:		
Decrease/(increase) in receivables from customers	(19,473)	7,462
Decrease/(increase) in inventory	2,020	790
Increase/(decrease) in payables to suppliers	(3,861)	77
Decrease/(increase) in other receivables	9,653	(7,366)
Increase/(decrease) in other payables	1,289	647
Other changes in net working capital	0	0
<b>3 Cash flow after changes in NWC</b>	<b>5,604</b>	<b>15,961</b>
Other adjustments:		
Interest received/(paid)	(2,375)	(1,897)
(Income tax paid)	(185)	(136)
(Gains)/losses from disposal of assets	0	0
Dividends received	0	0
(Utilization of provisions)	578	0
(Utilization of provisions for post-employment benefits)	(128)	(176)
<b>4 Cash flow after other adjustments</b>	<b>3,494</b>	<b>13,752</b>
<b>A Cash flow from operations</b>	<b>3,494</b>	<b>13,752</b>
<i>Tangible fixed assets</i>	<i>(7,154)</i>	<i>(5,976)</i>
(Purchase)	(7,329)	(5,976)
Disposal	174	0
<i>Intangible fixed assets</i>	<i>(2,859)</i>	<i>(461)</i>
(Purchase)	(2,859)	(461)
Disposal	0	0
<i>Financial fixed assets</i>	<i>(91)</i>	<i>0</i>
(Purchase)	(97)	0
Disposal	6	0
<i>Current financial assets</i>	<i>0</i>	<i>0</i>
(Purchase)	0	0
Disposal	0	0
<i>Proceeds from disposal of assets</i>	<i>(24)</i>	<i>(14)</i>

<b>B Cash flow from investing activities</b>	<b>(10,128)</b>	<b>(6,451)</b>
<b>Liabilities</b>	<b>7,662</b>	<b>(4,797)</b>
Increase (decrease) in short-term bank payables	6,548	(3,494)
New loans	8,000	5,000
Repayment of loan	(6,886)	(5,999)
Financial liabilities to other lenders	0	(304)
Change in financial receivables from other lenders	0	0
<b>Equity</b>	<b>(702)</b>	<b>(2,390)</b>
Share capital increase	0	0
Sale (purchase) of treasury shares	(702)	(518)
Other changes in equity	0	(1,872)
<b>C Cash flow from financing activities</b>	<b>6,960</b>	<b>(7,187)</b>
<b>Increase (decrease) in cash funds (A ± B ± C)</b>	<b>326</b>	<b>114</b>
Cash funds at 1 January	12,157	12,043
Cash funds at 31 December	12,483	12,157

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## **Explanatory Notes to the Consolidated Financial Statements of the Group**



## **Entity preparing the consolidated financial statements**

Neodecortech S.p.A. (hereinafter also the "Company", the "Parent Company" or the "Controlling Company") is a company incorporated under Italian law, with registered office in Filago (BG), Strada Provinciale 2, at the head of the Neodecortech Group (hereinafter also the "Group"). The Company's website is: [www.neodecortech.it](http://www.neodecortech.it).

The Group is active in the production and marketing of decorative papers for the industrial sectors of wood and furnishing accessories.

Mention should be made that on 5 March 2021, Borsa Italiana, under provision no. 8746, assigned the ordinary shares and warrants of Neodecortech S.p.A. the STAR qualification as per the Company's application dated 4 March 2021. The first trading day in the STAR segment of Euronext Milan was 15 March 2021.

The publication of these consolidated financial statements was authorized by the Directors on 19 March 2025; they will be submitted to the Shareholders' Meeting for approval and subsequent filing, within the time limits of law. The Shareholders' Meeting is empowered to make changes to these Consolidated Financial Statements.

BDO Italia S.p.A. is in charge of the statutory audit.

## **General criteria for the preparation of the consolidated financial statements**

### **Statement of compliance with IAS-IFRS**

These consolidated financial statements were prepared in compliance with the IAS-IFRS international accounting standards in force at 31 December 2024, as adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IAS-IFRS also include all the revised international accounting standards (IAS) and all the interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), previously known as SIC. The rules of national legislation implementing EU Directive 2013/34 also apply, provided they are consistent, to companies that prepare their financial statements in accordance with IAS-IFRS. Therefore, the financial statements implement the relevant provisions of the articles of the Italian Civil Code and the corresponding provisions of the TUF for listed companies concerning the Directors' Report on Operations, the Independent Auditors' Report and the publication of the financial statements. The consolidated financial statements and the notes thereto also include the details and additional information required by the articles of the Italian Civil Code concerning financial statements, insofar as they do not conflict with the provisions of IAS-IFRS, as well as the other CONSOB regulations and instructions concerning financial statements.

The financial statements were prepared on a going concern basis. The Group has assessed that there are no significant uncertainties surrounding its ability to continue operations, due also to its financial structure and the forecasts included in the 2025 Budget, as explained in the "Directors' Report on Operations".

### **Preparation criteria and functional currency**

Delegated Regulation (EU) 2019/815 introduced a requirement for securities issuers listed on regulated markets in the European Union to prepare their annual financial report in the XHTML language, based on the ESMA-approved European Single Electronic Format (ESEF). For 2024, the schedules and information - textual and/or numerical - presented in the consolidated financial statements that correspond to the mandatory elements of the basic taxonomy must be "tagged" to the ESEF taxonomy, using an integrated computer language (iXBRL).

The consolidated accounts are prepared in accordance with the cost principle, with the exception of derivative financial instruments and financial assets, which are measured at fair value.

The presentation currency used in the consolidated financial statements is the Euro, which is the functional currency of the Parent Company, Neodecortech S.p.A., and its other subsidiaries. All the amounts contained in the financial statements and the notes are rounded to the nearest Euro unit, unless otherwise indicated

**Financial statements and presentation criteria**

The consolidated financial statements comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows, as well as the explanatory notes for the year ended 31 December 2024.

Regarding the presentation of the financial statements, the Group opted for the following approach:

- current and non-current assets and current and non-current liabilities are shown separately in the statement of financial position. Current assets, which include cash and cash equivalents, are those intended to be realized, sold or consumed in the Group's normal operating cycle; current liabilities are those expected to be settled in the Group's normal operating cycle or in the twelve months following the end of the period;
- for the income statement, the analysis of costs is carried out based on the nature of the costs;
- for the statement of comprehensive income, the Group has chosen to present two statements: the first shows the traditional income statement components with the result for the period, while the second, starting from this result, shows in detail the other components, i.e. (i) changes in fair value of derivative financial instruments designated as hedge accounting, and (ii) the effects of the re-measurement of defined benefit plans;
- the statement of cash flows was prepared using the indirect method.

The financial statements provide comparative information for the prior year.

**New accounting standards, interpretations and amendments adopted by the Group**

The Group has applied for the first time a number of standards or amendments that are effective as of 1 January 2024. The Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Below are the new standards applied as of 1 January 2024:

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments had no impact on the Group's consolidated financial statements.

**Standards issued but not yet in force**

Standards and interpretations that had already been issued but were not yet in force at the date of preparation of the Group's consolidated financial statements are explained below. The Group intends to adopt these standards and interpretations, if applicable, when they come into effect.

- IFRS 18 Presentation and Disclosure in Financial Statements In April 2024, the IASB issued IFRS 18, which supersedes IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Additionally, entities will need to classify all expenses and revenues in the income statement into four categories: operating, investing, financing, and income tax, as well as discontinued operations, with the first three categories being new. The standard also requires disclosures based on the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of "primary" financial statements (PFS) and notes. Additionally, changes have been made to IAS 7 Statement of Cash Flows, which include modifying the starting point for determining cash flows from operations based on the indirect method - shifting from profit or loss to operating profit or loss - and removing the option to classify cash flows from dividends and interest. Additionally, consequential changes were made to multiple other accounting standards. IFRS 18, and the amendments to other standards, are effective for financial periods

beginning on or after 1 January 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively. The Group is currently working to identify the impacts that the changes will have on its financial statements and notes to the financial statements.

- IFRS 19 Subsidiaries without Public Accountability Disclosures In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in the other IFRS accounting standards. To be eligible, at year-end, an entity must be a subsidiary as defined within IFRS 19, cannot have "public accountability" and must have a parent (either ultimate or intermediate) that prepares consolidated financial statements, available to the public, in accordance with IFRS accounting standards. IFRS 19 will become effective for financial periods beginning on or after 1 January 2027, but early application is permitted. As the Group's shares are publicly traded, the Group is not eligible for the application of IFRS 19.

The Directors do not expect the Group's consolidated financial statements to be materially affected by the adoption of these amendments.

### **Consolidation methods**

The consolidated financial statements were prepared on the basis of the financial statements at 31 December 2024 prepared by the Parent Company Neodecortech S.p.A. and the consolidated companies, in accordance with the accounting standards adopted by the Group.

The administrative period and the closing date for the preparation of the Consolidated Financial Statements correspond to those of the financial statements of the Parent Company and all consolidated companies.

### **Subsidiaries**

Subsidiaries are those entities in which the Group is exposed to variable returns, or holds rights to those returns, arising from its relationship with those entities and at the same time has the ability to affect those returns by exercising its power.

The Group assesses entity control through the presence of three elements:

- power: current ability of the Group, deriving from substantive rights, to direct the relevant activities of the businesses that significantly affect the entity's returns;
- the Group's exposure to variability in the returns of the investee;
- correlation between power and returns, the Group has the ability to exercise its power to affect the returns from such relationship.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is assumed until the date on which such control ceases.

### **Scope of consolidation**

The list of companies over which Neodecortech S.p.A. exercises control, and are therefore included in these consolidated financial statements, is shown in the table below:

The list of companies over which Neodecortech S.p.A. exercises control, and are therefore included in these consolidated financial statements, is shown in the table below:

Company name	Registered office	Share Capital	Consolidation method	% held
Cartiere di Guarcino S.p.A.	Guarcino (IT)	10,000,000 €	Full	100%
Bio Energia Guarcino S.r.l.*	Guarcino (IT)	1,100,000 €	Full	100%
NDT energy S.r.l.	Casoli di Atri (TE)	100,000 €	Full	100%
Changzhou NDT new material technology company Ltd	Changzhou (China)	1,000,000 CNY	Full	70%

\* Controlled indirectly through Cartiere di Guarcino S.p.A.

Mention should be made as a change from the prior year of the inclusion of the Chinese-registered subsidiary Changzhou NDT new material technology company Ltd. in the consolidation scope.

On 15 May 2024, Neodecortech SpA acquired 70% of the share capital of Changzhou NDT new material technology company Ltd, a company under Chinese law with the purpose of developing the Chinese and Far-East markets. The acquisition of the shares, for a total consideration of approximately € 53 thousand, was accounted for under IFRS 3 against which no goodwill was recorded.

The table below shows the reconciliation of Parent Company equity and profit for the period with the corresponding consolidated figures.

CONSOLIDATED FIGURES IN EURO THOUSANDS	EQUITY 31 DECEMBER 2024	PROFIT (LOSS) FOR THE YEAR 31 DECEMBER 2024	EQUITY 31 DECEMBER 2023	PROFIT (LOSS) FOR THE YEAR 31 DECEMBER 2023
<b>Equity and profit for the period attributable to the parent company</b>	<b>80,818</b>	<b>4,111</b>	<b>77,462</b>	<b>2,848</b>
Elimination of the carrying amount of consolidated investments:				
Difference between carrying amount and pro-rata amount of equity			-	
Currency translation difference	(1)		-	
Pro-rata results of investees		7,184		888
Cancellation of write-downs/write-backs of investments		(7,044)		(714)
Amortization of fair value of fixed assets (allocation of BEG goodwill)		(162)		(162)
Elimination of the effects of transactions between consolidated companies:				
Intercompany profits included in the value of closing inventory	-	22	-	(12)
Intercompany profits on disposal of fixed assets	(55)	(54)	-	-
<b>Equity and profit for the year attributable to the shareholders of the parent</b>	<b>80,762</b>	<b>4,057</b>	<b>77,462</b>	<b>2,848</b>
Non-controlling interests	(37)	(80)	-	-
Total equity	80,725	3,977	77,462	2,848

### Transactions eliminated in the consolidation process

All intercompany balances and transactions, including any unrealized gains from third parties, are eliminated in full. Unrealized losses from intercompany transactions with third parties are eliminated, unless they cannot be recovered at a later date.

**Non-current assets held for sale and discontinued operations**

Assets and liabilities held for sale and discontinued operations are classified as such if their carrying amount will be recovered primarily through sale rather than through continued use; these assets must represent a major independent line of business or geographical area of operation. These conditions are considered fulfilled when the sale is considered highly probable and the assets and liabilities are immediately available for sale in their present condition.

Operations held for sale are measured at the lower of net carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale no longer need to be depreciated or amortized.

In the consolidated statement of income, the net result from discontinued operations, together with the gain or loss from the measurement at fair value less costs to sell and the net realized gain or loss from the sale of assets, is grouped in a single line item separately from the result from continuing operations.

Cash flows relating to discontinued operations are reported separately in the statement of cash flows.

The above information is also presented for the comparative period.

**Cost of a business combination**

Under IFRS 3, the cost of an acquisition is the acquisition-date fair value of the consideration transferred, plus the amount of any non-controlling interest held. For each business combination, any non-controlling interest in the acquiree must be measured at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets.

IFRS 3 requires that acquisition-related costs be considered as expense in the periods in which such costs are incurred and the services are received.

**Allocating the cost of a business combination**

Goodwill is determined as the excess between:

- the sum of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value, at the acquisition date, of any interest in the acquiree previously held;
- the net fair value of the identifiable assets and liabilities at the date of acquisition.

If the difference is negative, it is recorded directly in the income statement. If the initial recognition of a business combination can only be determined provisionally, the adjustments to the amounts assigned are recorded within 12 months of the acquisition date (valuation period).

**Business combination achieved in stages**

If a business combination is achieved in stages with subsequent purchases of shares, at each transaction the fair value of the investment previously held must be recalculated and any difference recognized in the income statement as a profit or loss.

Purchases of shares subsequent to taking control do not result in a restatement of identifiable assets and liabilities. The difference between the cost and the portion of equity acquired is recorded as a change in Group equity. Transactions that result in a decrease in the percentage of interest held, without loss of control, are treated as disposals to minority shareholders and the difference between the interest sold and the price paid is recorded in Group equity.

**Subjective evaluations and use of estimates**

The preparation of the financial statements and the notes thereto, in application of the IAS-IFRS, requires Management to make estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosures on contingent assets and liabilities as of the reporting date, as well as the amount of revenue and costs in the reporting period presented. Estimates and assumptions used are based on experience and on other factors considered significant. Actual results may differ from these estimates. Estimates and assumptions are reviewed regularly and the effects of each variation therein are recognized in profit and loss in the period in which the estimate was revised. The effects of such

revisions are reflected in the periods on which they have effect, i.e. both in the current period, and in future periods, if relevant.

To provide a better understanding of the Consolidated Financial Statements, the following are the most significant estimates adopted in the process of preparing the Consolidated Financial Statements, as they involve a high level of subjective judgments, assumptions and estimates relating to issues that are by their nature uncertain. Changes in the conditions underlying the judgments and assumptions made could have a material impact on subsequent results.

- *Measurement of receivables:* receivables from clients are adjusted by the related allowance for doubtful accounts to take account of their recoverable value. The determination of the amount of the write-downs requires the directors to perform subjective evaluations based on past experience for similar receivables or current and historical past dues, closing rates, losses and collections, and to carefully monitor credit quality;
- *Measurement of inventory:* obsolescent inventory is periodically measured and written down if the net realizable value is lower than the carrying amount. Write-downs are calculated on the basis of Management's assumptions and estimates, based on their experience and sales forecasts;
- *Measurement of deferred tax assets:* deferred tax assets - whose recovery in future years is considered highly probable - are measured on the basis of the expected taxable income in future years. The measurement of such expected taxable income depends on factors that may vary over time and have significant effects on the measurement of deferred tax assets;
- *Income tax:* the calculation of the Group's tax liability requires Management to measure transactions whose tax implications are not certain at the balance sheet date;
- *Impairment of intangible and tangible assets with finite useful life:* these assets undergo an impairment test to ascertain whether there has been an impairment, which must be recognized by means of a write-down, when there are indications of a difficulty in recovering the related net book value through use. Ascertainment of the existence of the above indicators requires the Directors to make subjective assessments based on information available within the Group and from the market, as well as statistics. Additionally, if it is determined that a potential impairment may have occurred, the Group determines it using appropriate measurement techniques. The proper identification of the elements pointing to the existence of a potential impairment, as well as the estimates used to determine them, depend on factors that may change over time and that are subject to uncertainties and the use of estimates (growth rates, rates of return on assets, and financial projections affected by external, non-controllable variables) that affect the valuations and estimates made by the Directors;
- *Measurement of intangible and tangible assets with finite useful life:* tangible and intangible assets with finite useful life are depreciated/amortized over the estimated useful life of the related assets. The useful life of the assets is determined by the Directors at the time the asset is acquired; it is based on historical experience for similar fixed assets, market conditions and anticipations of future events that could have an impact on the useful life. Therefore, the actual useful life may differ from the estimated useful life. The Group regularly assesses technological and industry changes to update the remaining useful life. This regular update could lead to a change in the amortization/depreciation period and therefore also in the amortization/depreciation charge for future years.
- *Pension plans:* the present value of the liability for pension benefits depends on a number of factors that are determined by actuarial methods using certain assumptions. The assumptions regard the discount rate, the expected return on the assets servicing the plan, the rates of future salary increases, and the mortality and resignation rates. Any change in the above assumptions could have significant effects on the liability for pension benefits;
- *Valuation of risk provisions:* the Group is subject to legal and tax lawsuits that may arise from complex and difficult issues, which are subject to a varying degree of uncertainty, including facts and circumstances underlying each case, jurisdiction and different applicable laws. Given the uncertainties underlying these issues, it is difficult to accurately predict the outlay that could arise from such disputes. Accordingly, after hearing the

opinion of their legal and tax advisors and experts, the Directors recognize a liability from such disputes when they consider it probable that a financial outlay will occur and when the amount of the resulting losses can be reasonably estimated. This estimate implies the adoption of assumptions that depend on factors that may change over time and which could therefore have significant effects over the current estimates made by the Directors in preparing the Group's consolidated financial statements;

- *Determination of fair value:* the fair value of certain financial assets that are not listed on active markets is determined using measurement techniques. The Group uses measurement techniques that use inputs that are directly or indirectly observable in the market at year end, related to the assets being measured. While the estimates of the abovementioned fair values are deemed reasonable, possible changes in the estimation factors on which the calculation of these values is based may produce different valuations.

## **Accounting policies**

### ***Tangible assets***

These are recorded at purchase, production or transfer cost, including any ancillary expense and direct costs required to make the asset available for use, less subsequent accumulated depreciation and write-downs for impairment. All other costs and financial expense are recognized in the income statement in the year to which they refer.

If an item of property, plant and equipment consists of several components with different useful lives, these components are accounted for separately (if they are significant components).

Leasehold improvements are classified as tangible fixed assets, on the basis of the cost incurred. In such cases, the depreciation period corresponds to the lower of the residual useful life of the tangible asset and the residual term of the lease contract.

Assets under construction are recorded at cost under "Assets under construction" until they are available for use; at the time of their availability for use, the cost is classified under the relevant item and depreciated.

The gain or loss on the disposal of property, plant, machinery, equipment and other assets is determined as the difference between the net sale proceeds and the net residual value of the asset, and is recognized in the income statement for the year in which the asset is derecognized.

Costs incurred after the purchase of the assets and the cost of replacing certain parts of the assets recorded in this category are added to the carrying amount of the item to which they refer and capitalized only if they increase the future economic benefits inherent in the asset itself and are therefore depreciated on the basis of the residual possibility of use of the asset. All other costs are recognized in the income statement when incurred.

When the cost of replacing certain parts of the assets is capitalized, the residual amount of the parts replaced is charged to the income statement.

Gains and losses arising from the sale or disposal of assets are determined as the difference between the sale proceeds and the net carrying amount of the asset and are recognized in the income statement for the year.

Depreciation is generally calculated on a straight-line basis over the estimated useful lives of the individual components into which property, plant and equipment are divided. Land is not depreciated.

Below are the rates applied for each category:

<b>Category</b>	<b>Rates % Neodecortech</b>	<b>Rates % Cartiere di Guarcino</b>	<b>Rates % Bio Energia Guarcino</b>
Industrial buildings	2%	2.5%	4%
Lightweight constructions	10%		
Temporary and kindred constructions	10%		
Plant and equipment	9%	5.5%	
Purification plants	12%	7.5%	
Miscellaneous production equipment / laboratory	30%		
Production equipment (printing cylinders)	20%		
Furniture and ordinary office equipment	12%	8.5%	12%
Electronic office equipment	20%	14%	
Internal means of transport	16%	14%	10%
Cars and motor vehicles	25%	17.5%	
Laboratory workshop maintenance		17.5%	
General plant		4.5%	15%
General equipment		6.5%	
Communications systems			20%
Weighing plant			15%
Firefighting Water System			15%
Dewatering plant			15%
Steam production plant			15%
Measurement and control system			10%
Industrial equipment			10%
Workshop and equipment			10%

The useful life of tangible assets and their residual value are reviewed and updated, where necessary, at least at the end of each financial period.

Tangible assets are also tested for impairment annually or whenever there is an indication that the asset may be impaired. Reference should be made to the section below "Impairment of tangible and intangible assets" for the criteria used to determine any write-downs.

### **Leases**

The Group must evaluate whether the contract is, or contains a lease, as at the date it is entered into. The Group recognizes the Right of Use and related Lease Liability for all leases in which it acts as lessee, except for short-term leases (leases of 12 months or less) and leases related to low-value assets (i.e., assets valued at less than € 5,000 when new). Contracts for which the latter exemption has been applied fall primarily within the following categories: computers, phones and tablets; printers, other electronic devices; and furniture and fixtures.

With regard to these exemptions, the Group records the related payments as operating expense recognized on a straight-line basis over the life of the contract.

The lease liability is initially recorded at the present value of future payments at the effective date of the contract. Since most of the lease agreements entered into by the Group do not contain an implicit interest rate, the discount rate to be applied to future lease payments was determined as the risk-free rate, with maturities commensurate with the term of the specific lease, increased by the specific credit spread of the company entering into the agreement.

Lease payments included in the value of the lease Liability include:

- the fixed component of lease payments, net of any incentives received;
- variable lease payments based on an index or rate, initially measured using the index or rate on the effective date of the contract;
- the amount of collateral for the residual value that the lessee expects to pay;
- the exercise price of the purchase option, which must only be included if the exercise of such option is considered reasonably certain;
- penalties for early termination of the contract, if the lease term envisages the option to exercise termination of the lease and the exercise thereof is estimated to be reasonably certain.

Subsequent to initial recognition, the carrying amount of the lease liability increases due to interest accrued (using the effective interest method) and decreases to take account of payments made under the lease agreement.

The Group restates the value of the Lease Liabilities (and adjusts the value of the corresponding Right of Use) if:

- the lease term changes or there is a change in the valuation of the exercise of the option right; in this case, the lease liability is restated by discounting the new lease payments at the revised discount rate.
- the value of lease payments changes as a result of changes in indices or rates, in such cases the Lease Liability is restated by discounting the new lease payments at the initial discount rate (unless the payments due under the lease change as a result of fluctuations in interest rates, in which case a revised discount rate must be used).
- The Group did not recognize any of the above changes in the period, availing itself, however, of the possibility of early application of the amendment to IFRS 16 - COVID-19 Related Rent Concessions, which allowed it to account for the effects of reductions in lease payments directly in the income statement at the effective date of the reduction, without having to assess, through the analysis of contracts, whether the definition of lease modification in IFRS 16 is met.

The Group did not recognize any of the above changes during the period.

The Right of Use asset includes the initial calculation of the lease Liability, lease payments made prior to or on the effective date of the contract, plus any other initial direct costs. The Right of Use is recorded in the financial statements net of depreciation and any impairment losses. Lease-related incentives (e.g., free lease periods) are recognized as part of the initial value of the right of use and lease liability over the contract period.

The Right of Use is amortized/depreciated on a systematic basis to the lower of the lease term and the remaining useful life of the underlying asset. If the lease agreement transfers ownership of the related asset or the cost of the right of use reflects the Group's wish to exercise the purchase option, the related right of use is amortized over the useful life of the asset in question. The beginning of amortization starts from the effective date of the lease.

The Right of Use is included under "Tangible assets" in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets in order to identify the presence of any impairment losses.

In the statement of cash flows, the Group divides the total amount paid between principal (recognized in the cash flow from financing activities) and interest (recognized in the cash flow from operations).

**Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance, controllable and capable of generating future economic benefits. These items are recorded at purchase and/or production cost, including directly attributable expense for preparing the asset for use, net of accumulated amortization and any impairment losses.

Intangible assets arising from the development of products and production processes are recognized as assets only if the following requirements are met:

- the cost attributable to the asset during its development can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are likely;
- the Group has sufficient resources to complete its development and to use or sell the asset.

Amortization begins from when the asset is available for use, in accordance with Management's intentions, and is systematically allocated in relation to the residual possibility of use of the asset, or on the basis of its estimated useful life.

The costs of software licenses, including expense incurred to make the software ready for use, are amortized on a straight-line basis over the relevant period of time (5 years), while the costs relating to the maintenance of software programs are charged to the Income Statement at the time they are incurred.

Intangible assets with finite useful life are systematically amortized from the moment the asset is available for use over their expected useful life. Below are the rates applied for each category:

Category	Rates %	Rates %	Rates %
	Neodecortech	Cartiere di Guarcino	Bio Energia Guarcino
Patents and use of intellectual property	20%		
Other intangible fixed assets	20%	20%	20%
Other intangible fixed assets - customer list	7 years		

Intangible assets with finite useful life are also tested for impairment whenever there is an indication that the asset may be impaired. Reference should be made to the section below "Impairment of tangible and intangible assets" for the criteria used to determine any write-downs.

#### ***Impairment of tangible and intangible assets***

At each balance sheet date, an assessment is made to ascertain whether there are any indications that tangible and intangible assets (including rights of use, the reduction in value of which is connected with the emergence of conditions for using the asset on the basis of an onerous contract pursuant to IAS 37) may have suffered impairment. Both internal and external sources of information are considered for this purpose. With regard to the former (internal sources), the following are considered: obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the economic performance of the asset compared to estimated performance. With regard to external sources, the following are considered: trends in the market prices of assets, any technological, market or regulatory discontinuities, trends in market interest rates or the cost of capital used to value investments.

If such indicators are identified, the recoverable amount of said assets is estimated (impairment test), posting any write-down against the related carrying amount to the Income Statement. The recoverable value of an asset is represented by the greater of its fair value, less ancillary costs to sell, and its value in use, i.e. the current value of the future cash flows estimated for this asset. In determining the value in use, the expected future cash flows are discounted using a discount rate that reflects current market assessments of the time value of money, in relation to the period of the investment and the risks specific to the asset. For an asset that does not generate cash flows that are largely independent, the recoverable amount is determined in relation to the cash generating unit (CGU) to which such asset belongs.

An impairment loss is recognized in the Income Statement if the carrying amount of the asset, or of its cash generating unit, is higher than its recoverable value. Impairment losses of the cash generating unit are recognized as a reduction in assets, in proportion to their book value and within the limits of the relating recoverable value, including rights of use. If the conditions for a previous write-down no longer apply, the carrying amount of the asset is reinstated with an entry in profit and loss, up to the net carrying amount that the asset in question would have had if the write-down had not been made and the related amortization/depreciation had been carried out.

#### ***Financial assets***

All financial assets are initially recognized, at the trading date, at cost, which corresponds to the fair value increased by the expense directly attributable to the purchase, with the exception of financial assets held for trading (fair value in the income statement).

All financial assets must be subsequently recognized at amortized cost or fair value based on the entity's business model for managing financial assets and the characteristics related to the contractual cash flows of the financial asset. Specifically:

- Debt instruments held as part of a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and which have cash flows represented solely by principal payments and interest on the amount of principal to be repaid, are subsequently measured at amortized cost;
- Debt instruments held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and which have cash flows represented solely by principal payments and interest on the amount of principal to be repaid, are subsequently measured at fair value with changes recognized in other comprehensive income (FVTOCI);
- All other debt instruments and investments in equity instruments are subsequently measured at fair value, with changes recognized in net profit (loss) for the year (FVTPL).

When an investment in a debt instrument measured as FVTOCI is derecognized, the cumulative gain (loss) previously recognized in other comprehensive income is reclassified from equity to net profit (loss) through a reclassification

adjustment. Conversely, when an investment in an equity instrument designated as FVTOCI rated is derecognized, the cumulative gain (loss) previously recognized in other comprehensive income is subsequently transferred to retained earnings without passing through the income statement. Dividends received from investments in equity instruments are recognized in the income statement.

Debt instruments subsequently measured at amortized cost or FVTOCI are subject to financial asset impairment. With regard to the impairment of financial assets, the Group has applied a model based on expected losses on receivables, with reference to trade receivables. Specifically, the Group measures the loss allowance on a financial asset at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial asset has significantly increased since initial recognition, or if the financial instrument is an impaired financial asset that has been purchased or originated. However, if the credit risk of a financial instrument has not increased significantly since initial recognition, the Group shall measure the loss allowance for the financial instrument in an amount equal to the expected credit losses from a default event in the following 12 months (12-month expected credit losses).

The Group adopts the simplified method for measuring the loss allowance for trade receivables by estimating the expected losses over the life of the receivable, also using a Group procedure that also requires a customer-by-customer analysis of past due doubtful debts.

The Group derecognizes all or a portion of its financial assets when:

- the contractual rights attributable to these assets have expired;
- it transfers the risks and rewards of ownership of the asset or does not transfer or even retain substantially all the risks and rewards, but transfers control of these assets;
- receivables transferred as a result of factoring transactions are eliminated from the statement of financial position only if they are transferred without recourse, and if substantially all the risks inherent in the receivable are transferred.

Receivables assigned with recourse, or in any case without the transfer of all risks, remain recorded in the financial statements and a financial liability of equal amount is recorded under liabilities against the advance received.

### ***Inventory***

The purchase cost includes the costs incurred to bring each asset to the storage location and takes account of write-downs related to obsolescence and slow turnover of inventory.

The production cost of finished and semi-finished goods includes the cost of raw materials, direct labour and a portion of general production costs, calculated on the basis of normal plant operations, while financial costs are excluded.

For raw and ancillary materials and consumables, the net realizable value is represented by the replacement cost. For finished and semi-finished goods, the net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale.

### ***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, bank deposits on demand, and other treasury investments with original expected maturities of three months or less. Overdrafts are considered a means of financing and not a component of cash and cash equivalents. The definition of cash and cash equivalents in the statement of cash flows corresponds to the definition in the statement of financial position.

### ***Treasury shares***

Repurchased treasury shares are recorded at cost and deducted from equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the purchase price and the consideration, in the event of re-issue, is recognized in the share premium reserve.

***Provisions for risks and charges***

Allocations to provisions for risks and charges are made when the Group must meet a current obligation (legal or implicit) deriving from a past event, the amount of which can be reliably determined, and the fulfilment of which will likely result in the use of resources. Allocations are made on the basis of the best estimate, on the basis of the costs required to fulfil the obligation at the balance sheet date, and are discounted when the effect is significant. In this case, the discounting is determined at a pre-tax discount rate that reflects the current market valuation of the cost of money in relation to time. The discounting effect is recorded under financial expense.

***Employee benefits***

As of 1 January 2007, companies with over 50 employees at the date of introduction of the reform are required to pay the new severance indemnity flows into pension funds chosen by the worker or, where the worker has opted to keep the flows within the company, into a treasury account set up with INPS. For the Group, the employee severance indemnity accrued up to 31 December 2006 continues to fall under "defined benefit plans", while the indemnity accrued after such date is treated, for all workers, as a "defined contribution plan", since all the companies' obligations are discharged with the periodic payment of a contribution to third parties. An exception is made for the portions accrued by workers who have opted to keep the severance indemnity within the company, which are classified as a defined benefit plan.

***Defined contribution plans***

Defined contribution plans are formalized post-employment benefit programs under which the Group pays fixed contributions to an insurance company or pension fund and will not have a legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior years.

These contributions, paid in exchange for employee service, are recorded as an expense in the period incurred.

***Defined benefit plans***

Defined benefit plans are formalized post-employment benefit programs that constitute a future obligation for the Group. The entity is, in substance, underwriting the actuarial and investment risks associated with the plan. Under IAS 19, the Group uses the Projected Unit Credit Method to determine the present value of obligations and the related current service cost.

This actuarial calculation requires the use of objective and compatible actuarial assumptions about demographic (mortality rate, employee turnover rate) and financial (discount rate, future increases in salary levels and medical benefits) variables.

Actuarial gains and losses related to post-employment defined benefit plans may result from both changes in the actuarial assumptions used for the calculation between two consecutive years and changes in the value of the obligation relating to the actuarial assumptions made at the beginning of the year. Actuarial gains and losses are recognized and charged immediately to other comprehensive income.

Net interest expense on defined benefit plans is recognized in financial income/(expense) in the income statement.

***Loans***

Loans are initially recognized at the fair value of the amount disbursed/received net of ancillary expense directly attributable to the financial asset/liability. After initial recognition, loans are measured at amortized cost using the effective interest method.

***Trade and other payables***

Trade and other payables are initially recorded at the fair value of the initial consideration received in exchange and subsequently measured at amortized cost.

***Revenue recognition***

Revenue is measured taking account of the consideration specified in the contract with the customer. The Group recognizes revenue when it transfers control of goods or services.

Revenue recognition is performed by applying a five-step model as outlined below:

- Identification of the contract with the customer;
- Identification of "performance obligations" under the contract;
- Determination of transaction consideration;
- Allocation of consideration to individual "performance obligations";
- Recognition of revenue at the point in time (or over a period of time) of satisfaction of the individual "performance obligation".

Revenue is recognized when the economic benefits associated with the sale of goods or the provision of services will flow to the Group and the amount can be reliably determined. Revenue is recorded at fair value, equal to the consideration received or receivable, taking account of the value of any trade discounts granted and volume rebates.

With regard to the sale of goods, revenue is recognized when the company has transferred the significant risks and benefits associated with the ownership of the goods to the purchaser. Contracts with customers generally include a single performance obligation. A performance obligation is satisfied upon delivery of the asset.

***Costs***

Costs are recorded on an accruals basis and in accordance with the relevance principle.

***Financial expense and income***

Interest income/expense is recognized as financial income/expense following its assessment on an accruals basis and using the effective interest rate method.

***Income tax***

Current tax is calculated on the basis of taxable income for the year, applying the tax rates in force at the reporting date. Deferred tax is calculated on all differences arising between the tax base of an asset or liability and the relating carrying amount.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which they can be recovered. Deferred tax is determined using the tax rates that are expected to apply in the periods in which the differences are realized or settled. The recoverability of deferred tax assets is reviewed at each end of the period. Deferred tax assets not recognized in the financial statements are re-analyzed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Current and deferred tax is recorded in the Income Statement, with the exception of tax relating to items directly debited or credited to equity, in which case the tax effect is recognized directly in equity and in the Consolidated Statement of Comprehensive Income. Tax is offset when levied by the same taxing authority and when there is a legal right to offset it and a settlement of the net balance is expected.

Neodecortech S.p.A. participates as a subsidiary in the national tax consolidation scheme of the Valentini Group, together with the subsidiaries Cartiere di Guarcino S.p.A., Bio Energia Guarcino S.r.l., and Valinvest S.r.l.. In this context, pursuant to Articles 117 et seq. of Presidential Decree 917/86, IRES is determined at the level of Finanziaria Valentini S.p.A. by offsetting the positive and negative taxable amounts of the above companies.

Income-related transactions, responsibilities and mutual obligations among the companies are set out in the regulations for participation in the tax consolidation scheme of the Valentini Group.

***Derivative financial instruments***

Derivatives, including embedded derivatives that are separated from the main contract, are initially recognized at fair value.

Derivatives are classified as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the hedge effectiveness, regularly verified, is high.

When hedging derivatives hedge the risk of change in the fair value of the hedged instruments, they are recorded at fair value and the effects are posted to the income statement; accordingly, the hedged instruments are adjusted to reflect the changes in fair value associated with the risk hedged.

When derivatives hedge the risk of fluctuations in the cash flows of the hedged instruments (cash flow hedge), the hedges are designated against the exposure to variability in cash flows attributable to risks that may subsequently affect the Income Statement; these risks are generally associated with an asset or liability recognized in the balance sheet (such as future payments on debts at variable rates). The effective portion of the change in the fair value of the portion of derivative contracts that have been designated as hedges under IFRS 9 is recognized as a component of the Comprehensive Income Statement (hedging reserve); this reserve is then charged to profit or loss in the period in which the hedged transaction affects the Income Statement. The ineffective portion of the change in fair value, as well as the entire change in fair value of the derivatives that have not been designated as hedging instruments or do not meet the requirements of IFRS 9, is booked directly to the income statement.

When derivative instruments do not meet the requirements to be classified as hedges, gains and losses from fair value fluctuations are recognized in the income statement for the period.

***Transactions denominated in currencies other than the functional currency***

Transactions denominated in currencies other than the functional currency are initially translated into the functional currency using the exchange rate on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in non-functional currencies are translated into the functional currency at the exchange rate in effect at the reporting date. The resulting exchange rate differences are recorded in the Income Statement.

Non-monetary assets and liabilities denominated in non-functional currencies and measured at cost are translated at the exchange rate on the date of the transaction, while those measured at fair value are translated at the exchange rate on the date such value is determined.

***Earnings/(loss) per share***

Earnings per share are calculated by dividing the Group's net profit or loss by the weighted average number of shares outstanding during the relevant period, excluding treasury shares. Diluted earnings are calculated by dividing the Group's profit or loss adjusted to take account of any effects, net of tax for the year, of any rights with diluted effects by the weighted average number of shares outstanding during the relevant period, excluding treasury shares and equivalent securities (options) with dilutive effect.

***Environmental impact***

The Group considers climate-related issues in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts to the Group from both physical and transitional risks. Although the Group believes that its business model and products will still be appealing as a result of the transition to a low-emission economy, climate-related issues increase the uncertainty of estimates and assumptions affecting many elements or items in the financial statements.

While climate-related risks may not have a significant impact on measurement to date, the Group is closely monitoring developments and changes, such as new climate-related regulations and standards.

## **Business combinations**

During the year, a business unit was acquired from LOMA S.r.l.

On 27 November 2024, Neodecortech S.p.A. entered into a business unit acquisition agreement regarding the business structure related to decorative surfaces for the furniture and laminate flooring industry in Asia and the Far East in general. The gradual decline in the potential profitability of a commercial brokerage business in the intermediate industrial goods sector, combined with the opportunity to add specialty product lines complementary to the existing ones, led to the acquisition of this unit. Specifically, the business unit consisted of i) a customer list with existing business relationships; ii) the area manager in charge of those business relationships.

<b>(€ thousands)</b>	
Post-employment benefits	(100)
<b>Total net liabilities acquired</b>	<b>(100)</b>
<hr/>	
Price paid	737
Price to be allocated	837
<hr/>	
Customer List	837

The price was allocated to the acquired customer list whose useful life was estimated to be 7 years.

## **Segment reporting**

The Group's areas of operation, which constitute the segment reporting under IFRS 8, are as follows and correspond to the activities carried out by the Parent Company and its subsidiaries, Cartiere di Guarcino S.p.A. and Bio Energia Guarcino S.r.l., respectively:

- Printed Decorative Paper Division - Neodecortech S.p.A.
- Decorative Paper Division - Cartiere di Guarcino S.p.A.
- Energy Division - Bio Energia Guarcino S.r.l.
- China Division - Changzhou NDT new material technology company Ltd

The Group's management and organizational structure reflects the segment reporting by business activity as described above. Operating segments are identified on the basis of the elements that the Group's highest decision-making level uses to make its decisions regarding the allocation of resources and the assessment of results.

The table below shows the segment figures relating to revenue and income and results at 31 December 2024 and, below, at 31 December 2023:

31 December 2024

(Euro thousands)	Printed Decorative Paper Division	% on Revenue	Decorative Paper Division	% on Revenue	Guarcino Energy Division	% on Revenue	Casoli Energy Division	% on Revenue	NDT China Division	% on Revenue	Aggregate	Eliminations and consolidation entries	Consolidated	% on Revenue
<b>Revenue from sales and services</b>	<b>64,134</b>	<b>100%</b>	<b>71,227</b>	<b>100%</b>	<b>50,695</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>171</b>	<b>100%</b>	<b>186,227</b>	<b>17,652</b>	<b>168,575</b>	<b>100%</b>
Changes in work in progress, semi-finished and finished products	(37)	0%	(908)	-1%	0	0%	0	0%	0	0%	(945)	0	(945)	-1%
Other revenue	1,742	3%	2,558	4%	877	2%	0	0%	0	0%	5,177	1,069	4,108	2%
<b>Value of Production</b>	<b>65,839</b>	<b>103%</b>	<b>72,877</b>	<b>102%</b>	<b>51,572</b>	<b>102%</b>	<b>0</b>	<b>0%</b>	<b>171</b>	<b>100%</b>	<b>190,459</b>	<b>18,721</b>	<b>171,738</b>	<b>102%</b>
Raw and ancillary materials and consumables	(38,745)	-60%	(46,289)	-65%	(37,622)	-74%	0	0%	(115)	-67%	(122,771)	(15,544)	(107,227)	-64%
Other operating expense	(11,316)	-18%	(12,556)	-18%	(5,205)	-10%	(37)	0%	(228)	-133%	(29,342)	(2,791)	(26,551)	-16%
<b>Value Added</b>	<b>15,778</b>	<b>25%</b>	<b>14,032</b>	<b>20%</b>	<b>8,745</b>	<b>17%</b>	<b>(37)</b>	<b>0%</b>	<b>(172)</b>	<b>-101%</b>	<b>38,346</b>	<b>386</b>	<b>37,960</b>	<b>23%</b>
Personnel expense	(11,753)	-18%	(9,289)	-13%	(566)	-1%	0	0%	(81)	-47%	(21,689)	(362)	(21,327)	-13%
<b>EBITDA</b>	<b>4,025</b>	<b>6%</b>	<b>4,743</b>	<b>7%</b>	<b>8,179</b>	<b>16%</b>	<b>(37)</b>	<b>0%</b>	<b>(253)</b>	<b>-148%</b>	<b>16,657</b>	<b>24</b>	<b>16,633</b>	<b>10%</b>
Amortization and depreciation	(3,286)	-5%	(2,782)	-4%	(2,788)	-5%	0	0%	(14)	-8%	(8,870)	226	(9,096)	-5%
Allocations	0	0%	(53)	0%	0	0%	0	0%	0	0%	(53)	0	(53)	0%
<b>EBIT</b>	<b>739</b>	<b>1%</b>	<b>1,908</b>	<b>3%</b>	<b>5,391</b>	<b>11%</b>	<b>(37)</b>	<b>0%</b>	<b>(267)</b>	<b>-156%</b>	<b>7,734</b>	<b>250</b>	<b>7,484</b>	<b>4%</b>
Financial expense	(985)	-2%	(1,648)	-2%	(858)	-2%	0	0%	0	0%	(3,491)	(751)	(2,740)	-2%
Financial income	4,370	7%	3,850	5%	6	0%	1	0%	2	1%	8,229	7,796	433	0%
<b>Profit/(loss) before tax</b>	<b>4,124</b>	<b>6%</b>	<b>4,110</b>	<b>6%</b>	<b>4,539</b>	<b>9%</b>	<b>(36)</b>	<b>0%</b>	<b>(265)</b>	<b>-155%</b>	<b>12,472</b>	<b>7,295</b>	<b>5,177</b>	<b>3%</b>
Income tax	(13)	0%	(245)	0%	(999)	-2%	0	0%	0	0%	(1,257)	(57)	(1,200)	-1%
<b>Profit/(loss) for the year</b>	<b>4,111</b>	<b>6%</b>	<b>3,865</b>	<b>5%</b>	<b>3,540</b>	<b>7%</b>	<b>(36)</b>	<b>0%</b>	<b>(265)</b>	<b>-155%</b>	<b>11,215</b>	<b>7,238</b>	<b>3,977</b>	<b>2%</b>

31 December 2023

(Euro thousands)	Printed Decorative Paper Division	% on Revenue	Decorative Paper Division	% on Revenue	Guarcino Energy Division	% on Revenue	Casoli Energy Division	% on Revenue	NDT China Division	% on Revenue	Aggregate	Eliminations and consolidation entries	Consolidated	% on Revenue
<b>Revenue from sales and services</b>	<b>70,783</b>	<b>100%</b>	<b>80,103</b>	<b>100%</b>	<b>34,745</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>185,631</b>	<b>24,027</b>	<b>161,604</b>	<b>100%</b>
Changes in work in progress, semi-finished and finished products	679	1%	2,571	3%	0	0%	0	0%	0	0%	3,250	0	3,250	2%

Other revenue	2,254	3%	3,567	4%	2,419	7%	0	0%	0	0%	8,240	1,025	7,215	4%
<b>Value of Production</b>	<b>73,716</b>	<b>104%</b>	<b>86,241</b>	<b>108%</b>	<b>37,164</b>	<b>107%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>197,121</b>	<b>25,052</b>	<b>172,069</b>	<b>106%</b>
Raw and ancillary materials and consumables	(44,368)	-63%	(50,724)	-63%	(29,112)	-84%	0	0%	0	0%	(124,204)	(18,445)	(105,759)	-65%
Other operating expense	(12,094)	-17%	(21,400)	-27%	(4,234)	-12%	(46)	0%	0	0%	(37,774)	(6,338)	(31,436)	-18%
<b>Value Added</b>	<b>17,254</b>	<b>24%</b>	<b>14,117</b>	<b>18%</b>	<b>3,818</b>	<b>11%</b>	<b>(46)</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>35,143</b>	<b>269</b>	<b>34,874</b>	<b>21%</b>
Personnel expense	(11,308)	-16%	(9,514)	-12%	(412)	-1%	0	0%	0	0%	(21,234)	(251)	(20,983)	-13%
<b>EBITDA</b>	<b>5,946</b>	<b>8%</b>	<b>4,603</b>	<b>6%</b>	<b>3,406</b>	<b>10%</b>	<b>(46)</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>13,909</b>	<b>18</b>	<b>13,891</b>	<b>8%</b>
Amortization and depreciation	(3,381)	-5%	(2,829)	-4%	(2,714)	-8%	0	0%	0	0%	(8,924)	227	(9,151)	-5%
Allocations	(34)	0%	-64	0%	0	0%	0	0%	0	0%	(98)	0	(98)	0%
<b>EBIT</b>	<b>2,531</b>	<b>4%</b>	<b>1,710</b>	<b>2%</b>	<b>692</b>	<b>2%</b>	<b>(46)</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>4,887</b>	<b>245</b>	<b>4,642</b>	<b>3%</b>
Financial expense	(754)	-1%	(1,585)	-2%	(501)	-1%	(3)	0%	0	0%	(2,843)	(407)	(2,436)	-1%
Financial income	1,200	2%	320	0%	1	0%	0	0%	0	0%	1,521	1,120	401	0.2%
<b>Profit/(loss) before tax</b>	<b>2,977</b>	<b>4%</b>	<b>445</b>	<b>1%</b>	<b>192</b>	<b>1%</b>	<b>(49)</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>3,565</b>	<b>958</b>	<b>2,607</b>	<b>2%</b>
Income tax	(129)	0%	268	0%	32	0%	0	0%	0	0%	171	(70)	241	0%
<b>Profit/(loss) for the year</b>	<b>2,848</b>	<b>4%</b>	<b>713</b>	<b>1%</b>	<b>224</b>	<b>1%</b>	<b>(49)</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>3,736</b>	<b>888</b>	<b>2,848</b>	<b>2%</b>

At 31 December 2024, the table below shows revenue broken down by type of business.

(Euro thousands)	Printed Decorative Paper Division	Decorative Paper Division	Guarcino Energy Division	NDT China Division	Aggregate
Revenue from the sale of goods	56,840	68,968	0	171	125,979
Revenue from services	7,294	2,259	0	0	9,553
Revenue from the sale of electricity and steam	0	0	14,086	0	14,086
Revenue from ordinary incentives	0	0	10,226	0	10,226
Guaranteed Minimum Prices	0	0	26,384	0	26,384
<b>Total by segment</b>	<b>64,134</b>	<b>71,227</b>	<b>50,695</b>	<b>171</b>	<b>186,227</b>

The table below shows segment balance sheet and financial position figures at 31 December 2024 and, below, at 31 December 2023:

### 31 December 2024

(Euro thousands)	Printed Decorative Paper Division	Decorative Paper Division	Guarcino Energy Division	Casoli Energy Division	NDT China	Aggregate	Eliminations and consolidation entries	Consolidated
Intangible assets	2,093	1,083	141	0	54	3,371	(54)	3,317
Tangible assets	32,339	38,136	3,635	25	118	74,253	227	74,480
Investments	46,727	10,353	0	0	0	57,080	(57,080)	0
Other non-current assets/financial receivables	404	467	0	0	0	871	(1)	870
Deferred tax assets	520	198	302	0	0	1,020	35	1,055
<b>Non-current assets</b>	<b>82,083</b>	<b>50,237</b>	<b>4,078</b>	<b>25</b>	<b>172</b>	<b>136,595</b>	<b>(56,873)</b>	<b>79,722</b>
Inventory	9,455	27,356	3,365	0	0	40,176	(127)	40,049
Trade receivables	11,718	6,626	18,714	0	6	37,064	(1,351)	35,713
Receivables from tax consolidation	13	0	335	0	0	348	0	348
Tax receivables	530	31	1,406	17	5	1,989	0	1,989
Current financial receivables	4,216	6,090	0	0	0	10,306	(10,225)	81
Other receivables	430	945	1,781	0	0	3,156	(75)	3,081
Cash funds	1,629	8,927	1,714	84	129	12,483	0	12,483

<b>Current assets</b>	<b>27,991</b>	<b>49,975</b>	<b>27,315</b>	<b>101</b>	<b>140</b>	<b>105,522</b>	<b>(11,778)</b>	<b>93,744</b>
<b>Assets</b>	<b>110,074</b>	<b>100,212</b>	<b>31,393</b>	<b>126</b>	<b>312</b>	<b>242,117</b>	<b>(68,651)</b>	<b>173,466</b>
						0		
<b>Equity</b>	<b>80,818</b>	<b>46,707</b>	<b>10,192</b>	<b>111</b>	<b>(126)</b>	<b>137,702</b>	<b>(56,977)</b>	<b>80,725</b>
Provisions for risks and charges	296	542	20	0	0	858	(87)	771
Deferred tax	2,346	2,968	155	0	0	5,469	65	5,534
Post-employment benefits	693	1,362	36	0	0	2,091	0	2,091
Non-current financial liabilities	7,334	12,634	0	0	0	19,968	0	19,968
<b>Non-current liabilities</b>	<b>10,669</b>	<b>17,506</b>	<b>211</b>	<b>0</b>	<b>0</b>	<b>28,386</b>	<b>(22)</b>	<b>28,364</b>
Trade payables	7,264	14,378	9,376	14	272	31,304	(1,353)	29,951
Payables from tax consolidation	0	31	0	0	0	31	0	31
Tax payables	645	335	263	1	0	1,244	0	1,244
Current financial liabilities	5,722	18,962	11,230	0	0	35,914	(10,225)	25,689
Other current payables	4,956	2,293	121	0	166	7,536	(74)	7,462
<b>Current liabilities</b>	<b>18,587</b>	<b>35,999</b>	<b>20,990</b>	<b>15</b>	<b>438</b>	<b>76,029</b>	<b>(11,652)</b>	<b>64,377</b>
<b>Equity and liabilities</b>	<b>110,074</b>	<b>100,212</b>	<b>31,393</b>	<b>126</b>	<b>312</b>	<b>242,117</b>	<b>(68,651)</b>	<b>173,466</b>

31 December 2023

(Euro thousands)	Printed Decorative Paper Division	Decorative Paper Division	Guarcino Energy Division	Casoli Energy Division	NDT China	Aggregate	Eliminations and consolidation entries	Consolidated
Intangible assets	482	277	18	0	0	777	0	777
Tangible assets	31,456	37,905	6,129	25	0	75,515	454	75,969
Investments	42,859	11,572	0	0	0	54,431	(54,431)	0
Other non-current assets/financial receivables	1,288	463	0	0	0	1,751	(907)	844
Deferred tax assets	456	223	1,158	0	0	1,837	44	1,881
<b>Non-current assets</b>	<b>76,541</b>	<b>50,440</b>	<b>7,305</b>	<b>25</b>	<b>0</b>	<b>134,311</b>	<b>(54,840)</b>	<b>79,471</b>
Inventory	9,237	29,334	4,184	0	0	42,755	(157)	42,598
Trade receivables	10,045	5,088	1,582	0	0	16,715	(439)	16,276
Receivables from tax consolidation	0	76	362	0	0	438	0	438
Tax receivables	545	639	461	8	0	1,653	(1)	1,652
Current financial receivables	4,120	2,241	0	0	0	6,361	(6,361)	0
Other receivables	518	891	10,812	1	0	12,222	(11)	12,211
Cash funds	6,224	3,624	2,169	140	0	12,157	0	12,157
<b>Current assets</b>	<b>30,689</b>	<b>41,893</b>	<b>19,570</b>	<b>149</b>	<b>0</b>	<b>92,301</b>	<b>(6,969)</b>	<b>85,332</b>
<b>Assets</b>	<b>107,230</b>	<b>92,333</b>	<b>26,875</b>	<b>174</b>	<b>0</b>	<b>226,612</b>	<b>(61,808)</b>	<b>164,804</b>
<b>Equity</b>	<b>77,462</b>	<b>42,826</b>	<b>11,248</b>	<b>147</b>	<b>0</b>	<b>131,683</b>	<b>(54,221)</b>	<b>77,462</b>
Provisions for risks and charges	210	595	20	0	0	825	0	825
Deferred tax	2,386	3,049	375	0	0	5,810	131	5,941
Post-employment benefits	655	1,392	33	0	0	2,080	0	2,080
Non-current financial liabilities	10,009	12,571	505	0	0	23,085	(906)	22,179
<b>Non-current liabilities</b>	<b>13,260</b>	<b>17,607</b>	<b>933</b>	<b>0</b>	<b>0</b>	<b>31,800</b>	<b>(775)</b>	<b>31,025</b>
Trade payables	8,661	19,455	6,089	26	0	34,231	(439)	33,792
Payables from tax consolidation	117	0	0	0	0	117	0	117
Tax payables	462	318	5	1	0	786	0	786
Current financial liabilities	3,190	10,442	8,574	0	0	22,206	(6,362)	15,844
Other current payables	4,078	1,685	26	0	0	5,789	(11)	5,778
<b>Current liabilities</b>	<b>16,508</b>	<b>31,900</b>	<b>14,694</b>	<b>27</b>	<b>0</b>	<b>63,129</b>	<b>(6,812)</b>	<b>56,317</b>
<b>Equity and liabilities</b>	<b>107,230</b>	<b>92,333</b>	<b>26,875</b>	<b>174</b>	<b>0</b>	<b>226,612</b>	<b>(61,808)</b>	<b>164,804</b>

## Management of financial risks

The Board of Directors of Neodecortech S.p.A. adopts a consistent policy with a view to reducing the financial risks the Neodecortech Group is exposed to in the course of business.

As the Group's activities are essentially industrial, the use of instruments is limited to transactions to hedge the risks connected with its operations, thus excluding speculative policies or policies that pursue purely financial profit objectives.

The financial instruments applicable to the sector are only those that allow for the funding and use of the financial means required to carry out operations. Therefore, the amounts, terms and maturities of the financial instruments must be appropriate to the transactions they are linked to.

## Liquidity risk

In connection to its debt position, the Group is exposed to liquidity risk, namely the risk of being unable to raise the funds required to service and repay existing loans.

In order to minimize this risk, the Treasury and Credit area puts these activities in place:

- ongoing assessment of forecast financial requirements in order to put in place the necessary actions in a timely manner;
- negotiation of appropriate credit facilities;
- the correct composition of net financial debt, i.e. to finance capital expenditure using medium/long-term debt (in addition to equity), while covering net working capital requirements using short-term lines of credit;
- inclusion of Group companies in loan agreements in order to optimize any excess liquidity among companies.

Reference should be made to Note 25 "Non-current financial liabilities" and "Current financial liabilities" for further details of the loans taken out.

At 31 December 2024, the Group has an outstanding loan agreement containing covenants tied to compliance with financial or capital ratios.

## Credit risk

The Group is subject to credit risk relating to the sales of products in its core markets. The policies set out the criteria for establishing customer creditworthiness, credit facilities and related risk containment measures. The policies also envisage the assignment of responsibilities for approving any breaches of such limits and for preparing management reports.

The review of overdue receivables provides the following analysis by due date (including allocations for invoices to issue and credit notes to issue):

Trade receivables	Overall total	Total falling due	Total past due	Past due 0 - 30	Past due 31 - 60	Past due 61 - 90	Past due 91 - 120	Past due over 120
31 DECEMBER 2024	36,322	31,464	4,858	3,831	213	(22)	6	830

Trade receivables	Overall total	Total falling due	Total past due	Past due 0 - 30	Past due 31 - 60	Past due 61 - 90	Past due 91 - 120	Past due over 120
31 DECEMBER 2023	16,848	13,012	3,836	2,867	191	(6)	(64)	848

As the Group's exposure to customers is represented mainly by receivables from companies in the furniture and flooring sector, it is reasonable to estimate that there are no noteworthy solvency risks. Special cases are systematically reviewed and, where deemed necessary, a specific provision for impairment is made.

Also included in past dues between 0-30 days are mainly collection of cash orders paid on 31 December 2024, but credited by the bank on the first day of 2025.

The general risk associated with overall exposure to customers is assessed on a statistical basis, by reviewing the historical series of insolvencies and realized losses per year, to which average percentages of probable uncollectability are associated, in connection to the age of the receivable.

Changes in the provision for doubtful accounts at 31 December 2024 are shown below:

Provision for doubtful accounts					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocation	Utilization	Release	31 DECEMBER 2024
Changes in Provision for Doubtful Accounts	572	53	(9)	(7)	609
<b>Total provision for doubtful accounts</b>	<b>572</b>	<b>53</b>	<b>(9)</b>	<b>(7)</b>	<b>609</b>

Actions aimed at limiting risk include the continued controls made in the year to assess and analyze the higher risk situations on a monthly basis, and the implementation of credit insurance policies at Neodecortech S.p.A. and Cartiere di Guarcino S.p.A. in the manner deemed appropriate.

### Exchange rate risk

By focusing its sales on the Italian and European markets of the Euro zone, the Group is exposed to the risk of fluctuations in exchange rates to a limited extent and primarily in relation to the purchase of certain raw materials (pulp and titanium), whose transactions are partly denominated in currencies other than the Euro, primarily in US dollars.

In this regard, the subsidiary Cartiere di Guarcino S.p.A., in order to mitigate the risk, enters into derivative contracts for the forward purchase of U.S. dollars when necessary; at 31 December 2024, open derivative contracts totaled € 4,156 thousand (fair value € +81 thousand), while at 31 December 2023, open derivative contracts totaled € 1,954 thousand (fair value € -52 thousand).

### Interest rate risk

The risk is represented by the likelihood that the value or future cash-flows of a financial instrument - in particular, current account overdrafts, bank advances and loans - may vary parallel to changes in interest rates. Total medium/long-term loans at 31 December 2024 amounted to € 28,965 thousand, of which approximately 73% are at floating rate not hedged by derivative contracts.

To mitigate the above risk, the Parent Company entered into an Interest Rate Swap contract relating to the outstanding mortgage loan with BPM, with a notional value of € 3,559 thousand and a positive fair value of € 67 thousand at 31 December 2024 (positive € 172 thousand at 31 December 2023).

#### **Fair value hierarchy and classes of financial instruments**

different measurement techniques:

- Level 1: the data used in the measurements are represented by quoted prices on markets where assets and liabilities identical to those being measured are traded;
- Level 2: the data used in the measurements, other than the quoted prices referred to in Level 1, are observable for the financial asset or liability, either directly (prices) or indirectly (derived from prices);
- Level 3: non-observable data; if observable data are unavailable and, therefore, there is a modest or non-existent market activity for the assets and liabilities being measured.

It should be noted that in choosing the measurement techniques to use, the Group has followed the following hierarchy:

- use of prices recorded in markets (even if not active) of identical (Recent Transactions) or similar instruments (Comparable Approach);
- measurement techniques based primarily on observable market inputs;
- measurement techniques based primarily on unobservable inputs corroborated by market data.

At 31 December 2024, the Group measured the fair value of derivative financial instruments using inputs that resulted in the financial instruments being categorized in Level 2 of the fair value hierarchy. No changes were reported during the period in the different levels of fair value.

With regard to the classes of financial instruments, at 31 December 2024 - as at 31 December 2023 - the derivatives indicated above represent the only category of financial instruments measured at fair value. Other financial assets and liabilities are measured using the amortized cost method.

#### **Information on the fair value of derivative financial instruments**

The following information is provided on the fair value of derivative financial instruments in place at 31 December 2024:

- Currency Rate - Contract hedging the risk of fluctuation of the U.S. dollar where necessary concluded by Cartiere di Guarcino S.p.A. - open derivative contracts totalled € 4,156 thousand at 31 December 2024 (fair value € +81 thousand), while at 31 December 2023, open derivative contracts totalled € 1,954 thousand (fair value € -52 thousand).
- Interest Rate Swap - Contract hedging the risk of interest rate fluctuations concluded by Neodecortech S.p.A. - Notional value at 31 December 2024 € 3,559,399 - Fair value at 31 December 2024 € +66,767 (€ +172,140 at 31 December 2023);

In 2020, five loan agreements were also concluded for a total of € 10,000 thousand, underlying which there are embedded derivatives (floor at zero on Euribor rate). For four of these agreements, for a total of € 8,000 thousand, the embedded derivatives are active at 31 December 2024, and have therefore been separated and measured and at 31 December 2024 have a negative fair value of € 0.1 thousand (negative fair value of € 1 thousand at 31 December 2023).

## Consolidated income statement

### 1. REVENUE FROM SALES AND SERVICES

The table below details the item in question with regard to the period ended 31 December 2024 and 2023:

Revenue from sales and services						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Revenue from sales	160,415	95.2	150,254	93.0	10,161	6.8
Services	8,160	4.8	11,350	7.0	(3,190)	(28.1)
<b>Total revenue from sales and services</b>	<b>168,575</b>	<b>100.0</b>	<b>161,604</b>	<b>100.0</b>	<b>6,971</b>	<b>4.3</b>

In order to provide adequate disclosure of the nature and characteristics of revenue, see the comments appearing in the Directors' Report on Operations.

It should be noted that services consist mainly of the item "Impregnation under contract work" of the Parent Company for the amount of approximately € 7,240 thousand at 31 December 2024 (€ 10,582 thousand at 31 December 2023).

### 2. CHANGES IN SEMI-FINISHED AND FINISHED PRODUCTS

The change in inventory negatively impacted 2024 by € 945 thousand, versus the prior year's positive change of € 3,250 thousand, which was related to the stocks of finished products sold in the first months of 2024.

### 3. OTHER REVENUE AND INCOME

Other revenue and income						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Contingent assets	855	20.8	171	2.4	684	400.0
Sale of raw materials and packaging	32	0.8	23	0.3	9	39.1
Exchange rate gains	144	3.5	380	5.3	(236)	(62.1)
Gains	10	0.2	16	0.2	(6)	(37.5)
Insurance reimbursements	16	0.4	12	0.2	4	33.3
Maximization	0	0.0	1,839	25.5	(1,839)	(100.0)
Other revenue	3,051	74.3	4,774	66.2	(1,723)	(36.1)
<b>Total other revenue and income</b>	<b>4,108</b>	<b>100.0</b>	<b>7,215</b>	<b>100.0</b>	<b>(3,107)</b>	<b>(43.1)</b>

This item is composed of *contingent assets* referring mainly to the portion of GMP revenue pertaining to 2023 from the subsidiary Bio Energia Guarcino S.r.l. amounting to € 598 thousand, related to the definition of the counting of this item in 2024.

*Other revenue and income* refers to Neodecortech S.p.A. for € 887 thousand, to Cartiere di Guarcino for € 1,892 thousand, and to Bio Energia Guarcino for € 272 thousand.

The following are the main items:

- Regarding Neodecortech S.p.A., the main item is € 268 thousand referring to the accrued share of 4.0 expenditure carried to the income statement based on the useful life of the asset, in addition to charge-backs to customers and suppliers of approximately € 331 thousand.
- For Cartiere di Guarcino S.p.A., *Other Revenue* amounted to € 1,892 thousand, with the following main items: 1,060 thousand from incentives under the law, linked to the non-repayable grant disbursed in August 2024 under the SIMEST- Support Ukraine Fund measure 394.81.2023 (charged pro rata for the investments made), and the aid obtained from the Fund for Energy Transition in the Industrial Sector, European project PUSH2HEAT financed by the Horizon program, as well as the share of 4.0 investments transferred back to the income statement based on the useful life of the asset and € 710 thousand for an internal plant order corresponding to inventory deductions for the spare parts used;

#### 4. RAW AND ANCILLARY MATERIALS AND CONSUMABLES

Raw and ancillary materials and consumables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Raw and ancillary materials and consumables	105,414	98.3	103,864	98.2	1,550	1.5
Packaging materials	1,813	1.7	1,895	1.8	(82)	(4.3)
<b>Total raw materials</b>	<b>107,227</b>	<b>100.0</b>	<b>105,759</b>	<b>100.0</b>	<b>1,468</b>	<b>1.4</b>

With regard to the decrease in "Raw and ancillary materials and consumables", reference should be made to the Directors' Report on Operations.

#### 5. OTHER OPERATING EXPENSE

Other operating expense						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Utilities	6,899	26.0	12,144	38.6	(5,245)	(43.2)
Sundry industrial services	4,910	18.5	5,526	17.6	(616)	(11.1)
Transport	4,126	15.5	3,867	12.3	259	6.7
Other services	2,253	8.5	2,119	6.7	134	6.3
Consultancy	1,785	6.7	1,724	5.5	61	3.5
Insurance	1,406	5.3	1,463	4.7	(57)	(3.9)
Bonuses and commissions	1,024	3.9	1,156	3.7	(132)	(11.4)

Fees to Directors and Board of Statutory Auditors	1,216	4.6	878	2.8	338	38.5
Tax and duties	806	3.0	632	2.0	174	27.5
Advertising and marketing	445	1.7	542	1.7	(97)	(17.9)
Bank commissions	384	1.4	312	1.0	72	23.1
Rentals and other	316	1.2	255	0.8	61	23.9
Contingent liabilities	536	2.0	214	0.7	322	150.5
Travel expense	214	0.8	208	0.7	6	2.9
Other operating expense	77	0.3	151	0.5	(74)	(49.0)
Exchange rate losses	26	0.1	131	0.4	(105)	(80.2)
External processing	39	0.1	37	0.1	2	5.4
Reimbursements to employees	33	0.1	37	0.1	(4)	(10.8)
Capital losses	34	0.1	31	0.1	3	9.7
Gifts	1	0.0	7	0.0	(6)	(85.7)
Rental expense	21	0.1	2	0.0	19	950.0
<b>Total Other Operating Expense</b>	<b>26,551</b>	<b>100.0</b>	<b>31,436</b>	<b>100.0</b>	<b>(4,885)</b>	<b>(15.5)</b>

The change in the item of € 4,885 (-15.5%) thousand is due mainly to the reduction in utility costs, specifically electricity.

## 6. PERSONNEL EXPENSE

Personnel expense						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Wages and salaries	15,312	71.8	15,050	71.7	262	1.7
Social security charges	4,725	22.2	4,652	22.2	73	1.6
Post-employment benefits	1,075	5.0	1,028	4.9	47	4.6
Other personnel expense	215	1.0	253	1.2	(38)	(15.0)
<b>Total personnel expense</b>	<b>21,327</b>	<b>100.0</b>	<b>20,983</b>	<b>100.0</b>	<b>344</b>	<b>1.6</b>

*Personnel expense* at 31 December 2024 increased by € 344 thousand versus the prior year, due to a combined effect from a different use of the redundancy fund (CIGO) and increases related to the contract renewal that took place during the year. CIGO was used by CDG for a total of 47,813 hours versus 25,424 in 2023, and by NDT for a total of 4,492 hours versus 4,977 in 2023.

## 7. AMORTIZATION AND DEPRECIATION

Amortization and depreciation						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Other intangible assets	319	3.5	510	5.6	(191)	(37.5)
Buildings	694	7.6	692	7.6	2	0.3
Leasehold improvements	1,392	15.3	1,324	14.5	68	5.1
Plant and equipment	5,487	60.3	5,229	57.1	258	4.9

Equipment	733	8.1	934	10.2	(201)	(21.5)
Other	471	5.2	462	5.0	9	1.9
<b>Total amortization and depreciation</b>	<b>9,096</b>	<b>100.0</b>	<b>9,151</b>	<b>100.0</b>	<b>(55)</b>	<b>(0.6)</b>

Amortization and depreciation for the year amounted to € 9,096 thousand, a slight decrease versus 31 December 2023 (€ 9,151 thousand), in line with the value of expenditure, which remained steady over the years. The end of life of BEG assets is set at 2025 with the end of the current incentive system.

## 8. ALLOCATIONS

Allocations						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Provision for supplementary agents' indemnity	0	0.0	0	0.0	0	0
Provision for doubtful accounts	53	100.0	98	100.0	(45)	(45.9)
<b>Total Allocations</b>	<b>53</b>	<b>100.0</b>	<b>98</b>	<b>100.0</b>	<b>(45)</b>	<b>(45.9)</b>

For the comments, reference should be made, for the provision for supplementary agents' indemnity and for the provision for risks and charges, to the section on the provision for risks and charges in the Statement of Financial Position, while for the provision for doubtful accounts to the section on trade receivables in the Statement of Financial Position, of the Notes.

## 9. FINANCIAL EXPENSE

Financial expense						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Interest payable on A/C	658	24.0	484	19.9	174	36.0
Interest M/L Term Loans	1,465	53.5	1,351	55.5	114	8.4
Interest short-term loans	0	0.0	6	0.2	(6)	(100.0)
Interest from factoring	305	11.1	149	6.1	156	104.7
Interest from application of IAS/IFRS	77	2.8	88	3.6	(11)	(12.5)
Other interest expense	16	0.6	8	0.3	8	100.0
Other expense	50	1.8	1	0.0	49	100.0
<b>Total interest expense</b>	<b>2,571</b>	<b>93.8</b>	<b>2,087</b>	<b>85.7</b>	<b>484</b>	<b>23.2</b>
Lease interest	0	0.0	15	0.6	(15)	(100.0)
Currency losses	169	6.2	334	13.7	(165)	(49.4)
<b>Total financial expense</b>	<b>2,740</b>	<b>100.0</b>	<b>2,436</b>	<b>100.0</b>	<b>304</b>	<b>12.5</b>

The increase in interest expense is related mainly to new loans, increased use of short-term and factoring lines to support BEG's operations, which saw the incentive period defined at the end of 2024.

## 10. FINANCIAL INCOME

Financial income						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Interest income	76	17.6	22	5.5	54	245.5
Other income	186	43.0	211	52.6	(25)	(11.8)
Currency gains	171	39.5	168	41.9	3	1.8
<b>Total financial income</b>	<b>433</b>	<b>100.0</b>	<b>401</b>	<b>100.0</b>	<b>32</b>	<b>8.00</b>

Other income includes the recognition of the positive impact of derivatives.

## 11. INCOME TAX

Income tax				
<i>(Euro thousands)</i>				
	31 DECEMBER 2024	%	31 DECEMBER 2023	%
Profit (loss) before tax	5,177		2,607	
IRES for the year	276	5.3%	279	10.7%
Income from tax consolidation	(125)	(2.4%)	(207)	(7.9%)
<b>IRES net of income from tax consolidation</b>	<b>151</b>	<b>2.9%</b>	<b>72</b>	<b>2.8%</b>
IRAP for the year	580		215	
Deferred tax assets	805		(137)	
Deferred tax	(380)		(313)	
Income tax relating to prior years and benefits	44		(78)	
<b>Income tax</b>	<b>1,200</b>		<b>(241)</b>	

Income tax for the period under review is accounted for in accordance with current tax laws.

Income tax had an impact of € -1,200 thousand (€ +241 thousand at 31 December 2023). This situation is primarily influenced by the dynamics of deferred taxation, particularly regarding unused tax losses for the year and income from tax consolidation.

Income from tax consolidation - as well as the resulting receivables and payables - refer to the National and World Tax Consolidation agreement concluded by the Group companies with the parent company Finanziaria Valentini S.p.A..

## Assets

### 12. INTANGIBLE ASSETS

Intangible fixed assets							
<i>(Euro thousands)</i>							
	Balance at 31.12.2023	Acquisitions	Disposals	Amortization	Write- back/Write- downs	Other changes	Balance at 31.12.2024
Other intangible fixed assets	453	877	0	(319)	0	26	1,037
Fixed assets under construction and advances	325	1,982	0	0	0	(27)	2,280
<b>Total intangible fixed assets</b>	<b>778</b>	<b>2,859</b>	<b>0</b>	<b>(319)</b>	<b>0</b>	<b>(1)</b>	<b>3,317</b>

The main increases in intangible assets during the year are shown in relation to:

- The definition of the Purchase Price Allocation (PPA) following the process of acquiring the business unit from Loma S.r.l. was conducted in accordance with IFRS 3. The business being acquired by the Issuer, for a total of € 837k, consists of a marketing business for decorative surfaces in the furniture and laminate flooring industry. For this activity, it uses the cooperation of partner companies with which it has exclusive relationships. Included in the list of these companies was Neodecortech S.p.A. itself. The acquired business unit consisted of: (i) a portfolio of customers managed directly by Loma and pertaining to Neodecortech products; (ii) a portfolio of customers managed by Loma on behalf of a third-party supplier; and the Area Manager who managed the above customers. As a result of the analyses performed (identification of the acquirer and calculation of the purchase price, estimation of the fair value of the acquired unit, reconciliation with the price paid, as well as identification of the cash-generating units and intangible assets), the Issuer considered that the intangible asset to which the Acquisition Price should be allocated was the Customer List, classifying it under Other Intangible Fixed Assets.
- The recognition under Fixed Assets under construction and advances of the portion of eligible costs under IAS 38 related to the 'evolution of existing IT/management systems and the implementation of the new ERP adopted by the Group. Regarding the new ERP platform, the project is implemented through support from a third-party consultant.

### 13. TANGIBLE ASSETS

Tangible assets at 31 December 2024 amounted to € 74,480 thousand versus € 75,969 thousand at 31 December 2023. The breakdown and changes versus the prior year are shown below.

Mention should be made that the table also shows the rights of use arising from existing lease contracts under IFRS 16.

Tangible fixed assets						
<i>(Euro thousands)</i>						
	Historical cost 31.12.2023*	Depreciation provision 31.12.2023	NBV at 31.12.2023	Historical cost 31.12.2024	Depreciatio n provision 31.12.2024	NBV at 31.12.2024
Land	12,487	0	12,487	12,487	0	12,487
Buildings	27,845	(8,933)	18,912	27,948	(9,616)	18,332
Leasehold improvements	11,390	(8,643)	2,747	11,577	(9,949)	1,628
Plant and equipment	127,559	(88,801)	38,758	133,395	(94,303)	39,092
Equipment	16,232	(14,440)	1,792	16,409	(14,868)	1,541

Other	6,134	(4,863)	1,271	6,575	(5,176)	1,399
<b>Total tangible fixed assets</b>	<b>201,647</b>	<b>(125,679)</b>	<b>75,967</b>	<b>208,391</b>	<b>(133,911)</b>	<b>74,480</b>

(\*) amount including write-back of € 20,018 thousand

Below is a breakdown of assets under construction by category.

Tangible fixed assets under construction and advances				
(Euro thousands)	Amount at 31.12.2024	Amount at 31.12.2023	Chg.	% chg.
Buildings	376	93	283	304.0
Plant and equipment	3,020	3,226	(206)	(6.4)
Equipment	0	0	0	0.0
Other	0	0	0	0.0
<b>Total tangible fixed assets under construction and advances</b>	<b>3,396</b>	<b>3,319</b>	<b>77</b>	<b>2.3</b>

Changes in assets and the related provision are shown below, including both assets under construction allocated to the pertaining categories and rights of use.

Tangible fixed assets							
(Euro thousands)	Historical cost 31.12.2023	Write-back/Write-down (prior years)	Acquisitions	Disposals	Divestments	Other changes	Historical cost 31.12.2024
Land	2,251	10,236	0	0	0	0	12,487
Buildings	18,094	9,751	473	0	(34)	(336)	27,948
Leasehold improvements	11,390	0	0	273	(86)	0	11,577
Plant and equipment	127,528	31	5,852	0	0	(16)	133,395
Equipment	16,232	0	422	(5)	(240)	0	16,409
Other	6,133	1	582	(142)	0	0	6,574
<b>Total historical cost</b>	<b>181,628</b>	<b>20,018</b>	<b>7,329</b>	<b>126</b>	<b>(360)</b>	<b>(352)</b>	<b>208,390</b>
(Euro thousands)	Depreciation provision 31.12.2023	Write-back/Write-down (prior years)	Depreciation	Disposals	Divestments	Other changes	Depreciation provision 31.12.2024
Land	0	0	0	0	0	0	0
Buildings	(8,932)	0	(694)	0	11	0	(9,615)
Leasehold improvements	(8,643)	0	(1,392)	0	86	0	(9,949)
Plant and equipment	(88,802)	0	(5,495)	0	0	(1)	(94,298)
Equipment	(14,440)	0	(740)	0	307	0	(14,873)
Other	(4,863)	0	(456)	148	0	(5)	(5,176)
<b>Total accumulated depreciation</b>	<b>(125,679)</b>	<b>0</b>	<b>(8,777)</b>	<b>148</b>	<b>404</b>	<b>(6)</b>	<b>(133,910)</b>

Capital expenditure in tangible fixed assets for 2024 amounted to € 7,329 thousand. € 3,957 thousand refers to the Parent Company and relates to new plant and machinery and the improvement and efficiency of existing ones, specifically, expenditure for revamping a printing machine totaling € 2,071 thousand.

As for the subsidiaries, capital expenditure in tangible fixed assets amounted to € 2,999 thousand for Cartiere di Guarcino S.p.A., regarding actions to increase output and optimize plants, and € 301 thousand for Bio Energia Guarcino S.r.l. regarding planned and extraordinary maintenance of the power plant, in addition to € 72 thousand for the Chinese subsidiary for expenditure in printing cylinders.

All of the Group plants are continuing their 4.0 and 5.0 process management actions to further strengthen the production process, with active control of critical variables and plant upgrading.

Below are details of the allocation of the rights of use within the classes of tangible fixed assets.

Rights of Use			
<i>(Euro thousands)</i>			
	Historical cost 31.12.2024	Depreciation provision 31.12.2024	NBV at 31.12.2024
Buildings	237	(165)	72
Other	760	(384)	376
<b>Total Rights of Use</b>	<b>997</b>	<b>(549)</b>	<b>448</b>

The changes are shown below.

Rights of Use						
<i>(Euro thousands)</i>						
	Historical cost 31.12.2023	Write-back/Write-down (prior years)	Acquisitions	Disposals	Other changes	Historical cost 31.12.2024
Buildings	247	0	24	(34)	0	237
Other	524	0	236	0	0	760
<b>Total Rights of Use</b>	<b>771</b>	<b>0</b>	<b>260</b>	<b>(34)</b>	<b>0</b>	<b>997</b>

<i>(Euro thousands)</i>						
	Depreciation provision 31.12.2023	Write-back/Write-down (prior years)	Depreciation	Disposals	Other changes	Depreciation provision 31.12.2024
Buildings	(128)	0	(49)	12	0	(165)
Other	(260)	0	(117)	0	(7)	(384)
<b>Total provision for depreciation of rights of use</b>	<b>(388)</b>	<b>0</b>	<b>(166)</b>	<b>12</b>	<b>(7)</b>	<b>(549)</b>

The residual rights of use at 31 December 2024 refer to buildings used by employees or for guesthouse use, long-term rental cars and IT equipment.

Below are details of the properties and tangible assets on which mortgages are held:

- with regard to Neodecortech:

- in favour of Banco BPM S.p.A., a mortgage of € 24,000 thousand on the loan taken out on 26 May 2017; a mortgage encumbering on the industrial property complex owned by the Issuer located in Filago (BG), Via Provinciale 2.

- with regard to the subsidiary Cartiere di Guarcino:

- in favour of Monte dei Paschi di Siena S.p.A., a mortgage of € 12,000 thousand on a loan taken out on 30 June 2010; a mortgage encumbering on the industrial property complex owned by the company located in Guarcino (FR), in Via Madonna di Loreto 2.

#### 14. OTHER NON-CURRENT ASSETS

At 31 December 2024, other non-current assets amounted to € 358 thousand versus € 400 thousand at 31 December 2023 and consisted of: (i) OES offsettable 4.0 tax receivables for € 193 thousand; (ii) security deposits paid by Group companies for a total of € 34 thousand, for various purposes with regard to utilities and lease contracts on buildings where Group companies are headquartered.

#### 15. CURRENT AND NON-CURRENT FINANCIAL RECEIVABLES

Current and non-current financial receivables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Long-term derivatives	67	11.3	0	0.0	67	0.0
From the related party Valinvest S.r.l.	0	0.0	0	0.0	0	0.0
From the related party ISFRE	445	75.0	445	100.0	0	0.0
<b>Total non-current financial receivables</b>	<b>512</b>	<b>86</b>	<b>445</b>	<b>100.0</b>	<b>67</b>	<b>15.1</b>
Short-term derivatives	81	13.7	0	0.0	81	0.0
<b>Total current financial receivables</b>	<b>81</b>	<b>13.7</b>	<b>0</b>	<b>0.0</b>	<b>81</b>	<b>0.0</b>
<b>Total current and non-current financial receivables</b>	<b>593</b>	<b>100.0</b>	<b>445</b>	<b>100.0</b>	<b>148</b>	<b>33.3</b>

The receivable of the subsidiary Cartiere di Guarcino S.p.A. from the related party, ISFRE in liquidation, amounts to € 445 thousand; a specific risk provision was already set aside owing to collection difficulties (reference should be made to the section on provisions for risks and charges in the Explanatory Notes).

**16. DEFERRED TAX ASSETS AND LIABILITIES**

Deferred tax assets and liabilities						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	Change recognized in Income Statement	OCI and other changes	31 DECEMBER 2023	Chg.	% chg.
Directors' fees approved and not paid	98	45	0	53	45	84.9%
Allocations to provisions for write-downs and risks	173	120	0	53	120	226.4%
Allocation to the provision for inventory obsolescence	120	11	0	109	11	10.1%
Taxation on profit in stock	35	(8)		44	(8)	(18.2%)
Tax recovery on adjustment of start-up and expansion costs	0	0	0	0	0	0.0%
Tax recovery on adjustment of plant and machinery depreciation	193	(8)	0	201	(8)	(4.0%)
Deferred tax on derivative contracts	0	0	0	0	0	0.0%
Deferred tax on employee benefits	0	0	(2)	2	(2)	(100.0%)
Prior-year tax losses transferred to the consolidated side	173	0	(12)	185	(12)	(6.5%)
Prior-year tax losses (BEG)	124	(959)	0	1,083	(959)	(88.6%)
Other	139	(6)	(4)	151	(12)	(7.9%)
<b>Deferred tax assets</b>	<b>1,055</b>	<b>(805)</b>	<b>(18)</b>	<b>1,881</b>	<b>(825)</b>	<b>(43.9%)</b>
Deferred tax on statutory revaluations	5,212	(38)	0	5,250	(38)	(0.7%)
Deferred tax on assets (BEG)	65	(65)	0	131	(65)	(49.6%)
Valuation exchange gains	0	(21)	0	21	(21)	(100.0%)
Finance lease assets	217	(256)	0	473	(256)	(54.1%)
Deferred tax on employee benefits	24	0	(1)	25	(1)	(4.0%)
Other	16	0	(25)	41	(25)	(61.0)
<b>Deferred tax liabilities</b>	<b>5,534</b>	<b>(380)</b>	<b>(26)</b>	<b>5,941</b>	<b>(406)</b>	<b>(6.8%)</b>

Management has recognized deferred tax assets up to the value which it considers their recovery likely for. In determining the items, budget results and forecasts for subsequent years were taken into account. Deferred-tax assets of € 1,055 thousand include € 124 thousand for prior-years' tax losses of the subsidiary Bio Energia Guarcino S.r.l., and the residual portion attributable mainly to temporary differences between the amounts assigned for financial statement and tax purposes. At 31 December 2024, deferred tax amounted to € 5,534 thousand. Deferred tax refers mainly to the temporary differences between the statutory value and the fiscal value emerging from the statutory revaluations made at the time on the properties owned.

## 17. INVENTORY FOR RAW MATERIALS AND FINISHED PRODUCTS

Inventory							
<i>(Euro thousands)</i>							
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.	
Raw and ancillary materials and consumables	20,464	51.1	21,496	50.5	(1,032)	(4.8)	
Work in progress	172	0.4	202	0.5	(30)	(14.9)	
Finished products	20,562	51.3	21,432	50.3	(870)	(4.1)	
Advances	0	0.0	0	0.0	-	-	
Provision for inventory obsolescence	(1,149)	(2.9)	(532)	(1.2)	(617)	116.0	
<b>Total inventory</b>	<b>40,049</b>	<b>100.0</b>	<b>42,598</b>	<b>100.0</b>	<b>(2,549)</b>	<b>(6.0)</b>	

Inventory for raw materials refers mainly to inks, paper and impregnation material for Neodecortech, pulp and Titanium Dioxide for Cartiere di Guarcino and animal by-products for Bio Energia Guarcino. It should be noted that the level of stock at 31 December 2024 saw a slight decrease versus the value at 31 December 2023 by € 2,549 thousand, due mainly to the reduction of raw material costs, as well as the increase in the provision for inventory obsolescence.

Changes in the provision for inventory obsolescence for 2024, which was set aside to alleviate the risk associated with the slow turnover of certain specific products, are shown below.

Provision for inventory obsolescence					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocation s	Utilization	Release	31 DECEMBER 2024
Changes in provision for inventory obsolescence	532	617	0	0	1,149
<b>Total provision for inventory obsolescence</b>	<b>532</b>	<b>617</b>	<b>0</b>	<b>0</b>	<b>1,149</b>

## 18. TRADE RECEIVABLES

Trade receivables							
<i>(Euro thousands)</i>							
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.	
Trade receivables	36,322	101.7	16,848	103.5	19,474	115.6	
Provision for doubtful accounts	(609)	(1.7)	(572)	(3.5)	(37)	6.5	
<b>Total trade receivables</b>	<b>35,713</b>	<b>100.0</b>	<b>16,276</b>	<b>100.0</b>	<b>19,437</b>	<b>119.4</b>	

Changes in the provision for doubtful accounts are shown below:

Provision for doubtful accounts					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocation s	Utilization	Release	31 DECEMBER 2024
Changes in Provision for Doubtful Accounts	572	53	(9)	(7)	609
<b>Total provision for doubtful accounts</b>	<b>572</b>	<b>53</b>	<b>(9)</b>	<b>(7)</b>	<b>609</b>

As far as trade receivables are concerned, mention should be made of the assignment without recourse to a factoring company carried out on an ongoing basis.

The provision for doubtful accounts was determined in accordance with IFRS 9 and recorded an allocation of € 53 thousand.

## 19. RECEIVABLES FROM TAX CONSOLIDATION

The item, amounting to € 348 thousand (€ 438 thousand at 31 December 2023), refers to the receivable held by the Group company from tax consolidation, and relates mainly to the receivable associated with the withholding tax applied by the GSE on the incentives disbursed during the year of the subsidiary Bio Energia Guarcino S.r.l..

## 20. TAX RECEIVABLES

Tax receivables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
VAT	1,450	72.9	780	47.2	670	85.9
IRES	0	0.0	0	0.0	0	0.0
IRAP	26	1.3	34	2.1	(8)	(23.5)
Withholdings a/c	0	0.0	1	0.1	(1)	100.0
Other tax receivables	513	25.8	837	50.7	(324)	(38.7)
<b>Total tax receivables</b>	<b>1,989</b>	<b>100.0</b>	<b>1,652</b>	<b>100.0</b>	<b>337</b>	<b>20.4</b>

The table above shows the increase of € 670 thousand in the VAT receivable versus 31 December 2023 referable to Bio Energia Guarcino S.r.l., which is structurally in credit: the energy sold or fed into the grid by BEG and the incentives received have lower or zero rates, compared to the rates applied on purchases.

Other tax receivables refer to tax credits ("Art bonus", 4.0 investment) that may be used for offsetting within the next year.

## 21. OTHER CURRENT RECEIVABLES

Other current receivables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Advances to suppliers	41	1.3	78	0.6	(37)	(47.4)
Accrued income and deferred expense	396	12.9	754	6.2	(358)	(47.5)
Other	2,644	85.8	11,379	93.2	(8,735)	(76.8)
<b>Total current receivables</b>	<b>3,081</b>	<b>100.0</b>	<b>12,211</b>	<b>100.0</b>	<b>(9,130)</b>	<b>(74.8)</b>

"Other" includes receivables from social security institutions and GSE pending collection in 2023.

## 22. CASH FUNDS

Cash funds						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Bank and post office deposits	12,472	99.9	12,143	99.9	329	2.7
Cash and valuables on hand	11	0.1	14	0.1	(3)	(21.4)
<b>Total cash funds</b>	<b>12,483</b>	<b>100.0</b>	<b>12,157</b>	<b>100.0</b>	<b>326</b>	<b>2.7</b>

This item consists of cash and bank current account deposits. There are no restraints or restrictions on cash and cash equivalents. Current accounts and postal deposits are classified as current assets, highly liquid and convertible into cash, foreign currency cash has an exchange rate risk that is considered not material.

Reference should be made to the Statement of Cash Flows and the comments on Financial Debt for an analysis of changes in cash and cash equivalents.

## Liabilities

### 23. PROVISIONS FOR RISKS AND CHARGES

Provision for risks and charges						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Provision for supplementary agents' indemnity	307	39.8	307	37.2	0	0.0
IRS derivative on loan	0	0.0	0	0.0	0	0.0
Embedded derivatives	0	0.0	2	0.2	(2)	(100.0)

ISFRE	445	57.6	445	53.9	0	0.0
Currency derivative	0	0.0	51	6.2	(51)	0.0
Provision for tax risks	20	2.6	20	2.4	0	0.0
<b>Total provisions for risks and charges</b>	<b>771</b>	<b>100.0</b>	<b>825</b>	<b>100.0</b>	<b>(53)</b>	<b>(6.5)</b>

Changes in the provision for supplementary agents' indemnity and the provision for risks and charges are shown below:

Provision for risks and charges						
<i>(Euro thousands)</i>						
	31 DECEMBER 2023	Allocation	Utilization	Release		31 DECEMBER 2024
Change in provision for supplementary agents' indemnity	307	0	0	0		307
Change in provision for risks and charges	20	0	0	0		20
<b>Total provision for risks and charges</b>	<b>327</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>327</b>

Provisions for risks and charges and the provision for supplementary agents' indemnity for Italian and EU agents are determined to cover specific risks from potential interruptions to agency contracts.

Additionally, the provisions for risks and charges include:

- € 445 thousand referring to a provision for risks set aside to write down the financial receivable due from ISFRE in liquidation owned by Cartiere di Guarcino S.p.A.;
- € 20 thousand referring to the subsidiary Bio Energia Guarcino S.r.l., for tax liabilities with the Revenue Agency.

## 24. POST-EMPLOYMENT BENEFITS

Post-employment benefits						
<i>(Euro thousands)</i>						
	31 DECEMBER 2023	Transfer	Allocation	Utilization	Discounting	31 DECEMBER 2024
Provision for post-employment benefits	2,176	100	45	(128)	0	2,193
Actuarial valuation of post-employment benefits (IAS 19)	(96)	0	0	0	(6)	(102)
<b>Total post-employment benefits</b>	<b>2,080</b>	<b>100</b>	<b>45</b>	<b>(128)</b>	<b>(6)</b>	<b>2,091</b>

The balance refers to the severance indemnity of Neodecortech, Cartiere di Guarcino and Bio Energia di Guarcino. These liabilities qualify as defined benefit plans under IAS 19 and were therefore subject to actuarial calculation by an independent expert.

The defined benefit plans were updated to reflect their market value at 31 December 2024.

With regard to the discounting back of the Employee Severance Indemnity, the relevant actuarial model is based on various demographic and economic assumptions. For some of the assumptions used, where possible, explicit reference

has been made to the direct experience of the Company and the Group, for others best practice has been taken into account. The technical and economic bases used are shown below.

Below are the technical economic bases.

	31 DECEMBER 2024
Annual discount rate	3.15%
Annual inflation rate	2.00%
Annual rate of increase in severance termination	3.00%
Annual rate of salary increase	1.00%

The table below shows the technical demographic basis.

Death	RG48 mortality tables published by the State General Accounting Office
Disability	INPS tables by age and gender
Retirement	100% upon meeting AGO requirements

Lastly, the annual turnover frequencies and severance indemnity advances.

	31 DECEMBER 2024
Advances Frequency	3.00%
Turnover Frequency	1.00%

## 25. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Current and non-current financial liabilities						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Unsecured loans	16,883	37.0	17,279	45.4	(396)	(2.3)
Mortgage loans	2,155	4.7	4,035	10.6	(1,880)	(46.6)
Non-current lease payables	0	0.0	0	0.0	0	0.0
Payables to other lenders	930	2.0	865	2.3	65	7.5
Currency derivatives	0	0.0	0	0.0	0	0.0
<b>Total non-current financial liabilities</b>	<b>19,968</b>	<b>43.7</b>	<b>22,179</b>	<b>58.3</b>	<b>(2,211)</b>	<b>(10.0)</b>
Payables to banks A/C	15,938	34.9	9,312	24.5	6,626	71.2
Current portion of unsecured loans	7,446	16.3	4,299	11.3	3,147	73.2
Current portion of mortgage loans	1,880	4.1	1,836	4.8	44	2.4
Accrued interest expense	287	0.6	266	0.7	21	7.9
Current lease payables	138	0.3	131	0.3	7	5.3
<b>Total current financial liabilities</b>	<b>25,689</b>	<b>56.3</b>	<b>15,844</b>	<b>41.7</b>	<b>9,845</b>	<b>62.1</b>
<b>Total financial liabilities</b>	<b>45,657</b>	<b>100.0</b>	<b>38,023</b>	<b>100.0</b>	<b>7,634</b>	<b>20.1</b>

The increase of € +6,626 thousand in A/C bank payables is due to the Group's increased use of short-term borrowing.

Included in the items Current and non-current lease payables are financial liabilities in connection with the rights of use of Neodecortech S.p.A. and Cartiere di Guarcino S.p.A., shown in the table below.

<i>(Euro thousands)</i>	Balance at 01.01.2024	Payments	Other changes	Balance at 31.12.2024
Buildings	119	(13)	60	72
Other	264	(30)	83	376
<b>TOTAL</b>	<b>383</b>	<b>(43)</b>	<b>23</b>	<b>449</b>

With regard to unsecured and mortgage loans, the change is directly attributable to the repayment of instalments and new loans taken out. Below are the details of the Group's loans:

#### **Neodecortech S.p.A.**

- Original BPM mortgage loan of € 12,000 thousand, with a residual balance of € 3,554 thousand at 31 December 2024 divided into current and non-current portions;
  - BPM S.p.A. € 2,500 thousand, for 72 months (quarterly instalments) and a residual balance at 31 December 2024 of € 750 thousand divided into current and non-current portions - loan granted against closure of the short-term BPM loan of € 2,000 thousand granted in April 2020 - 80% FGPMI guarantee;
  - BPM S.p.A. € 2,500 thousand, for 72 months (quarterly instalments) and a residual balance at 31 December 2024 of € 755 thousand divided into current and non-current portions - 90% FGPMI guarantee;
  - BANCA POPOLARE DI SONDRIO € 5,000 thousand, for 60 months (monthly instalments) and a residual balance at 31 December 2024 of € 4,117 thousand divided into current and non-current portions;
  - BPER € 2,000 thousand, for 36 months (quarterly instalments) and a residual balance at 31 December 2024 of € 1,520 thousand divided into current and non-current portions;
- SIMEST - facility measure "Support for Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus" of € 600 thousand, for 72 months (half-year instalments), with a residual balance of € 600 thousand at 31 December 2024 (portion classified as low-interest loan).

#### **Cartiere di Guarcino S.p.A.**

- Original MPS mortgage loan of € 6,000 thousand, with a residual balance of € 236 thousand at 31 December 2024, only current portion;
- Original BAC unsecured loan of € 3,500 thousand repaid on 24 September 2024;
- Medio Credito Centrale unsecured loan of € 1,128 thousand, with a residual balance of € 289 thousand at 31 December 2024 divided into current and non-current portions;
- Medio Credito Centrale unsecured loan of € 182 thousand, with a residual balance of € 50 thousand at 31 December 2024 divided into current and non-current portions;
- Medio Credito Centrale unsecured loan of € 146 thousand, with a residual balance of € 49 thousand at 31 December 2024 divided into current and non-current portions;
- Banca POPSO unsecured loan of € 2,000 thousand - 12-month grace period - FGPMI 90% guarantee - residual balance at 31 December 2024 of € 751 thousand divided into current and non-current portions;

- Banco DESIO e Brianza unsecured loan of € 1,000 thousand - 12-month grace period - MCC 90% guarantee - residual balance at 31 December 2024 of € 388 thousand divided into current and non-current portions;
- Unsecured loan approved in 2021 by Simest as part of the Capitalization Call to improve and safeguard the financial solidity of exporting companies, amounting to € 360 thousand, with a grace period of 24 months and a residual balance at 31 December 2024 of € 270 thousand;
- Banca MPS Capital Services unsecured loan of € 10,000 thousand - 12-month grace period - Sace guarantee under the SupportItalia measure, residual balance at 31 December 2024 of € 9,375 thousand divided into current and non-current portions;
- Banca POPSO unsecured loan resolved in 2024 of € 4,500 thousand, residual balance of € 3,962 thousand at 31 December 2024 divided into current and non-current portions;
- SIMEST unsecured loan - facility measure "Support for Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus" of € 1,500 thousand, for 72 months (half-year installments), with a residual balance of € 1,500 thousand at 31 December 2024 (portion classified as low-interest loan).

#### Bio Energia Guarcino S.r.l.

- BPER unsecured loan of € 2,000 thousand - 12-month grace period - MCC 90% guarantee - residual balance at 31 December 2024 of € 505 thousand, only current portion;
- Banca POPSO unsecured loan of € 1,500 thousand repaid in 2024.

With regard to unsecured and mortgage loans, the table below shows the maturity bands:

	31 DECEMBER 2024	%	31 DECEMBER 2023	%
<i>(Euro thousands)</i>				
Due within 1 year	9,326	32.9	6,135	22.4
Due within 5 years	18,663	65.8	21,314	77.6
Due beyond 5 years	375	1.3	0	0.0
<b>Total</b>	<b>28,364</b>	<b>100.0</b>	<b>27,449</b>	<b>100.0</b>

Neodecortech S.p.A. hedged the interest rate risk on the BPM loan by subscribing an interest rate swap (IRS). The fair value of this instrument, reclassified under "Non-current financial receivables" at 31 December 2024 came to a positive € 67 thousand (€ 172 thousand at 31 December 2023).

The loan agreements shown above do not contain financial covenants, with the exception of the m/l term loan granted in December 2022 to Cartiere di Guarcino S.p.A. by MPS Capital Services S.p.A. of € 10 million - with Sace guarantee under the SupportItalia measure - which has a covenant on financial debt (debt/EBITDA ≤ 3.5) at 31 December 2024 that has been met.

From 1 January 2024 to 31 December 2024, interest rate movements had no material impact on the fair value of the Group's loans.

## 26. TRADE PAYABLES

Trade payables at 31 December 2024 amounted to € 29,951 thousand (€ 33,792 thousand at 31 December 2023). The decrease of € -3,841 thousand is related to the Group's procurement policy. For more details, see the Directors' Report on Operations.

Additionally, the Group companies neither requested or obtained any extension or deferment of payments with suppliers.

There are no trade payables due beyond 12 months.

The Directors believe that the book value of trade payables approximates their fair value.

## 27. PAYABLE FROM TAX CONSOLIDATION

The IRES payable at 31 December 2024 to be paid to tax consolidation amounts to € 31 thousand. The balance in the prior year was attributable to Neodecortech S.p.A. in the amount of € 117 thousand. See the paragraph "Income tax" in the Notes.

## 28. TAX PAYABLES

Tax payables							
<i>(Euro thousands)</i>							
	31 DECEMBER 2024		31 DECEMBER 2023		Chg.	% chg.	
		%		%			
VAT	192	15.4	0	0.0	192	0.0	
IRAP	279	22.4	53	6.7	226	426.4	
Withholdings a/c	737	59.2	733	93.3	4	0.5	
Other tax payables	36	2.9	0	0.0	36	0.0	
<b>Total tax payables</b>	<b>1,244</b>	<b>100.0</b>	<b>786</b>	<b>100.0</b>	<b>458</b>	<b>58.3</b>	

## 29. OTHER CURRENT PAYABLES

Other current payables							
<i>(Euro thousands)</i>							
	31 DECEMBER 2024		31 DECEMBER 2023		Chg.	% chg.	
		%		%			
Payables to social security institutions	1,656	22.2	1,617	28.0	39	2.4	
Payables to employees	2,092	28.0	1,866	32.3	226	12.1	
Advances received from customers	680	9.1	647	11.2	33	5.1	
Accrued expense and deferred income	2,455	32.9	1,331	23.0	1,124	84.4	
Other	579	7.8	317	5.5	262	82.6	
<b>Total other current payables</b>	<b>7,462</b>	<b>100.0</b>	<b>5,778</b>	<b>100.0</b>	<b>1,684</b>	<b>29.1</b>	

"Other" is due mainly to the fixed and variable fees to directors.

## 30. EQUITY

### Capital increases

There were no share capital increases in 2024.

### Share Capital

At 31 December 2024, the share capital of Neodecortech S.p.A. amounted to € 18,804,209.37 and is divided into no. 14,218,021 ordinary shares with no par value.

### Dividend payout

The Shareholders' Meeting held on 19 April 2024 of the Parent Company Neodecortech S.p.A. approved the Financial Statements at 31 December 2023, allocating profit for the year of € 2,848,012.95 as follows: i) € 142,400.65 to the legal reserve; ii) € 650,884.24 to the non-distributable revaluation reserve for investments recorded in accordance with Legislative Decree no. 38/05 Article 6 paragraph 1; iii) € 2,054,728.06 to the extraordinary reserve.

### Details of other reserves

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023
Share capital	18,804	18,804
Share premium reserve	18,864	18,864
Treasury shares	(1,688)	(986)
Translation reserve	(1)	
Other reserves and accumulated profit (loss), including profit (loss) for the year:	40,873	40,780
<i>Legal reserve</i>	2,785	2,643
<i>Reserve for fair value adjustments of hedging derivatives</i>	51	131
<i>Revaluation reserves (including investments measured at equity)</i>	22,489	21,859
<i>Reserve for re-measurement of defined benefit plans for employees (IAS 19)</i>	6	(38)
<i>Stock grant reserve</i>	-	-
<i>Miscellaneous reserves and accumulated profit (loss), including profit (loss) for the year</i>	19,452	16,185
<b>Total</b>	<b>80,762</b>	<b>77,462</b>
<i>Share capital and reserves, including non-controlling interests' profit (loss) for the period:</i>	(37)	-
<b>Total EQ</b>	<b>80,725</b>	<b>77,462</b>

## Treasury shares

At 31 December 2024, the Company holds no. 527,000 treasury shares for a value of € 1,687,610. A total of no. 229,291 shares were purchased in 2024.

The Shareholders' Meeting held on 19 April 2024 approved the additional purchase of ordinary shares of the Company, up to a maximum of 10% of the Company's share capital, equal to a maximum of no. 1,421,802 ordinary shares. The purchase of treasury shares may be made, in one or more tranches, within eighteen months.

## Earnings per share

Basic earnings per share are calculated by dividing the consolidated profit or loss for the year by the weighted average number of ordinary shares outstanding during the year. Therefore, treasury shares held by the Group are excluded from the denominator.

Earnings per share	31/12/2024	31/12/2023
Net profit attributable to the shareholders (Euro thousands)	4,057	2,848
Weighted average number of shares outstanding (n./000)	13,796	14,004
<b>Basic earnings per share</b>	<b>0.29</b>	<b>0.20</b>

Diluted earnings per share	31/12/2024	31/12/2023
Net profit attributable to the shareholders (Euro thousands)	4,057	2,848
Weighted average number of shares outstanding (n./000)	13,796	14,004
Weighted average number of shares outstanding adjusted for dilution effect (n./000)	13,796	14,004
<b>Diluted earnings per share (*)</b>	<b>0.29</b>	<b>0.20</b>

\* The Company has no potentially dilutive financial instruments and therefore the two indicators match.

## 31. COMMENTS ON THE MAIN ITEMS OF THE STATEMENT OF CASH FLOWS

The increase in cash generated during the year amounted to € +326 thousand (versus an increase of € +114 thousand in the prior year), resulting in cash funds of € 12,483 thousand.

Starting from a profit before tax, interest, dividends, amortization and depreciation, provisions, gains/losses on disposals and other non-cash changes of € +15,976 thousand, the movement in cash flow is related mainly to the events below.

The situation associated with the trend in sales and business highlighted in the Directors' Report on Operations, and the impacts of raw material price trends transferred to customers, resulted in an increase in receivables from customers, specifically from the subsidiary Bio Energia Guarcino S.r.l., and in inventory, offset by a decrease in other receivables, generating a negative NWC cash flow of € -10,372 thousand.

Capital expenditure, net of disposals, made during the year generated cash flow from investing activities of € -10,013 thousand.

New loans amounted to € +8,000 thousand, while repayment of loans and leases amounted to € -6,886 thousand. Together with other movements in short-term bank borrowings and financial receivables, a positive cash flow of € +7,662 thousand was generated from loan capital.

Monetary changes in equity include the purchase of treasury shares for € 702 thousand.

### 32. CONTINGENT LIABILITIES

Under the provisions of IAS 34:15B, the Group's contingent liabilities are shown below: there are no further contingent liabilities, except for those that generated allocations to "provisions for risks", described above.

### 33. RELATED PARTY TRANSACTIONS

Transactions carried out by Neodecortech S.p.A. and other Group companies with related parties, as identified by IAS 24, including transactions with subsidiaries, are neither atypical nor unusual and fall within the ordinary course of business of the Company. These transactions were carried out on market terms. It should be noted that transactions with subsidiaries are not shown as they are derecognized at the consolidation level, while transactions with related parties at 31 December 2024 are shown.

In accordance with the provisions of IAS 24, the following entities are considered Related Parties: (a) companies that directly or indirectly through one or more intermediate companies, control, or are controlled by, or are under common control with, the reporting entity; (b) associates; (c) natural persons who directly or indirectly have voting power in the reporting entity that gives them a dominant influence over the company and their immediate family members; (d) Key management personnel, i.e. those who have the power and responsibility for planning, directing and controlling the activities of the reporting entity, including directors and officers of the company and the immediate family members of such persons; (e) companies in which significant voting power is held, directly or indirectly, by any natural person described under c) or d) or over which such natural person can exercise significant influence. Case e) includes undertakings owned by the directors or major shareholders of the reporting entity and undertakings which have a key management personnel in common with the reporting entity.

With regard to the provisions of point 2) of the third paragraph of Article 2428 of the Italian Civil Code, it should be noted that the Company is controlled, through a 58.60% stake, by Finanziaria Valentini S.p.A.. Accordingly, the Company is part of a group of entities whose parent is "Finanziaria Valentini S.p.A." and whose sister company is "Valinvest S.r.l.". Related parties also include "Valfina S.r.l." as it is directly or indirectly controlled by the Valentini Family.

Specifically, it should be noted that at 31 December 2024, the outstanding transactions with these companies can be summarized in the tables below:

*(Euro thousands)*

	Trade receivables 31 DECEMBER 2024	Financial receivables 31 DECEMBER 2024	Trade payables 31 DECEMBER 2024	Financial payables 31 DECEMBER 2024
Finanziaria Valentini S.p.A.	0	348	0	31
ISRFE Srl in liquid.	0	445	0	0
BonelliErede	0	0	0	0
Loma Srl	626	0	0	0

<b>Total</b>	<b>626</b>	<b>793</b>	<b>0</b>	<b>31</b>
--------------	------------	------------	----------	-----------

	Revenue and income 31 DECEMBER 2024	Costs and expense 31 DECEMBER 2024
Finanziaria Valentini S.p.A.	125	0
BonelliErede	0	114
Loma Srl	2,606	71
<b>Total</b>	<b>2,731</b>	<b>185</b>

"Financial receivables", amounting to € 793 thousand, refers for € 348 thousand to a tax consolidation receivable regarding the subsidiary Bio Energia Guarcino S.r.l. for € 335 thousand and regarding Neodecortech for € 13 thousand, and for € 445 thousand to a receivable claimed by the subsidiary Cartiere di Guarcino S.p.A. from the related party ISFRE in liquidation, which remained unchanged and for which a provision for risks was set up owing to collection difficulties; "Financial payables", amounting to € 31 thousand, refers to payables from tax consolidation of the subsidiary Cartiere di Guarcino S.p.A.. Income from tax consolidation for the three Group companies amounted to € 125 thousand.

Trade receivables include:

- receivables from the business agreement between Neodecortech S.p.A. and Loma S.r.l., for the distribution of the Parent Company's products and the sale of base decorative paper by Cartiere di Guarcino S.p.A.; Loma S.r.l. became a related party following appointment of one of the Parent Company's executives as a "key management personnel".

The following table shows the fees to the Group's directors, statutory auditors and key management personnel for 2024:

<i>(Euro thousands)</i>	
Subjects	Fees 31 DECEMBER 2024
Luigi Cologni	573
Massimo Giorgilli	469
Luca Peli	104
Adriano Carlo Bianchi	37
Sara Bertolini	30
Ida Altimare	34
Cinzia Morelli	31
Vittoria Giustiniani	28
Gianluca Valentini	45
Pietro Zanini	22
Edda Delon	26
Stefano Santucci	34
Federica Menichetti	26
Turchi Marco	12
Pannone Francesco	5
Fallacara Francesco	5

Bellucci Giancarlo	6
Riunuo Liu	34
Key management personnel	810
<b>Total</b>	<b>2,331</b>

<i>(Euro thousands)</i>	
Subjects	Fees payable 31 DECEMBER 2024

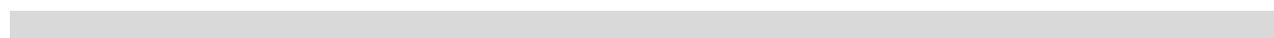
Luigi Cologni	218
Massimo Giorgilli	203
Luca Peli	0
Adriano Carlo Bianchi	9
Sara Bertolini	0
Ida Altimare	0
Cinzia Morelli	0
Vittoria Giustiniani	0
Gianluca Valentini	5
Pietro Zanini	6
Edda Delon	26
Stefano Santucci	0
Federica Menichetti	0
Turchi Marco	12
Pannone Francesco	4
Fallacara Francesco	5
Bellucci Giancarlo	0
Bellucci Giancarlo	4
Key management personnel	186
<b>Total</b>	<b>678</b>

### 34. SEASONALITY

The Group's industrial sectors are not significantly affected by seasonality.

### 35. INFORMATION PURSUANT TO ART. 1, PARAGRAPH 125, OF LAW NO. 124 OF 4 AUGUST 2017

With regard to the provisions of Article 1, paragraph 125, of Law 124/2017, regarding the obligation to provide evidence in the notes to the financial statements of any amounts of money received during the year by way of grants, contributions, paid assignments and in any case economic advantages of any kind from public administrations and from the persons referred to in paragraph 125 of the same article, mention should be made, for the situation at 31 December 2024, of the following:



Paying entity	Amount collected/taken	Collection/availability date	Description of reason
<b>NDT</b>			
I.N.P.S.	8,581	16/01/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	193	16/01/2024	Youth Exemption L.205/17-L.160/19
Gestore dei Servizi Energetici GSE S.p.A.	604	23/01/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	0	23/01/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	2,250	23/01/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	-37	23/01/2024	Electricity production incentive
Fondimpresa	1,500	09/02/2024	Training plan refund
I.N.P.S.	8,452	16/02/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,320	16/02/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/02/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	13,183	21/02/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	4,726	21/02/2024	Electricity production incentive
I.N.P.S.	8,452	18/03/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,242	18/03/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	18/03/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	2,231	18/03/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	623	18/03/2024	Electricity production incentive
Fondimpresa	6,600	20/03/2024	Training plan refund
I.N.P.S.	8,723	16/04/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,000	16/04/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/04/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	472	18/04/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	151	18/04/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	1,831	18/04/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	401	18/04/2024	Electricity production incentive
I.N.P.S.	8,948	16/05/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,000	16/05/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/05/2024	Eson.ass/trasf.a1 c11 L.178/20
Fondirigenti	3,900	21/05/2024	Training plan refund
Gestore dei Servizi Energetici GSE S.p.A.	623	21/05/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	2,231	21/05/2024	Electricity production incentive
I.N.P.S.	11,340	17/06/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,000	17/06/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	17/06/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	2,215	17/06/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	627	17/06/2024	Electricity production incentive
Fondimpresa	1,731	02/07/2024	Training plan refund

I.N.P.S.	7,943	16/07/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	2,940	16/07/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	941	16/07/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	627	08/08/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	627	08/08/2024	Electricity production incentive
I.N.P.S.	7,983	16/08/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,000	16/08/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/08/2024	Eson.ass/trasf.a1 c11 L.178/20
I.N.P.S.	8,140	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	158	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	173	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	167	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	173	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	2,500	16/09/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/09/2024	Eson.ass/trasf.a1 c11 L.178/20
Fondimpresa	3,260	03/10/2024	Training plan refund
I.N.P.S.	8,388	16/10/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	2,000	16/10/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/10/2024	Eson.ass/trasf.a1 c11 L.178/20
Fondirigenti	1,967	11/11/2024	Training plan refund
I.N.P.S.	8,321	18/11/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	1,500	18/11/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	18/11/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	627	13/12/2024	Electricity production incentive
I.N.P.S.	8,859	16/12/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	1,500	16/12/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/12/2024	Eson.ass/trasf.a1 c11 L.178/20
<b>Total 2024</b>	<b>197,911</b>		
<b>CDG</b>			
-	-	-	
<b>BEG</b>			
GSE	655,733	28/03/2024	former CV incentive
GSE	670,686	30/04/2024	former CV incentive
GSE	3,105,288	31/05/2024	former CV incentive
GSE	601,416	28/06/2024	former CV incentive
GSE	752,740	31/07/2024	former CV incentive
GSE	593,016	30/08/2024	former CV incentive
GSE	654,543	30/09/2024	former CV incentive
GSE	678,865	31/10/2024	former CV incentive
GSE	712,934	29/11/2024	former CV incentive
GSE	804,673	31/12/2024	former CV incentive
<b>Total 2024</b>	<b>9,625,716</b>		

With regard to the simplification introduced by Article 3-querter, paragraph 2, of LD 135/2018, concerning economic benefits already published in the National State Aid Register, reference is made to the information published in the Register available at: [//www.rna.gov.it/sites/PortaleRNA/it\\_IT/trasparenza](http://www.rna.gov.it/sites/PortaleRNA/it_IT/trasparenza).

## Other supplementary information

### 36. GUARANTEES GIVEN

#### Guarantees given by Neodecortech S.p.A.

Guarantees issued in favour of the subsidiaries, Cartiere di Guarcino S.p.A. and Bio Energia Guarcino S.r.l., up to a maximum of € 26,360,000 for short-term lines of credit for mixed use and export finance, granted to the latter by BPM, BPER, Popolare di Sondrio, and Monte dei Paschi di Siena, via "umbrella" credit facilities.

On 10 November 2020, Neodecortech S.p.A. issued a Letter of Patronage to Banco di Desio e Brianza S.p.A., extended until 8 November 2024, in favour of the subsidiary Cartiere di Guarcino S.p.A. to guarantee various lines of credit up to a maximum of € 2,650,000 granted by the bank to the subsidiary.

On 19 January 2021, Banco Popolare BPM S.p.A. issued a first-demand bank guarantee, in favour of Sonae Industria de Rivestimentos SA, for € 250 thousand, expiring on 30 April 2026, to guarantee the balance relating to the purchase of the new laminating machine for the production plant in Casoli d'Atri (TE), to be paid within 5 years, based on the business agreements, residual guarantee at 31.12.2024 of € 167,919.

On 07.12.2022, Neodecortech S.p.A. issued a Letter of Patronage to Axpo Italia S.p.A. in favour of its subsidiary Cartiere di Guarcino S.p.A. to guarantee the supply of natural gas, up to a maximum of € 2,000,000.

On 07.11.2022, Neodecortech S.p.A. issued a Letter of Patronage to Golden Agri-Resources Europe B.V. in favour of its subsidiary Bio Energia Guarcino S.r.l. to guarantee the supply of palm oil, up to a maximum of USD 16,000,000. At 31 December 2024, Bio Energia Guarcino S.r.l.'s exposure to the supplier, for contracts to be performed, was € 2,588 thousand.

On 16 June 2023, Neodecortech S.p.A. issued a letter of Patronage to ITALPREFABBRICATI S.p.A. - Industria Italiana di Prefabbricati in favour of the subsidiary NDT energy S.r.l., to guarantee the payment of sums due from the contract for the supply of prefabricated structure on site (€ 154,000).

#### Guarantees given by Cartiere di Guarcino S.p.A.

On 04/04/2023, Banca Popolare di Sondrio gave a first-demand bank guarantee of € 43 thousand to MSC Mediterranean Shipping Company for the issuance of a substitute B/L valid until 01/07/2024, now settled.

On 31/03/2023, Banco di Desio e Brianza S.p.A. issued a first-demand bank guarantee of € 1,000 thousand to ENCE ENERGIA Y CELULOSA S.A. for the supply of pulp fibre valid until 31/03/2024, now settled.

### **Guarantees given by Bio Energia Guarcino**

On 11 October 2018, BPER issued a guarantee in the interest of Bio Energia Guarcino S.r.l. in favour of Gatti up to a principal amount of € 400 thousand, extended until 28 February 2026.

On 17 October 2022, Compagnie Française d'Assurance pour le Commerce Extérieur S.A., issued, in the interest of Bio Energia Guarcino S.r.l., a guarantee of € 3,107 thousand in favour of the Customs and Monopolies Agency - FROSINONE Office, extended until 17/10/2025, with the object of: creation of an all-inclusive guarantee under Article 89, paragraph 5 of the Union Customs Code (UCC) to cover customs obligations related to multiple operations (import of palm oil), declarations or customs procedures put in place by BEG.

### **37. EVENTS AFTER YEAR END**

Reference should be made to the Directors' Report on Operations, specifically to the section "Significant events after 31 December 2024".

### **38. INFORMATION ON AGREEMENTS NOT RESULTING FROM THE STATEMENT OF FINANCIAL POSITION**

Pursuant to Article 2427, point 22-ter, mention should be made that there are no agreements not shown in the statement of financial position that have significant risks or benefits and that are necessary to assess the Group's financial position, results of operations and cash flows.

### **39. INFORMATION ON ASSETS AND LOANS FOR A SPECIFIC TRANSACTION**

With regard to the requirements of Articles 2447-bis to 2447-decies of the Italian Civil Code, it should be that during the year the Group allocated assets or loans for the establishment on 19 October 2002 of NDT Energy S.r.l., with registered office in Filago (BG) and operating offices in Casoli di Atri (TE). The Company has a fully paid-up capital of € 100 thousand, is currently dormant and awaiting authorization to operate a WtE plant, capable of reusing process waste and meeting a large part of the energy needs of the adjacent NDT "laminates" division.

### **40. INFORMATION ON THE FEES TO THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS**

In accordance with the law, the table below shows the total fees to the Directors and the Board of Statutory Auditors.

<i>(In units of Euro)</i>		
Qualification	31 DECEMBER 2024	31 DECEMBER 2023
Directors	935,316	732,771
Board of Statutory Auditors	102,217	99,546

**41. INFORMATION ON THE FEES TO THE INDEPENDENT AUDITORS**

Details are provided below of the fees paid in 2023 by the Neodecortech Group to the independent auditors, BDO Italia S.p.A. and the companies belonging to its network, as required by CONSOB Resolution no. 11971 of 14 May 1999, Article 149-duodecies, paragraph 1:

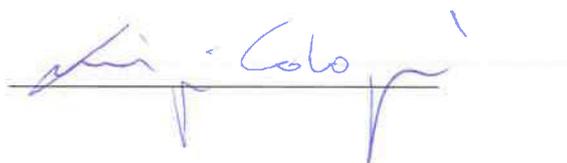
<i>(In units of Euro)</i>		
	31 DECEMBER 2024	31 DECEMBER 2023
Auditing services	107,894	106,616
Provision of other activities with issuance of certification	53,225	38,000
Provision of other non-auditing services	2,520	13,000

Filago (BG), 19 March 2025

For the Board of Directors

The Chief Executive Officer

(Luigi Cologni)



**NEO  
DECOR  
TECH**

**Parent Company Financial Statements  
at 31 December 2024**



## Income statement at 31 December 2024

<i>(Euro thousands)</i>	Notes	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<b>Revenue from sales and services</b>	1	<b>64,134</b>	<b>100.0%</b>	<b>70,783</b>	<b>100.0%</b>	<b>(6,649)</b>	<b>(9.4%)</b>
Changes in work in progress, semi-finished and finished products	2	(37)	(0.1%)	679	1.0%	(716)	(105.4%)
Other revenue	3	1,742	2.7%	2,254	3.2%	(512)	(22.7%)
<b>Value of Production</b>		<b>65,839</b>	<b>102.7%</b>	<b>73,716</b>	<b>104.1%</b>	<b>(7,877)</b>	<b>(10.7%)</b>
Raw and ancillary materials and consum.	4	(38,745)	(60.4%)	(44,368)	(62.7%)	5,623	(12.7%)
Other operating expense	5	(11,316)	(17.6%)	(12,094)	(17.1%)	778	(6.4%)
<b>Value Added</b>		<b>15,778</b>	<b>24.6%</b>	<b>17,254</b>	<b>24.4%</b>	<b>(1,476)</b>	<b>(8.6%)</b>
Personnel expense	6	(11,753)	(18.3%)	(11,308)	(16.0%)	(445)	3.9%
<b>EBITDA</b>		<b>4,025</b>	<b>6.3%</b>	<b>5,946</b>	<b>8.4%</b>	<b>(1,921)</b>	<b>(32.3%)</b>
Amortization and depreciation	7	(3,286)	(5.1%)	(3,381)	(4.8%)	95	(2.8%)
Allocations	8	0	0.0%	(34)	(0.0%)	34	(100.0%)
<b>EBIT</b>		<b>739</b>	<b>1.2%</b>	<b>2,532</b>	<b>3.6%</b>	<b>(1,793)</b>	<b>(70.8%)</b>
Financial expense	9	(985)	(1.5%)	(754)	(1.1%)	(231)	30.6%
Financial income	10	4,370	6.8%	1,200	1.7%	3,170	264.2%
<b>Profit/(loss) before tax</b>		<b>4,124</b>	<b>6.4%</b>	<b>2,977</b>	<b>4.2%</b>	<b>1,147</b>	<b>38.5%</b>
Income tax	11	(13)	(0.0%)	(129)	(0.2%)	116	(89.9%)
<b>Profit/(loss) for the year</b>		<b>4,111</b>	<b>6.4%</b>	<b>2,848</b>	<b>4.0%</b>	<b>1,263</b>	<b>44.3%</b>

## Statement of comprehensive income at 31 December 2024

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023
<b>Profit/(loss) for the year</b>	<b>4,111</b>	<b>2,848</b>
<b>Other items of the comprehensive income statement</b>		
Actuarial gains (losses) net of tax effect	(10)	(32)
<b>Total items that will not be reclassified in the income statement for the year</b>	<b>(10)</b>	<b>(32)</b>
Gains/(losses) on cash flow hedging instruments	(80)	(133)
<b>Total items that will or may be reclassified in the income statement for the year</b>	<b>(80)</b>	<b>(133)</b>
<b>Total other items of the comprehensive income statement</b>	<b>(90)</b>	<b>(165)</b>
<b>Comprehensive income (loss) for the year</b>	<b>4,021</b>	<b>2,683</b>
Profit for the year attributable to:		
Shareholders of the Parent	4,021	2,683
Non-controlling interests		
<b>Earnings per share (in Euro):</b>		
Basic	0.30	0.20
Diluted	0.30	0.20

## Statement of financial position at 31 December 2024

Assets	Notes	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
<i>(Euro thousands)</i>							
Intangible assets	12	2,093	1.9%	482	0.4%	1,611	334.2%
Tangible assets	13	32,339	29.4%	31,456	29.3%	883	2.8%
Investments	14	46,726	42.5%	42,859	40.0%	3,867	9.0%
Other non-current assets	15	337	0.3%	209	0.2%	128	60.9%
Non-current financial receivables	16	67	0.1%	1,079	1.0%	(1,012)	(93.8%)
Deferred tax assets	17	520	0.5%	456	0.4%	64	14.1%
<b>Non-current assets</b>		<b>82,082</b>	<b>74.6%</b>	<b>76,541</b>	<b>71.4%</b>	<b>5,541</b>	<b>7.2%</b>
Inventory	18	9,455	8.6%	9,237	8.6%	218	2.4%
Trade receivables	19	11,717	10.6%	10,045	9.4%	1,672	16.6%
Receivables from tax consolidation		13	0.0%	0	0.0%	13	0.0%
Tax receivables	20	530	0.5%	545	0.5%	(15)	(2.8%)
Current financial receivables	16	4,217	3.8%	4,120	3.8%	97	2.3%
Other current receivables	21	430	0.4%	518	0.5%	(88)	(17.0%)
Cash funds	22	1,629	1.5%	6,224	5.8%	(4,595)	(73.8%)
<b>Current assets</b>		<b>27,991</b>	<b>25.4%</b>	<b>30,689</b>	<b>28.6%</b>	<b>(2,698)</b>	<b>(8.8%)</b>
<b>Total assets</b>		<b>110,073</b>	<b>100.0%</b>	<b>107,230</b>	<b>100.0%</b>	<b>2,843</b>	<b>2.7%</b>
<i>(Euro thousands)</i>							
Share capital		18,804	17.1%	18,804	17.5%	(0)	0.0%
Share premium reserve		18,864	17.1%	18,864	17.6%	0	0.0%
Treasury shares		(1,688)	(1.5%)	(986)	(0.9%)	(702)	71.2%
Other reserves		31,966	29.0%	29,171	27.2%	2,795	9.6%
Prior years' profit (loss)		8,761	8.0%	8,761	8.2%	0	0.0%
Profit (loss) for the year		4,111	3.7%	2,848	2.7%	1,263	44.3%
<b>Equity</b>	<b>30</b>	<b>80,818</b>	<b>73.4%</b>	<b>77,462</b>	<b>72.2%</b>	<b>3,356</b>	<b>4.3%</b>
Provisions for risks and charges	23	296	0.3%	210	0.2%	86	40.8%
Deferred tax	17	2,346	2.1%	2,386	2.2%	(40)	(1.7%)
Post-employment benefits	24	693	0.6%	655	0.6%	38	5.8%
Non-current financial liabilities	25	7,334	6.7%	10,009	9.3%	(2,675)	(26.7%)
<b>Non-current liabilities</b>		<b>10,669</b>	<b>9.7%</b>	<b>13,260</b>	<b>12.4%</b>	<b>(2,591)</b>	<b>(19.5%)</b>
Trade payables	26	7,264	6.6%	8,661	8.1%	(1,397)	(16.1%)
Payables from tax consolidation	27	0	0.0%	117	0.1%	(117)	(100.0%)
Tax payables	28	645	0.6%	462	0.4%	183	39.6%
Current financial liabilities	25	5,722	5.2%	3,190	3.0%	2,532	79.4%
Other current payables	29	4,955	4.5%	4,078	3.8%	877	21.5%
<b>Current liabilities</b>		<b>18,586</b>	<b>16.9%</b>	<b>16,508</b>	<b>15.4%</b>	<b>2,078</b>	<b>12.6%</b>
<b>Total equity and liabilities</b>		<b>110,073</b>	<b>100.0%</b>	<b>107,230</b>	<b>100.0%</b>	<b>2,843</b>	<b>2.7%</b>

## Statement of changes in equity at 31 December 2024

(Euro thousands)	NOTES	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT						
		SHARE CAPITAL	HEDGING AND TRANSLATION RESERVES	EQUITY RESERVES	OTHER RESERVES	TREASURY SHARES	PROFIT (LOSS) FOR THE YEAR	TOTAL EQUITY
<b>Balance at 01/01/2023</b>	<b>30</b>	18,804	264	18,864	31,373	(468)	8,437	77,274
Other items of the comprehensive income statement		-	(133)	-	(32)	-	-	(165)
Profit for the year		-	-	-	-	-	(8,437)	(8,437)
<b>Total comprehensive income/loss for the year</b>		-	<b>(133)</b>	-	<b>(32)</b>	-	<b>(8,437)</b>	<b>(8,602)</b>
Dividend distribution					(1,973)			(1,973)
Allocation of prior year's profit (loss)					8,437		2,848	11,285
Other changes		-	-	-	(5)	(518)		(523)
<b>Balance at 31/12/2023</b>	<b>30</b>	<b>18,804</b>	<b>131</b>	<b>18,864</b>	<b>37,800</b>	<b>(986)</b>	<b>2,848</b>	<b>77,461</b>
<b>Balance at 01/01/2024</b>	<b>30</b>	18,804	131	18,864	37,800	(986)	2,848	77,461
Other items of the comprehensive income statement		-	(80)	-	27	-	-	(53)
Profit for the year		-	-	-	-	-	(2,848)	(2,848)
<b>Total comprehensive income/loss for the year</b>		-	<b>(80)</b>	-	<b>27</b>	-	<b>(2,848)</b>	<b>(2,901)</b>
Dividend distribution					-			-
Allocation of prior year's profit (loss)					2,848		4,111	6,959
Other changes		-	-	-	-	(701)		(701)
<b>Balance at 31/12/2024</b>	<b>30</b>	<b>18,804</b>	<b>51</b>	<b>18,864</b>	<b>40,675</b>	<b>(1,687)</b>	<b>4,111</b>	<b>80,818</b>

## Statement of cash flows at 31 December 2024

<i>(Euro thousands)</i>	31 DECEMBER 2024	31 DECEMBER 2023
Profit (loss) for the year	4,111	2,848
Income tax	91	257
Deferred/(prepaid) tax	(77)	(128)
Interest expense/(interest income)	501	253
(Dividends received)	0	0
(Gains)/losses from disposal of assets	24	14
<b>1 Profit (loss) for the year before income tax, interest, dividends and gains/losses from disposals</b>	<b>4,650</b>	<b>3,244</b>
Adjustments for non-monetary items that had no balancing entry in net working capital:		
Allocation to post-employment benefits	113	13
Allocations to other provisions	46	162
Amortization and depreciation of fixed assets	3,286	3,381
Write-downs for impairment losses	0	0
Other adjustments for non-monetary items	(4,034)	(851)
<b>2 Cash flow before changes in NWC</b>	<b>4,061</b>	<b>5,949</b>
Changes in net working capital:		
Decrease/(increase) in receivables from customers	(578)	(1,203)
Decrease/(increase) in receivables from customers - Intercompany	(1,078)	2
Decrease/(increase) in inventory	(264)	(1,127)
Increase/(decrease) in payables to suppliers	(1,397)	653
Increase/(decrease) in payables to suppliers - Intercompany	75	0
Decrease/(increase) in other receivables	39	422
Increase/(decrease) in other payables	828	652
Other changes in net working capital	0	0
<b>3 Cash flow after changes in NWC</b>	<b>1,686</b>	<b>5,348</b>
Other adjustments:		
Interest received/(paid)	(382)	(370)
(Income tax paid)	(172)	0
(Gains)/losses from disposal of assets	0	0
Dividends received	0	0
(Utilization of provisions)	71	0
(Utilization of provisions for post-employment benefits)	(70)	(136)
<b>4 Cash flow after other adjustments</b>	<b>1,133</b>	<b>4,842</b>
<b>A Cash flow from operations</b>	<b>1,133</b>	<b>4,842</b>
<i>Tangible fixed assets</i>	<i>(3,803)</i>	<i>(2,999)</i>
(Purchase)	(3,957)	(2,999)
Disposal	154	0
<i>Intangible fixed assets</i>	<i>(1,881)</i>	<i>(152)</i>
(Purchase)	(1,881)	(152)
Disposal	0	0
<i>Financial fixed assets</i>	<i>(87)</i>	<i>0</i>
(Purchase)	(87)	0
Disposal	0	0
<i>Current financial assets</i>	<i>0</i>	<i>0</i>
(Purchase)	0	0

Disposal	0	0
<i>Proceeds from disposal of assets</i>	<i>(25)</i>	<i>(14)</i>
<b>B Cash flow from investing activities</b>	<b>(5,796)</b>	<b>(3,165)</b>
<b>Liabilities</b>	<b>770</b>	<b>3,985</b>
Increase (decrease) in short-term bank payables	1,466	30
New loans	2,000	5,000
Repayment of loan	(3,507)	(2,644)
Financial liabilities to other lenders	0	600
Change in financial receivables from other lenders	0	0
Change in financial receivables - Intercompany	811	1,000
<b>Equity</b>	<b>(702)</b>	<b>(2,490)</b>
Share capital increase	0	0
Sale (purchase) of treasury shares	(702)	(518)
Other changes in equity	0	(1,972)
<b>C Cash flow from financing activities</b>	<b>68</b>	<b>1,496</b>
<b>Increase (decrease) in cash funds (A ± B ± C)</b>	<b>(4,595)</b>	<b>3,173</b>
Cash funds at 1 January	6,224	3,051
Cash funds at 31 December	1,629	6,224

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## **Notes to the Parent Company Financial Statements**



**Entity preparing the financial statements**

Neodecortech S.p.A. (hereinafter also the "Company", the "Parent Company" or the "Controlling Company") is a company incorporated under Italian law, with registered office in Filago (BG), Strada Provinciale 2, at the head of the Neodecortech Group (hereinafter also the "Group"). The Company's website is: [www.neodecortech.it](http://www.neodecortech.it).

The Company is active in the production and marketing of decorative papers for the industrial sectors of wood and furnishing accessories.

Following the provision of Borsa Italiana for admission to the STAR segment dated 5 March 2021, trading of the Company's ordinary shares and warrants began on 15 March 2021 on the STAR segment of Euronext Milan organized and managed by Borsa Italiana.

The publication of these financial statements was authorized by the Directors on 19 March 2025; they will be submitted to the Shareholders' Meeting for approval and subsequent filing, within the time limits of law. The Shareholders' Meeting is empowered to make changes to these Financial Statements.

BDO Italia S.p.A. is in charge of the statutory audit.

**General criteria for the preparation of the financial statements****Statement of compliance with IAS-IFRS**

These financial statements were prepared in compliance with the IAS-IFRS international accounting standards in force at 31 December 2024, as adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IAS-IFRS also include all the revised international accounting standards (IAS) and all the interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), previously known as SIC. The rules of national legislation implementing EU Directive 2013/34 also apply, provided they are consistent, to companies that prepare their financial statements in accordance with IAS-IFRS. Therefore, the financial statements implement the relevant provisions of the articles of the Italian Civil Code and the corresponding provisions of the TUF for listed companies concerning the Directors' Report on Operations, the Independent Auditors' Report and the publication of the financial statements. The financial statements and the notes thereto also include the details and additional information required by the articles of the Italian Civil Code concerning financial statements, insofar as they do not conflict with the provisions of IAS-IFRS, as well as the other CONSOB regulations and instructions concerning financial statements.

The financial statements were prepared on a going concern basis. The Company has assessed that there are no significant uncertainties surrounding its ability to continue operations, due also to its financial structure and the actions already identified and included in the 2024-2026 Business Plan and the 2024 Budget, as explained in the "Directors' Report on Operations".

**Preparation criteria and functional currency**

The financial statements are prepared in accordance with the cost principle, with the exception of derivative financial instruments and financial assets, which are measured at fair value.

The presentation currency used in the financial statements is the Euro, which is the functional currency of Neodecortech S.p.A.. All the amounts contained in the financial statements and the notes are rounded to the nearest Euro unit, unless otherwise indicated.

**Financial statements and presentation criteria**

The financial statements consist of the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, and statement of cash flows, as well as the notes to the financial statements for the year ended 31 December 2024.

With regard to the presentation of the financial statements, the Company has made the following decisions:

- current and non-current assets and current and non-current liabilities are shown separately in the statement of financial position. Current assets, which include cash and cash equivalents, are those intended to be realized, sold or consumed in the Company's normal operating cycle; current liabilities are those expected to be settled in the Company's normal operating cycle or in the twelve months following the end of the period;
- for the income statement, the analysis of costs is carried out based on the nature of the costs;
- for the statement of comprehensive income, the Company has chosen to present two statements: the first shows the traditional income statement components with the result for the period, while the second, starting from this result, shows in detail the other components, i.e. (i) changes in fair value of derivative financial instruments designated as hedge accounting, and (ii) the effects of the remeasurement of defined benefit plans;
- the statement of cash flows was prepared using the indirect method.

The financial statements provide comparative information for the prior year.

#### **New accounting standards, interpretations and amendments adopted by the Group**

The Group has applied for the first time a number of standards or amendments that are effective as of 1 January 2024. The Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Below are the new standards applied as of 1 January 2024:

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments had no impact on the Group's consolidated financial statements.

#### **Standards issued but not yet in force**

Standards and interpretations that had already been issued but were not yet in force at the date of preparation of the Group's consolidated financial statements are explained below. The Group intends to adopt these standards and interpretations, if applicable, when they come into effect.

- IFRS 18 Presentation and Disclosure in Financial Statements In April 2024, the IASB issued IFRS 18, which supersedes IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Additionally, entities will need to classify all expenses and revenues in the income statement into four categories: operating, investing, financing, and income tax, as well as discontinued operations, with the first three categories being new. The standard also requires disclosures based on the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of "primary" financial statements (PFS) and notes. Additionally, changes have been made to IAS 7 Statement of Cash Flows, which include modifying the starting point for determining cash flows from operations based on the indirect method - shifting from profit or loss to operating profit or loss - and removing the option to classify cash flows from dividends and interest. Additionally, consequential changes were made to multiple other accounting standards. IFRS 18, and the amendments to other standards, are effective for financial periods beginning on or after 1 January 2027, but early application is permitted subject to disclosure. IFRS 18 will apply

retrospectively. The Group is currently working to identify the impacts that the changes will have on its financial statements and notes to the financial statements.

- IFRS 19 Subsidiaries without Public Accountability Disclosures In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in the other IFRS accounting standards. To be eligible, at year-end, an entity must be a subsidiary as defined within IFRS 19, cannot have "public accountability" and must have a parent (either ultimate or intermediate) that prepares consolidated financial statements, available to the public, in accordance with IFRS accounting standards. IFRS 19 will become effective for financial periods beginning on or after 1 January 2027, but early application is permitted. As the Group's shares are publicly traded, the Group is not eligible for the application of IFRS 19.

The Directors do not expect the Group's consolidated financial statements to be materially affected by the adoption of these amendments.

### **Subjective evaluations and use of estimates**

The preparation of the financial statements and the notes thereto, in application of the IAS-IFRS, requires Management to make estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosures on contingent assets and liabilities as of the reporting date, as well as the amount of revenue and costs in the reporting period presented. Estimates and assumptions used are based on experience and on other factors considered significant. Actual results may differ from these estimates. Estimates and assumptions are reviewed regularly and the effects of each variation therein are recognized in profit and loss in the period in which the estimate was revised. The effects of such revisions are reflected in the periods on which they have effect, i.e. both in the current period, and in future periods, if relevant.

To provide a better understanding of the Financial Statements, the following are the most significant estimates adopted in the process of preparing the Financial Statements, as they involve a high level of subjective judgments, assumptions and estimates relating to issues that are by their nature uncertain. Changes in the conditions underlying the judgments and assumptions made could have a material impact on subsequent results.

- *Measurement of receivables:* receivables from clients are adjusted by the related allowance for doubtful accounts to take account of their recoverable value. The determination of the amount of the write-downs requires the directors to perform subjective evaluations based on past experience for similar receivables or current and historical past dues, closing rates, losses and collections, and to carefully monitor credit quality;
- *Measurement of inventory:* obsolescent inventory is periodically measured and written down if the net realizable value is lower than the carrying amount. Write-downs are calculated on the basis of Management's assumptions and estimates, based on their experience and sales forecasts;
- *Measurement of deferred tax assets:* deferred tax assets - whose recovery in future years is considered highly probable - are measured on the basis of the expected taxable income in future years. The measurement of such expected taxable income depends on factors that may vary over time and have significant effects on the measurement of deferred tax assets;
- *Income tax:* the calculation of the Company's tax liability requires Management to measure transactions whose tax implications are not certain at the balance sheet date;
- *Impairment of intangible and tangible assets with finite useful life:* these assets undergo an impairment test to ascertain whether there has been an impairment, which must be recognized by means of a write-down, when there are indications of a difficulty in recovering the related net book value through use. Ascertainment of the existence of the above indicators requires the Directors to make subjective assessments based on information available within the Company and from the market, as well as statistics. Additionally, if it is determined that a potential impairment may have occurred, the Company determines it using appropriate measurement

techniques. The proper identification of the elements pointing to the existence of a potential impairment, as well as the estimates used to determine them, depend on factors that may change over time and that are subject to uncertainties and the use of estimates (growth rates, rates of return on assets, and financial projections affected by external, non-controllable variables) that affect the valuations and estimates made by the Directors;

- *Measurement of intangible and tangible assets with finite useful life:* tangible and intangible assets with finite useful life are depreciated/amortized over the estimated useful life of the related assets. The useful life of the assets is determined by the Directors at the time the asset is acquired; it is based on historical experience for similar fixed assets, market conditions and anticipations of future events that could have an impact on the useful life. Therefore, the actual useful life may differ from the estimated useful life. The Company regularly assesses technological and industry changes to update the remaining useful life. This regular update could lead to a change in the amortization/depreciation period and therefore also in the amortization/depreciation charge for future years.
- *Pension plans:* the present value of the liability for pension benefits depends on a number of factors that are determined by actuarial methods using certain assumptions. The assumptions regard the discount rate, the expected return on the assets servicing the plan, the rates of future salary increases, and the mortality and resignation rates. Any change in the above assumptions could have significant effects on the liability for pension benefits;
- *Valuation of risk provisions:* the Company is subject to legal and tax lawsuits that may arise from complex and difficult issues, which are subject to a varying degree of uncertainty, including facts and circumstances underlying each case, jurisdiction and different applicable laws. Given the uncertainties underlying these issues, it is difficult to accurately predict the outlay that could arise from such disputes. Accordingly, after hearing the opinion of their legal and tax advisors and experts, the Directors recognize a liability from such disputes when they consider it probable that a financial outlay will occur and when the amount of the resulting losses can be reasonably estimated. This estimate implies the adoption of assumptions that depend on factors that may change over time and which could therefore have significant effects over the current estimates made by the Directors in preparing the Company's financial statements;
- *Determination of fair value:* the fair value of certain financial assets that are not listed on active markets is determined using measurement techniques. The Company uses measurement techniques that use inputs that are directly or indirectly observable in the market at year end, related to the assets being measured. While the estimates of the abovementioned fair values are deemed reasonable, possible changes in the estimation factors on which the calculation of these values is based may produce different valuations.

## **Accounting policies**

### ***Tangible assets***

These are recorded at purchase, production or transfer cost, including any ancillary expense and direct costs required to make the asset available for use, less subsequent accumulated depreciation and write-downs for impairment. All other costs and financial expense are recognized in the income statement in the year to which they refer.

If an item of property, plant and equipment consists of several components with different useful lives, these components are accounted for separately (if they are significant components).

Leasehold improvements are classified as tangible fixed assets, on the basis of the cost incurred. In such cases, the depreciation period corresponds to the lower of the residual useful life of the tangible asset and the residual term of the lease contract.

Assets under construction are recorded at cost under "Assets under construction" until they are available for use; at the time of their availability for use, the cost is classified under the relevant item and depreciated.

The gain or loss on the disposal of property, plant, machinery, equipment and other assets is determined as the difference between the net sale proceeds and the net residual value of the asset, and is recognized in the income statement for the year in which the asset is derecognized.

Costs incurred after the purchase of the assets and the cost of replacing certain parts of the assets recorded in this category are added to the carrying amount of the item to which they refer and capitalized only if they increase the future economic benefits inherent in the asset itself and are therefore depreciated on the basis of the residual possibility of use of the asset. All other costs are recognized in the income statement when incurred.

When the cost of replacing certain parts of the assets is capitalized, the residual amount of the parts replaced is charged to the income statement.

Gains and losses arising from the sale or disposal of assets are determined as the difference between the sale proceeds and the net carrying amount of the asset and are recognized in the income statement for the year.

Depreciation is generally calculated on a straight-line basis over the estimated useful lives of the individual components into which property, plant and equipment are divided. Land is not depreciated. Below are the rates applied for each category:

Category	Rates %
Industrial buildings	2%
Lightweight constructions	10%
Temporary and kindred constructions	10%
Plant and equipment	9%
Purification plants	12%
Miscellaneous production equipment / laboratory	30%
Production equipment (printing cylinders)	20%
Furniture and ordinary office equipment	12%
Electronic office equipment	20%
Internal means of transport	16%
Cars and motor vehicles	25%

The useful life of tangible assets and their residual value are reviewed and updated, where necessary, at least at the end of each financial period.

Tangible assets are also tested for impairment annually or whenever there is an indication that the asset may be impaired. Reference should be made to the section below "Impairment of tangible and intangible assets and investments" for the criteria used to determine any write-downs.

### **Leases**

The Company must evaluate whether the contract is, or contains a lease, as at the date it is entered into. The Company recognizes the Right of Use and related Lease Liability for all leases in which it acts as lessee, except for short-term leases (leases of 12 months or less) and leases related to low-value assets (i.e., assets valued at less than € 5,000 when new). Contracts for which the latter exemption has been applied fall primarily within the following categories: computers, phones and tablets; printers, other electronic devices; and furniture and fixtures.

With regard to these exemptions, the Company records the related payments as operating expense recognized on a straight-line basis over the life of the contract.

The lease liability is initially recorded at the present value of future payments at the effective date of the contract. Since most of the lease agreements entered into by the Company do not contain an implicit interest rate, the discount rate to be applied to future lease payments was determined as the risk-free rate, with maturities commensurate with the term of the specific lease, increased by the specific credit spread of the company entering into the agreement.

Lease payments included in the value of the lease Liability include:

- the fixed component of lease payments, net of any incentives received;
- variable lease payments based on an index or rate, initially measured using the index or rate on the effective date of the contract;
- the amount of collateral for the residual value that the lessee expects to pay;
- the exercise price of the purchase option, which must only be included if the exercise of such option is considered reasonably certain;
- penalties for early termination of the contract, if the lease term envisages the option to exercise termination of the lease and the exercise thereof is estimated to be reasonably certain.

Subsequent to initial recognition, the carrying amount of the lease liability increases due to interest accrued (using the effective interest method) and decreases to take account of payments made under the lease agreement.

The Company restates the value of the Lease Liabilities (and adjusts the value of the corresponding Right of Use) if:

- the lease term changes or there is a change in the valuation of the exercise of the option right; in this case, the lease liability is restated by discounting the new lease payments at the revised discount rate.
- the value of lease payments changes as a result of changes in indices or rates, in such cases the Lease Liability is restated by discounting the new lease payments at the initial discount rate (unless the payments due under the lease change as a result of fluctuations in interest rates, in which case a revised discount rate must be used).
- A lease has been amended and the amendment does not fall within the cases for separate lease recognition. In such cases, the lease liability is restated by discounting the new lease payments at the revised interest rate.
- The Company did not recognize any of the above changes in the period, availing itself, however, of the possibility of early application of the amendment to IFRS 16 - COVID-19 Related Rent Concessions, which allowed it to account for the effects of reductions in lease payments directly in the income statement at the effective date of the reduction, without having to assess, through the analysis of contracts, whether the definition of lease modification in IFRS 16 is met.

The Company did not recognize any of the above changes during the period.

The Right of Use asset includes the initial calculation of the lease Liability, lease payments made prior to or on the effective date of the contract, plus any other initial direct costs. The Right of Use is recorded in the financial statements net of depreciation and any impairment losses. Lease-related incentives (e.g., free lease periods) are recognized as part of the initial value of the right of use and lease liability over the contract period.

The Right of Use is amortized/depreciated on a systematic basis to the lower of the lease term and the remaining useful life of the underlying asset. If the lease agreement transfers ownership of the related asset or the cost of the right of use reflects the Company's wish to exercise the purchase option, the related right of use is amortized over the useful life of the asset in question. The beginning of amortization starts from the effective date of the lease.

The Right of Use is included under "Tangible assets" in the consolidated statement of financial position.

The Company applies IAS 36 Impairment of Assets in order to identify the presence of any impairment losses.

In the statement of cash flows, the Company divides the total amount paid between principal (recognized in the cash flow from financing activities) and interest (recognized in the cash flow from operations).

**Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance, controllable and capable of generating future economic benefits. These items are recorded at purchase and/or production cost, including directly attributable expense for preparing the asset for use, net of accumulated amortization and any impairment losses.

Amortization begins from when the asset is available for use, in accordance with Management's intentions, and is systematically allocated in relation to the residual possibility of use of the asset, or on the basis of its estimated useful life.

The costs of software licenses, including expense incurred to make the software ready for use, are amortized on a straight-line basis over the relevant period of time (5 years), while the costs relating to the maintenance of software programs are charged to the Income Statement at the time they are incurred.

Below are the rates applied for each category:

Category	Rates % Neodecortech
Patents and use of intellectual property	20%
Other intangible fixed assets	20%
Other intangible fixed assets - customer list	7 years

Intangible assets with finite useful life are also tested for impairment whenever there is an indication that the asset may be impaired. Reference should be made to the section below "Impairment of tangible and intangible assets and investments" for the criteria used to determine any write-downs.

**Subsidiaries**

Subsidiaries are those entities in which the company is exposed to variable returns, or holds rights to those returns, arising from its relationship with those entities and at the same time has the ability to affect those returns by exercising its power.

The company assesses entity control through the presence of three elements: power:

- current ability of the company, deriving from substantive rights, to direct the relevant activities of the businesses that significantly affect the entity's returns;
- the company's exposure to variability in the returns of the investee;

- correlation between power and returns, the company has the ability to exercise its power to affect the returns from such relationship.

Generally, control is assumed when the company owns, directly or indirectly, more than half of the voting rights in the ordinary shareholders' meeting, including any potential rights to vote resulting from convertible securities.

Investments in subsidiaries are measured at equity. Under this method, investments are initially recognized at cost, subsequently adjusted to reflect changes in the value of the Company's share of the associate's equity. The Company's share of the profits or losses of its subsidiaries is accounted for in a specific item in the income statement from the date on which control is exercised until the moment it ceases.

Investments are subject to impairment testing, where indicators of impairment have been identified. If there is evidence that these investments have suffered an impairment loss, the loss is recognized in the Income Statement as a write-down. Whenever an impairment loss is reduced or ceases to exist, the loss is reversed up to the carrying amount through profit and loss.

#### ***Cost of a business combination***

Under IFRS 3, the cost of an acquisition is the acquisition-date fair value of the consideration transferred, plus the amount of any non-controlling interest held. For each business combination, any non-controlling interest in the acquiree must be measured at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets.

IFRS 3 requires that acquisition-related costs be considered as expense in the periods in which such costs are incurred and the services are received.

#### ***Allocating the cost of a business combination***

Goodwill is determined as the excess between, on the one hand:

- the sum of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value, at the acquisition date, of any interest in the acquiree previously held; and, on the other hand,
- the net fair value of the identifiable assets and liabilities at the date of acquisition.

If the difference is negative, it is recorded directly in the income statement. If the initial recognition of a business combination can only be determined provisionally, the adjustments to the amounts assigned are recorded within twelve months of the acquisition date (valuation period).

#### ***Impairment of tangible assets, intangible assets and investments***

At each balance sheet date, an assessment is made to ascertain whether there are any indications that tangible and intangible assets (including rights of use, the reduction in value of which is connected with the emergence of conditions for using the asset on the basis of an onerous contract pursuant to IAS 37) and investments may have suffered impairment. Both internal and external sources of information are considered for this purpose. With regard to the former (internal sources), the following are considered: obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the economic performance of the asset and the investment compared to estimated performance. With regard to external sources, the following are considered: trends in the market prices of assets, any technological, market or regulatory discontinuities, trends in market interest rates or the cost of capital used to value investments.

If such indicators are identified, the recoverable amount of said assets is estimated (impairment test), posting any write-down against the related carrying amount to the Income Statement. The recoverable value of an asset is represented by the greater of its fair value, less ancillary costs to sell, and its value in use, i.e. the current value of the future cash flows estimated for this asset. In determining the value in use, the expected future cash flows are discounted using a discount rate that reflects current market assessments of the time value of money, in relation to the period of the investment and

the risks specific to the asset. For an asset that does not generate cash flows that are largely independent, the recoverable amount is determined in relation to the cash generating unit (CGU) to which such asset belongs.

An impairment loss is recognized in the Income Statement if the carrying amount of the asset, or of its cash generating unit, is higher than its recoverable value. Impairment losses of the cash generating unit are recognized as a reduction in assets, in proportion to their book value and within the limits of the relating recoverable value, including rights of use. If the conditions for a previous write-down no longer apply, the carrying amount of the asset is reinstated with an entry in profit and loss, up to the net carrying amount that the asset in question would have had if the write-down had not been made and, for tangible and intangible assets, the related amortization/depreciation had been carried out.

### ***Financial assets***

All financial assets are initially recognized, at the trading date, at cost, which corresponds to the fair value increased by the expense directly attributable to the purchase, with the exception of financial assets held for trading (fair value in the income statement).

All financial assets must be subsequently recognized at amortized cost or fair value based on the entity's business model for managing financial assets and the characteristics related to the contractual cash flows of the financial asset. Specifically:

- Debt instruments held as part of a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and which have cash flows represented solely by principal payments and interest on the amount of principal to be repaid, are subsequently measured at amortized cost;
- Debt instruments held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and which have cash flows represented solely by principal payments and interest on the amount of principal to be repaid, are subsequently measured at fair value with changes recognized in other comprehensive income (FVTOCI);
- All other debt instruments and investments in equity instruments are subsequently measured at fair value, with changes recognized in net profit (loss) for the year (FVTPL).

When an investment in a debt instrument measured as FVTOCI is derecognized, the cumulative gain (loss) previously recognized in other comprehensive income is reclassified from equity to net profit (loss) through a reclassification adjustment. Conversely, when an investment in an equity instrument designated as FVTOCI rated is derecognized, the cumulative gain (loss) previously recognized in other comprehensive income is subsequently transferred to retained earnings without passing through the income statement. Dividends received from investments in equity instruments are recognized in the income statement.

Debt instruments subsequently measured at amortized cost or FVTOCI are subject to financial asset impairment. With regard to the impairment of financial assets, the Company has applied a model based on expected losses on receivables, with reference to trade receivables. Specifically, the Company measures the loss allowance on a financial asset at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial asset has significantly increased since initial recognition, or if the financial instrument is an impaired financial asset that has been purchased or originated. However, if the credit risk of a financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance for the financial instrument in an amount equal to the expected credit losses from a default event in the following 12 months (12-month expected credit losses).

The Company adopts the simplified method for measuring the loss allowance for trade receivables by estimating the expected losses over the life of the receivable, also using a procedure that also requires a customer-by-customer analysis of past due doubtful debts.

The Company derecognizes all or a portion of its financial assets when:

- the contractual rights attributable to these assets have expired;

- it transfers the risks and rewards of ownership of the asset or does not transfer or even retain substantially all the risks and rewards, but transfers control of these assets;
- receivables transferred as a result of factoring transactions are eliminated from the statement of financial position only if they are transferred without recourse, and if substantially all the risks inherent in the receivable are transferred.

Receivables assigned with recourse, or in any case without the transfer of all risks, remain recorded in the financial statements and a financial liability of equal amount is recorded under liabilities against the advance received.

### ***Inventory***

The purchase cost includes the costs incurred to bring each asset to the storage location and takes account of write-downs related to obsolescence and slow turnover of inventory.

The production cost of finished and semi-finished goods includes the cost of raw materials, direct labour and a portion of general production costs, calculated on the basis of normal plant operations, while financial costs are excluded.

For raw and ancillary materials and consumables, the net realizable value is represented by the replacement cost. For finished and semi-finished goods, the net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale.

### ***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, bank deposits on demand, and other treasury investments with original expected maturities of three months or less. Overdrafts are considered a means of financing and not a component of cash and cash equivalents. The definition of cash and cash equivalents in the statement of cash flows corresponds to the definition in the statement of financial position.

### ***Treasury shares***

Repurchased treasury shares are recorded at cost and deducted from equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the purchase price and the consideration, in the event of re-issue, is recognized in the share premium reserve.

### ***Provisions for risks and charges***

Allocations to provisions for risks and charges are made when the Company must meet a current obligation (legal or implicit) deriving from a past event, the amount of which can be reliably determined, and the fulfilment of which will likely result in the use of resources. Allocations are made on the basis of the best estimate, on the basis of the costs required to fulfil the obligation at the balance sheet date, and are discounted when the effect is significant. In this case, the discounting is determined at a pre-tax discount rate that reflects the current market valuation of the cost of money in relation to time. The discounting effect is recorded under financial expense.

### ***Employee benefits***

As of 1 January 2007, companies with over 50 employees at the date of introduction of the reform are required to pay the new severance indemnity flows into pension funds chosen by the worker or, where the worker has opted to keep the flows within the company, into a treasury account set up with INPS. For the Company, the employee severance indemnity accrued up to 31 December 2006 continues to fall under "defined benefit plans", while the indemnity accrued after such date is treated, for all workers, as a "defined contribution plan", since all the company's obligations are discharged with the periodic payment of a contribution to third parties. An exception is made for the portions accrued by workers who have opted to keep the severance indemnity within the company, which are classified as a defined benefit plan.

### **Defined contribution plans**

Defined contribution plans are formalized post-employment benefit programs under which the Company pays fixed contributions to an insurance company or pension fund and will not have a legal or constructive obligation to pay further

contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior years.

These contributions, paid in exchange for employee service, are recorded as an expense in the period incurred.

#### Defined benefit plans

Defined benefit plans are formalized post-employment benefit programs that constitute a future obligation for the Company. The entity is, in substance, underwriting the actuarial and investment risks associated with the plan. Under IAS 19, the Company uses the Projected Unit Credit Method to determine the present value of obligations and the related current service cost.

This actuarial calculation requires the use of objective and compatible actuarial assumptions about demographic (mortality rate, employee turnover rate) and financial (discount rate, future increases in salary levels and medical benefits) variables.

Actuarial gains and losses related to post-employment defined benefit plans may result from both changes in the actuarial assumptions used for the calculation between two consecutive years and changes in the value of the obligation relating to the actuarial assumptions made at the beginning of the year. Actuarial gains and losses are recognized and charged immediately to other comprehensive income.

Net interest expense on defined benefit plans is recognized in financial income/(expense) in the income statement.

#### **Loans**

Loans are initially recognized at the fair value of the amount disbursed/received net of ancillary expense directly attributable to the financial asset/liability. After initial recognition, loans are measured at amortized cost using the effective interest method.

#### **Trade and other payables**

Trade and other payables are initially recorded at the fair value of the initial consideration received in exchange and subsequently measured at amortized cost.

#### **Revenue recognition**

Revenue is measured taking account of the consideration specified in the contract with the customer. The Company recognizes revenue when it transfers control of goods or services.

Revenue recognition is performed by applying a five-step model as outlined below:

- Identification of the contract with the customer;
- Identification of "performance obligations" under the contract;
- Determination of transaction consideration;
- Allocation of consideration to individual "performance obligations";
- Recognition of revenue at the point in time (or over a period of time) of satisfaction of the individual "performance obligation".

Revenue is recognized when the economic benefits associated with the sale of goods or the provision of services will flow to the Company and the amount can be reliably determined. Revenue is recorded at fair value, equal to the consideration received or receivable, taking account of the value of any trade discounts granted and volume rebates.

With regard to the sale of goods, revenue is recognized when the company has transferred the significant risks and benefits associated with the ownership of the goods to the purchaser. Contracts with customers generally include a single performance obligation. A performance obligation is satisfied upon delivery of the asset.

**Costs**

Costs are recorded on an accruals basis and in accordance with the relevance principle.

**Financial expense and income**

Interest income/expense is recognized as financial income/expense following its assessment on an accruals basis and using the effective interest rate method.

**Dividends**

Dividends are recognized when the shareholders' right to receive payment arises, in accordance with current legislation, and are classified under "Financial income" and reversed as part of the entries to adjust Investments to the equity method.

**Income tax**

Current tax is calculated on the basis of taxable income for the year, applying the tax rates in force at the reporting date. Deferred tax is calculated on all differences arising between the tax base of an asset or liability and the relating carrying amount.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which they can be recovered. Deferred tax is determined using the tax rates that are expected to apply in the periods in which the differences are realized or settled. The recoverability of deferred tax assets is reviewed at each end of the period. Deferred tax assets not recognized in the financial statements are re-analyzed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Current and deferred tax is recorded in the Income Statement, with the exception of tax relating to items directly debited or credited to equity, in which case the tax effect is recognized directly in equity and in the Consolidated Statement of Comprehensive Income. Tax is offset when levied by the same taxing authority and when there is a legal right to offset it and a settlement of the net balance is expected.

Neodecortech S.p.A. participates as a subsidiary in the national tax consolidation scheme of the Valentini Group, together with the subsidiaries Cartiere di Guarcino S.p.A., Bio Energia Guarcino S.r.l., and Valinvest S.r.l.. In this context, pursuant to Articles 117 et seq. of Presidential Decree 917/86, IRES is determined at the level of Finanziaria Valentini S.p.A. by offsetting the positive and negative taxable amounts of the above companies.

Income-related transactions, responsibilities and mutual obligations among the companies are set out in the regulations for participation in the tax consolidation scheme of the Valentini Group.

**Derivative financial instruments**

Derivatives, including embedded derivatives that are separated from the main contract, are initially recognized at fair value.

Derivatives are classified as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the hedge effectiveness, regularly verified, is high.

When hedging derivatives hedge the risk of change in the fair value of the hedged instruments, they are recorded at fair value and the effects are posted to the income statement; accordingly, the hedged instruments are adjusted to reflect the changes in fair value associated with the risk hedged.

When derivatives hedge the risk of fluctuations in the cash flows of the hedged instruments (cash flow hedge), the hedges are designated against the exposure to variability in cash flows attributable to risks that may subsequently affect the Income Statement; these risks are generally associated with an asset or liability recognized in the balance sheet (such as future payments on debts at variable rates). The effective portion of the change in the fair value of the portion of derivative contracts that have been designated as hedges under IFRS 9 is recognized as a component of the Comprehensive Income Statement (hedging reserve); this reserve is then charged to profit or loss in the period in which the hedged transaction affects the Income Statement. The ineffective portion of the change in fair value, as well as the

entire change in fair value of the derivatives that have not been designated as hedging instruments or do not meet the requirements of IFRS 9, is booked directly to the income statement.

When derivative instruments do not meet the requirements to be classified as hedges, gains and losses from fair value fluctuations are recognized in the income statement for the period.

***Transactions denominated in currencies other than the functional currency***

Transactions denominated in currencies other than the functional currency are initially translated into the functional currency using the exchange rate on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in non-functional currencies are translated into the functional currency at the exchange rate in effect at the reporting date. The resulting exchange rate differences are recorded in the Income Statement.

Non-monetary assets and liabilities denominated in non-functional currencies and measured at cost are translated at the exchange rate on the date of the transaction, while those measured at fair value are translated at the exchange rate on the date such value is determined.

***Earnings/(loss) per share***

Earnings per share are calculated by dividing the Company's net profit or loss by the weighted average number of shares outstanding during the relevant period, excluding treasury shares. Diluted earnings are calculated by dividing the Company's profit or loss adjusted to take account of any effects, net of tax for the year, of any rights with diluted effects by the weighted average number of shares outstanding during the relevant period, excluding treasury shares and equivalent securities (options) with dilutive effect.

***Environmental impact***

The Company considers climate-related issues in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts to the Group from both physical and transitional risks. Although the Group believes that its business model and products will still be appealing as a result of the transition to a low-emission economy, climate-related issues increase the uncertainty of estimates and assumptions affecting many elements or items in the financial statements.

While climate-related risks may not have a significant impact on measurement to date, the Group is closely monitoring developments and changes, such as new climate-related regulations and standards.

***Business combinations***

During the year, the Company acquired a business unit from LOMA S.r.l..

On 27 November 2024, Neodecortech S.p.A. entered into a business unit acquisition agreement regarding the business structure related to decorative surfaces for the furniture and laminate flooring industry in Asia and the Far East in general. The gradual decline in the potential profitability of a commercial brokerage business in the intermediate industrial goods sector, combined with the opportunity to add specialty product lines complementary to the existing ones, led to the acquisition of this unit. Specifically, the business unit consisted of i) a customer list with existing business relationships; ii) the area manager in charge of those business relationships.

<b>(€ thousands)</b>	
Post-employment benefits	(100)
<b>Total net liabilities acquired</b>	<b>(100)</b>

Price paid	737
Price to be allocated	837
Customer List	837

The price was allocated to the acquired customer list whose useful life was estimated to be 7 years.

**Management of financial risks**

The Board of Directors of Neodecortech S.p.A. adopts a consistent policy with a view to reducing the financial risks the Neodecortech Group is exposed to in the course of business.

As the Company's activities are industrial, the use of instruments is limited to transactions to hedge the risks connected with its operations, thus excluding speculative policies or policies that pursue purely financial profit objectives.

The financial instruments applicable to the sector are only those that allow for the funding and use of the financial means required to carry out operations. Therefore, the amounts, terms and maturities of the financial instruments must be appropriate to the transactions they are linked to.

**Liquidity risk**

In connection to its debt position, the Company is exposed to liquidity risk, namely the risk of being unable to raise the funds required to service and repay existing loans.

In order to minimize this risk, the Treasury and Credit area puts these activities in place:

- ongoing assessment of forecast financial requirements in order to put in place the necessary actions in a timely manner;
- negotiation of appropriate credit facilities;
- the correct composition of net financial debt, i.e. to finance capital expenditure using medium/long-term debt (in addition to equity), while covering net working capital requirements using short-term lines of credit;
- inclusion of Group companies in loan agreements in order to optimize any excess liquidity among companies.

Reference should be made to the Directors' Report on Operations and to Note 25 "Non-current financial liabilities" and "Current financial liabilities" for further details of the loans taken out.

**Credit risk**

The Company is subject to credit risk relating to the sales of products in its core markets. The policies set out the criteria for establishing customer creditworthiness, credit facilities and related risk containment measures. The policies also envisage the assignment of responsibilities for approving any breaches of such limits and for preparing management reports.

The review of overdue receivables provides the following analysis by due date (including allocations for invoices to issue and credit notes to issue):

Trade receivables	Overall total	Total falling due	Total past due	Past due 0 - 30	Past due 31 - 60	Past due 61 - 90	Past due 91 - 120	Past due over 120
31 DECEMBER 2024	12,054	8,496	3,558	3,184	126	(5)	6	247
31 DECEMBER 2023	10,397	7,622	2,775	2,389	83	(7)	(87)	397

As the Company's exposure to customers is represented mainly by receivables from companies in the furniture and flooring sector, it is reasonable to estimate that there are no noteworthy solvency risks. Special cases are systematically reviewed and, where deemed necessary, a specific provision for impairment is made.

Also included in past dues between 0-30 days are mainly collection of cash orders paid on 31 December 2024, but credited by the bank on the first day of 2025.

The general risk associated with overall exposure to customers is assessed on a statistical basis, by reviewing the historical series of insolvencies and realized losses per year, to which average percentages of probable uncollectability are associated, in connection to the age of the receivable.

Changes in the provision for doubtful accounts at 31 December 2024 are shown below:

Provision for doubtful accounts					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocations	Utilization	Release	31 DECEMBER 2024
Changes in Provision for Doubtful Accounts	352		(9)	(6)	337
<b>Total provision for doubtful accounts</b>	<b>352</b>	<b>0</b>	<b>(9)</b>	<b>(6)</b>	<b>337</b>

Actions aimed at limiting risk include the continued controls made in the year to assess and analyze the higher risk situations on a monthly basis, and the implementation of credit insurance policies in the manner deemed appropriate.

### Exchange rate risk

By focusing its sales on the Italian and European markets of the Euro zone, the Company is exposed in a marginal way to the risk of fluctuations in exchange rates, considering additionally that transactions in foreign currency to purchase raw materials are equally limited.

### Interest rate risk

The risk is represented by the likelihood that the value or future cash-flows of a financial instrument - in particular, current account overdrafts, bank advances and loans - may vary parallel to changes in interest rates.

To mitigate the above risk, the Company entered into an Interest Rate Swap contract relating to the outstanding mortgage loan with BPM, with a notional value of € 3,559 thousand and a positive fair value of € 67 thousand at 31 December 2024 (positive € 172 thousand at 31 December 2023). At 31 December 2024, total medium/long-term loans taken out by the Company amounted to € 11,296 thousand, 50% of which at floating rate and not covered by derivatives.

### Fair value hierarchy and classes of financial instruments

In order to determine and document the fair value of financial instruments, use was made of the following hierarchy based on different valuation techniques:

- Level 1: the data used in the measurements are represented by quoted prices on markets where assets and liabilities identical to those being measured are traded;
- Level 2: the data used in the measurements, other than the quoted prices referred to in Level 1, are observable for the financial asset or liability, either directly (prices) or indirectly (derived from prices);
- Level 3: non-observable data; if observable data are unavailable and, therefore, there is a modest or non-existent market activity for the assets and liabilities being measured.

It should be noted that in choosing the measurement techniques to use, the Group has followed the following hierarchy:

- use of prices recorded in markets (even if not active) of identical (Recent Transactions) or similar instruments (Comparable Approach);
- measurement techniques based primarily on observable market inputs;
- measurement techniques based primarily on unobservable inputs corroborated by market data.

At 31 December 2024, the Company measured the fair value of derivative financial instruments using inputs that resulted in the financial instruments being categorized in Level 2 of the fair value hierarchy. No changes were reported during the period in the different levels of fair value.

With regard to the classes of financial instruments, at 31 December 2024 - as at 31 December 2023 - the derivatives indicated above represent the only category of financial instruments measured at fair value. Other financial assets and liabilities are measured using the amortized cost method.

### Information on the fair value of derivative financial instruments

The following information is provided on the fair value of derivative financial instruments in place at 31 December 2024:

- Interest Rate Swap - Contract hedging the risk of interest rate fluctuations - Notional value at 31 December 2024 € 3,559,399 - Fair value at 31 December 2024 € +66,767 (€ +172,140 at 31 December 2023);

In 2020, two loan agreements were also concluded for a total of € 5,000 thousand, underlying which there are embedded derivatives (floor at zero on Euribor rate), with a negative fair value of € 0.1 thousand at 31 December 2024 (a negative € 1 thousand at 31 December 2023).

### Income statement

#### 1. REVENUE FROM SALES AND SERVICES

Revenue from sales and services						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.

Revenue from sales	56,840	88.6	60,272	85.2	(3,432)	(5.7)
Services	7,294	11.4	10,511	14.8	(3,217)	(30.6)
<b>Total revenue from sales and services</b>	<b>64,134</b>	<b>100.0</b>	<b>70,783</b>	<b>100.0</b>	<b>(6,649)</b>	<b>(9.4)</b>

In order to provide adequate disclosure of the nature and characteristics of revenue, see the comments appearing in the Directors' Report on Operations.

It should be noted that service revenue refers mainly to impregnation under contract work.

The breakdown of revenue by geographical area is as follows:

<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Italy	31,367	48.9%	36,749	51.9%	(5,382)	(14.6%)
Europe	28,760	44.8%	30,921	43.7%	(2,161)	(7.0%)
Asia	1,275	2.0%	479	0.7%	796	166.2%
Middle East	635	1.0%	589	0.8%	46	7.8%
America	873	1.4%	923	1.3%	(50)	(5.4%)
Africa	1,224	1.9%	1,122	1.6%	102	9.1%
<b>Total</b>	<b>64,134</b>	<b>100.0%</b>	<b>70,783</b>	<b>100.0%</b>	<b>(6,649)</b>	<b>(9.4%)</b>

Revenue decreased versus the prior year both in the Italian market (€ -5,382 thousand or -14.6%) and in the Europe area (€ -2,161 thousand or -7.0%).

## 2. CHANGES IN SEMI-FINISHED AND FINISHED PRODUCTS

Changes in work in progress, semi-finished and finished products						
<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Changes in work in progress, semi-finished and finished products	(37)	(0.1)	679	1.0	(716)	(105.4)

The change in the value of inventory is virtually zero, confirming the continued policy of rationalization in terms of reducing and enhancing efficiency.

## 3. OTHER REVENUE AND INCOME

Other revenue and income						
<i>(Euro thousands)</i>	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Contingent assets	0	0.0	0	0.0	0	0.0

Sale of raw materials and packaging	32	1.8	23	1.0	9	39.1
Exchange rate gains	1	0.1	11	0.5	(10)	(90.9)
Gains	10	0.6	16	0.7	(6)	(37.5)
Insurance reimbursements	16	0.9	6	0.3	10	166.7
Other revenue	1,683	96.6	2,198	97.5	(515)	(23.4)
<b>Total other revenue and income</b>	<b>1,742</b>	<b>100.0</b>	<b>2,254</b>	<b>100.0</b>	<b>(512)</b>	<b>(22.7)</b>

The change in "other revenue" is related mainly to the grant in favour of gas- and energy-intensive companies, which for 2024 was zero, while in 2023 the Company had received € 661 thousand.

"Other revenue" includes mainly the accrued portion of grants for tax receivables related to expenditure, amounting to € 268 thousand (€ 304 thousand in 2023), and for the remaining part composed mainly of cost charge-backs to customers and intercompany charge-backs for centralized services.

#### 4. RAW AND ANCILLARY MATERIALS AND CONSUMABLES

Raw and ancillary materials and consumables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Raw and ancillary materials and consumables	37,686	97.3	43,401	97.8	(5,715)	(13.2)
Packaging materials	1,059	2.7	967	2.2	92	9.5
<b>Total raw materials</b>	<b>38,745</b>	<b>100.0</b>	<b>44,368</b>	<b>100.0</b>	<b>(5,623)</b>	<b>(12.7)</b>

With regard to the decrease in "Raw and ancillary materials and consumables" for € 5,623 thousand, reference should be made to the Directors' Report on Operations. As a percentage of revenue, the ratio drops from 62.7% to 60.4%.

This item also includes changes in the provision for inventory obsolescence, as shown in the table below:

Provision for inventory obsolescence						
<i>(Euro thousands)</i>						
	31 DECEMBER 2023	Allocations	Utilization	Release	31 DECEMBER 2024	
Changes in provision for inventory obsolescence	455	46	0	0	501	
<b>Total provision for inventory obsolescence</b>	<b>455</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>501</b>	

#### 5. OTHER OPERATING EXPENSE

Other operating expense						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.

Utilities	2,991	26.4	3,789	31.3	(798)	(21.1)
Sundry industrial services	2,116	18.7	2,208	18.3	(92)	(4.2)
Consultancy	1,390	12.3	1,512	12.5	(122)	(8.1)
Transport	1,171	10.3	1,098	9.1	73	6.6
Fees to Directors and Board of Statutory Auditors	1,019	9.0	740	6.1	279	37.7
Other services	820	7.2	729	6.0	91	12.5
Bonuses and commissions	397	3.5	509	4.2	(112)	(22.0)
Insurance	394	3.5	491	4.1	(97)	(19.8)
Advertising and marketing	426	3.8	462	3.8	(36)	(7.8)
Tax and duties	212	1.9	207	1.7	5	2.4
Travel expense	134	1.2	131	1.1	3	2.3
Rentals and other	100	0.9	67	0.6	33	49.3
Bank commissions	73	0.6	65	0.5	8	12.3
External processing	32	0.3	36	0.3	(4)	(11.1)
Capital losses	34	0.3	31	0.3	3	9.7
Exchange rate losses	2	0.0	10	0.1	(8)	(80.0)
Other operating expense	0	0.0	3	0.0	(3)	(100.0)
Gifts	1	0.0	3	0.0	(2)	(66.7)
Rental expense	4	0.0	3	0.0	1	33.3
Reimbursements to employees	0	0.0	0	0.0	0	0.0
Contingent liabilities	0	0.0	0	0.0	0	0.0
<b>Total Other Operating Expense</b>	<b>11,316</b>	<b>100.0</b>	<b>12,094</b>	<b>100.0</b>	<b>(778)</b>	<b>(6.4)</b>

The change in "Other operating expense" of € -778 thousand is due mainly to the decrease of € -798 thousand (-21%) for gas and energy (utilities) in line with market decreases for 2024 versus 2023.

## 6. PERSONNEL EXPENSE

Personnel expense						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Wages and salaries	8,503	72.3	8,183	72.4	320	3.9
Social security charges	2,649	22.5	2,486	22.0	163	6.6
Post-employment benefits	566	4.8	557	4.9	9	1.6
Other personnel expense	35	0.3	83	0.7	(48)	(57.8)
<b>Total personnel expense</b>	<b>11,753</b>	<b>100.0</b>	<b>11,308</b>	<b>100.0</b>	<b>445</b>	<b>3.9</b>

Personnel expense increased versus the prior year (+€ 445 thousand; +3.9%) against a basically steady average number of employees. It should be noted that the increase is related mainly to the renewal of the collective bargaining agreement and recognition toward employees who dedicated themselves to the implementation of the new ERP system. CIGO used in 2024 amounted to 4,492 hours (4,977 hours in 2023).

The table below shows the changes in personnel in service between 2024 and 2023:

PERSONNEL IN SERVICE	31 DECEMBER 2024	31 DECEMBER 2023	Change
Executives	6	5	1
Managers/White collars	61	58	3
Blue collars	149	159	(10)
Trainees	1	0	1
<b>Total</b>	<b>217</b>	<b>222</b>	<b>(5)</b>

## 7. AMORTIZATION AND DEPRECIATION

Amortization and depreciation						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Other intangible assets	269	8.2	259	7.7	10	3.9
Buildings	369	11.2	368	10.9	1	0.3
Leasehold improvements	0	0.0	0	0.0	0	0.0
Plant and equipment	1,673	50.9	1,567	46.4	106	6.8
Equipment	626	19.1	828	24.5	(202)	(24.4)
Other	349	10.6	358	10.6	(9)	(2.5)
<b>Total amortization and depreciation</b>	<b>3,286</b>	<b>100.0</b>	<b>3,381</b>	<b>100.0</b>	<b>(95)</b>	<b>(2.8)</b>

Amortization and depreciation at 31 December 2024 remained basically unchanged and was in line with the expenditure made during the year.

## 8. ALLOCATIONS

Allocations						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Provision for doubtful accounts	0	0.0	34	100.0	(34)	(100.0)
<b>Total Allocations</b>	<b>0</b>	<b>0.0</b>	<b>34</b>	<b>100.0</b>	<b>(34)</b>	<b>(100.0)</b>

With regard to provisions for risks and charges, at 31 December 2024, there are no certain or probable risks of loss requiring any allocations.

## 9. FINANCIAL EXPENSE

Financial expense						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Interest payable on A/C	8	0.8	0	0.0	8	0.0
Interest M/L Term Loans	667	67.7	648	86.0	19	2.9
Interest short-term loans	0	0.0	6	0.8	(6)	(100.0)
Interest from factoring	9	0.9	12	1.5	(3)	(25.0)
Interest from application of IAS/IFRS	32	3.2	38	5.0	(6)	(15.8)
Other interest expense	2	0.2	1	0.1	1	100.0
<b>Total interest expense</b>	<b>718</b>	<b>72.9</b>	<b>704</b>	<b>93.4</b>	<b>14</b>	<b>2.0</b>
Expense from investments	266	27.0	50	6.6	216	432.0
Currency losses	1	0.1	0	0.0	1	0.0
<b>Total financial expense</b>	<b>985</b>	<b>100.0</b>	<b>754</b>	<b>100.0</b>	<b>231</b>	<b>30.6</b>

Interest expense in 2024 was affected again by the upward trend in interest rates that began in 2023 and only partly scaled back at end 2024, in addition to interest on new loans.

The change in expense from investments is due to the adjustment of the value of the investment in NDT energy S.r.l. based on the equity method totaling € 36 thousand, and in NDT Changzhou of € 231 thousand.

## 10. FINANCIAL INCOME

Financial income						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Income from investments	3,887	88.9	700	58.3	3,187	455.3
Interest income	299	6.8	290	24.2	9	3.1
Other income	184	4.2	210	17.5	(26)	(12.4)
<b>Total financial income</b>	<b>4,370</b>	<b>100.0</b>	<b>1,200</b>	<b>100.0</b>	<b>3,170</b>	<b>264.2</b>

The change in income from investments is due to the adjustment of the value of the investment in Cartiere di Guarcino S.p.A. based on the equity method totaling € 3,887 thousand.

“Interest income” consists of € 219 thousand of interest paid by subsidiaries to the Parent Company for loans granted to them.

Other income includes € 134 thousand from the positive effects of derivatives.

## 11. INCOME TAX

Income tax					
<i>(Euro thousands)</i>					
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	
Profit (loss) before tax	4,124		2,977		
Net IRES taxable amount	(8)		1,163		
Net IRAP taxable amount	2,262		2,902		
IRES for the year	0	0.0%	279	9.4%	
Income from tax consolidation	(1)	(0.0%)	(140)	(4.7%)	
<b>IRES net of income from tax consolidation</b>	<b>(1)</b>	<b>0.0%</b>	<b>139</b>	<b>4.7%</b>	
IRAP for the year	91		118		
Deferred tax assets	(68)		(37)		
Deferred tax	(13)		(16)		
Income tax relating to prior years and benefits	4		(75)		
<b>Income tax</b>	<b>13</b>		<b>129</b>		

Income tax for the period under review is accounted for in accordance with current tax laws.

Income from tax consolidation - as well as the resulting receivables and payables - refer to the National and World Tax Consolidation agreement concluded by the group companies with the parent company Finanziaria Valentini S.p.A..

With regard to the impact of direct tax on profit for the year, the tax rate is zero versus the prior year (5.5%).

## Assets

### 12. INTANGIBLE ASSETS

Intangible fixed assets							
<i>(Euro thousands)</i>							
	Balance at 31.12.2023	Acquisitions	Disposals	Amortization	Write- back/Write -downs	Other changes	Balance at 31.12.2024
Other intangible fixed assets	308	841	0	(269)	0	26	906
Fixed assets under construction and advances	174	1,040	0	0	0	(27)	1,187
<b>Total intangible fixed assets</b>	<b>482</b>	<b>1,881</b>	<b>0</b>	<b>(269)</b>	<b>0</b>	<b>(1)</b>	<b>2,093</b>

Increases in the year are related mainly to upgrades to existing IT/management systems and implementation of the new ERP currently underway. Commissioning took place on 1 January 2025, the date of the "go-live".

"Other intangible fixed assets" includes the allocation of the higher value paid for the acquisition of the business unit of LOMA S.r.l., determined at PPA and amortized over 7 years.

## 13. TANGIBLE ASSETS

Tangible assets at 31 December 2024 amounted to € 32,339 thousand versus € 31,456 thousand at 31 December 2023. The breakdown and changes versus the prior year are shown below.

Mention should be made that the table also shows the rights of use arising from existing lease contracts under IFRS 16.

Tangible fixed assets						
<i>(Euro thousands)</i>						
	Historical cost 31.12.2023	Depreciation provision 31.12.2023	NBV at 31.12.2023	Historical cost 31.12.2024	Depreciation provision 31.12.2024	NBV at 31.12.2024
Land	4,080	0	4,080	4,080	0	4,080
Buildings	16,826	(4,801)	12,024	16,834	(5,159)	11,675
Leasehold improvements	86	(86)	0	0	0	0
Plant and equipment	55,460	(42,453)	13,007	58,621	(44,126)	14,495
Equipment	14,845	(13,451)	1,394	14,874	(13,765)	1,109
Other	4,433	(3,482)	951	4,664	(3,684)	980
<b>Total tangible fixed assets</b>	<b>95,730</b>	<b>(64,274)</b>	<b>31,456</b>	<b>99,073</b>	<b>(66,734)</b>	<b>32,339</b>

*(\*) amount including write-back of € 9,980 thousand*

Below is a breakdown of assets under construction by category.

Tangible fixed assets under construction and advances				
<i>(Euro thousands)</i>	Amount at 31.12.2024	Amount at 31.12.2023	Chg.	% chg.
Buildings	4	4	0	3.9
Plant and equipment	2,384	2,813	(429)	(15.3)
Equipment	0	0	0	0.0
Other	0	0	0	0.0
<b>Total tangible fixed assets under construction and advances</b>	<b>2,388</b>	<b>2,817</b>	<b>(429)</b>	<b>(15.2)</b>

Tangible fixed assets under construction and advances				
<i>(Euro thousands)</i>	Amount at 31.12.2024	Amount at 31.12.2023	Chg.	% chg.
Other intangible assets	1,187	174	1,013	581.2
<b>Total tangible fixed assets under construction and advances</b>	<b>1,187</b>	<b>174</b>	<b>1,013</b>	<b>581.2</b>

Fixed assets under construction at 31 December 2024 include advances for new assets in the process of acquisition, the purchase or installation of which will be completed during 2025. Specifically, the revamping of a rotogravure printing press in the Filago (BG) plant is also included among the plants, an intervention that will also guarantee significant energy savings, allowing the Company to access 5.0 tax receivables.

Changes in assets and the related provision are shown below, including both assets under construction allocated to the pertaining categories and rights of use.

Tangible fixed assets							
<i>(Euro thousands)</i>							
	Historical cost 31.12.2023	Write-back/Write-down (prior years)	Acquisitions	Disposals	Divestments	Other	Historical cost 31.12.2024
Land	4,080	3,680	0	0	0	0	4,080
Buildings	16,826	6,268	42	0	(34)	0	16,834
Leasehold improvements	86	0	0	0	(86)	0	0
Plant and equipment	55,460	31	3,161	0	0	0	58,621
Equipment	14,845	0	374	(5)	(340)	0	14,874
Other	4,433	1	380	(149)	0	0	4,664
<b>Total historical cost</b>	<b>95,730</b>	<b>9,980</b>	<b>3,957</b>	<b>(154)</b>	<b>(460)</b>	<b>0</b>	<b>99,073</b>

<i>(Euro thousands)</i>							
	Depreciation provision 31.12.2023	Write-back/Write-down (prior years)	Depreciation	Disposals	Divestments	Other changes	Depreciation provision 31.12.2024
Land	0	0	0	0	0	0	0
Buildings	(4,801)	0	(369)	0	11	0	(5,159)
Leasehold improvements	(86)	0	0	0	86	0	0
Plant and equipment	(42,453)	0	(1,673)	0	0	0	(44,126)
Equipment	(13,451)	0	(626)	5	307	0	(13,765)
Other	(3,482)	0	(349)	148	0	0	(3,683)
<b>Total accumulated depreciation</b>	<b>(64,274)</b>	<b>0</b>	<b>(3,017)</b>	<b>153</b>	<b>404</b>	<b>0</b>	<b>(66,734)</b>

Acquisitions, amounting to € 3,957 thousand, bear witness to the constant process of organic growth made by new plants and improvement and efficiency of the existing ones; all plants are continuing their 4.0 process management actions and, where connected, relating 5.0-wise energy savings, which will further strengthen the production process with active control of critical variables and plant upgrading.

Purchases of plant and equipment include mainly costs for the revamping of a 5.0 aligned rotogravure printing press, which is expected to be completed in first quarter 2025, reflecting the continuous innovation and growth of production in the amount of € 2,071 thousand.

Divestments amounting to € 460 thousand, related to almost fully depreciated equipment for € 340 thousand, are related mainly to the disposal of "no longer in use" engravings of cylinders (subsequently re-engraved) and replaced pressors, while divestments under "Other" include fully depreciated furniture and furnishings.

Below are details of the allocation of the rights of use within the classes of tangible fixed assets recorded on the basis of IFRS 16.

Rights of Use			
<i>(Euro thousands)</i>			
	Historical cost 31.12.2024	Depreciation provision 31.12.2024	NBV at 31.12.2024
Buildings	67	(42)	25
Other	368	(147)	221

<b>Total Rights of Use</b>	<b>435</b>	<b>(189)</b>	<b>246</b>
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The changes are shown below.

Rights of Use						
<i>(Euro thousands)</i>						
	Historical cost 31.12.2023	Write-back/Write-down (prior years)	Acquisitions	Disposals	Other changes	Historical cost 31.12.2024
Buildings	101	0	0	(34)	0	67
Other	316	0	53	0	(1)	368
<b>Total Rights of Use</b>	<b>417</b>	<b>0</b>	<b>53</b>	<b>(34)</b>	<b>(1)</b>	<b>435</b>

<i>(Euro thousands)</i>						
	Depreciation provision 31.12.2023	Write-back/Write-down (prior years)	Depreciation	Disposals	Other changes	Depreciation provision 31.12.2024
Buildings	(34)	0	(20)	11	0	(43)
Other	(71)	0	(75)	0	0	(146)
<b>Total provision for depreciation of rights of use</b>	<b>(105)</b>	<b>0</b>	<b>(95)</b>	<b>11</b>	<b>0</b>	<b>(189)</b>

The residual rights of use at 31 December 2024 refer to two buildings used by employees, in addition to the share of certain company rental cars.

Below are details of the properties and tangible assets on which mortgages are held:

- in favour of Banco BPM S.p.A., a mortgage of € 24,000 thousand on the loan taken out on 26 May 2017; a mortgage encumbering on the industrial property complex owned by the Issuer located in Filago (BG), Via Provinciale 2.

## 14. INVESTMENTS

At 31 December 2024, the investment in the subsidiary Cartiere di Guarcino S.p.A. amounted to € 46,616 thousand, recording an increase of € 3,904 thousand attributable to the effect of the write-back linked to the result for the year. The investment in NDT energy S.r.l. amounted to € 111 thousand, equal to the share of fully subscribed and paid-up share capital increased by the payment to cover future losses of € 100 thousand, reduced by the result for the year and prior years. For the investment in Changzhou NDT new material technology company Ltd, on the other hand, which is zeroed out having negative equity, a special risk provision was set aside to cover it.

NDT Investments	Amount at 01.01.2024	Acquisitions 2024	Write-back 2024	Amount at 31.12.2024
Cartiere di Guarcino S.p.A.	42,712	0	3,904	46,616
Ndt Energy S.r.l.	147	0	(36)	111
Conai	0	0	0	0
Ndt China	0	184	(184)	0
<b>Total</b>	<b>42,859</b>	<b>184</b>	<b>3,684</b>	<b>46,726</b>

## 15. OTHER NON-CURRENT ASSETS

At 31 December 2024, other non-current assets amounted to € 337 thousand (€ 209 thousand at 31 December 2023), and consisted of € 321 thousand related to 4.0 tax receivables offsettable beyond 12 months, and the remainder of security deposits.

## 16. CURRENT AND NON-CURRENT FINANCIAL RECEIVABLES

CURRENT AND NON-CURRENT FINANCIAL RECEIVABLES						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
From the subsidiary Cartiere di Guarcino S.p.A.	0	0.0	907	17.4	(907)	(100)
Derivative instruments	68	1.6	172	3.3	(104)	(60)
Tax receivables	0	0.0	0	0.0	0	0
<b>Total non-current financial receivables</b>	<b>68</b>	<b>0.0</b>	<b>1,079</b>	<b>20.8</b>	<b>(1,011)</b>	<b>(93.7)</b>
From the subsidiary Cartiere di Guarcino S.p.A.	4,216	98.4	2,787	53.6	1,429	51
From the subsidiary Bio Energia di Guarcino S.r.l.	0	0.0	1,333	25.6	(1,333)	(100)
From others	0	0.0	0	0.0	0	0
<b>Total current financial receivables</b>	<b>4,216</b>	<b>98.4</b>	<b>4,120</b>	<b>79.2</b>	<b>96</b>	<b>2.3</b>
<b>Total current and non-current financial receivables</b>	<b>4,284</b>	<b>100.0</b>	<b>5,200</b>	<b>100.0</b>	<b>(916)</b>	<b>(17.6)</b>

"Non-current financial receivables" at 31 December 2024 decreased by € 1,011 thousand, due to the reclassification to short term of the remaining part of the receivable from the subsidiary Cartiere di Guarcino S.p.A. and the reduction in the receivable resulting from the recognition of the positive fair value of the IRS derivative.

Additionally, financial receivables include the financial receivables claimed by the Parent Company from its subsidiaries; specifically, a residual portion of loan at 31 December 2024 granted to the subsidiary Cartiere di Guarcino S.p.A. (€ 907 thousand) and management of the intercompany A/C (€ 3,310 thousand). The loan to the indirect subsidiary Bio Energia di Guarcino S.r.l was fully repaid. The last installment of the loan to the subsidiary Cartiere di Guarcino S.p.A. matures in July 2025 while the intercompany A/C is payable on demand.

## 17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	Change recognized in Income Statement	OCI and other changes	31 DECEMBER R 2023	Chg.	% chg.
Directors' fees approved and not paid	98	45	0	53	45	84.9%
Allocations to provisions for write-downs and risks	51	(2)	0	53	(2)	(3.8%)
Allocation to the provision for inventory obsolescence	120	11	0	109	11	10.1%
Tax recovery on adjustment of start-up and expansion costs	0	0	0	0	0	0.0%

Tax recovery on adjustment of plant and machinery depreciation	193	(8)	0	201	(8)	(4.0%)
Deferred tax on derivative contracts	0	0	0	0	0	0.0%
Deferred tax on employee benefits	0	0	(2)	3	(3)	(100.0%)
Other	58	22	(2)	37	21	56.7%
<b>Deferred tax assets</b>	<b>520</b>	<b>68</b>	<b>(4)</b>	<b>456</b>	<b>64</b>	<b>14.0%</b>
Deferred tax on statutory revaluations	2,322	(13)	0	2,335	(13)	(0.6%)
Deferred tax on employee benefits	8	0	(1)	9	(1)	(11.1%)
Deferred tax on derivatives	16	0	(25)	41	(25)	(61.0%)
Other	0	0	0	1	(1)	(100.0%)
<b>Deferred tax liabilities</b>	<b>2,346</b>	<b>(13)</b>	<b>(26)</b>	<b>2,386</b>	<b>(40)</b>	<b>(1.6%)</b>

Management has recognized deferred tax assets up to the value which it considers their recovery likely for. In determining the items, budget results and forecasts for subsequent years were taken into account. Deferred tax assets of € 520 thousand are attributable mainly to temporary differences between the amounts assigned for financial statement and tax purposes. At 31 December 2024, deferred tax of € 2,346 thousand was recorded for temporary differences between the statutory value and the fiscal value emerging from the statutory revaluations made at the time on the properties owned.

## 18. INVENTORY FOR RAW MATERIALS AND FINISHED PRODUCTS

Inventory						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Raw and ancillary materials and consumables	6,086	64.4	5,786	62.6	300	5.2
Work in progress	172	1.8	202	2.2	(30)	(14.9)
Finished products	3,698	39.1	3,704	40.1	(6)	(0.2)
Advances	0	0.0	0	0.0	-	-
Provision for inventory obsolescence	(501)	(5.3)	(455)	(4.9)	(46)	10.1
<b>Total inventory</b>	<b>9,455</b>	<b>100.0</b>	<b>9,237</b>	<b>100.0</b>	<b>218</b>	<b>2.4</b>

Inventory for raw materials refers mainly to resins, inks, paper and impregnation material, and was up slightly versus the prior year to meet expected production in first quarter 2025.

Changes in the provision for inventory obsolescence for 2024, which was set aside to alleviate the risk associated with the slow turnover of certain specific products, are shown below.

Provision for inventory obsolescence					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocations	Utilization	Release	31 DECEMBER 2024
Changes in provision for inventory obsolescence	455	46	0	0	501
<b>Total provision for inventory obsolescence</b>	<b>455</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>501</b>

## 19. TRADE RECEIVABLES

Trade receivables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Trade receivables	12,054	102.9	10,397	103.5	1,657	15.9
Provision for doubtful accounts	(337)	(2.9)	(352)	(3.5)	15	(4.3)
<b>Total trade receivables</b>	<b>11,717</b>	<b>100.0</b>	<b>10,045</b>	<b>100.0</b>	<b>1,672</b>	<b>16.6</b>

As far as trade receivables are concerned, mention should be made that in 2024, as in 2023, the company made occasional resort to the assignment without recourse to a factoring company.

Changes in the provision for doubtful accounts are shown below:

Provision for doubtful accounts					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocations	Utilization	Release	31 DECEMBER 2024
Changes in Provision for Doubtful Accounts	352	0	(9)	(6)	337
<b>Total provision for doubtful accounts</b>	<b>352</b>	<b>0</b>	<b>(9)</b>	<b>(6)</b>	<b>337</b>

The provision for doubtful accounts was determined in accordance with IFRS 9 and recorded a decrease of € 15 thousand.

## 20. TAX RECEIVABLES

Tax receivables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
VAT	0	0.0	123	22.6	(123)	(100.0)
IRES	0	0	0	0	0	0
IRAP	26	4.9	0	0	26	0
Withholdings a/c	0	0	0	0	(0)	0
Other tax receivables	504	95.1	422	77.4	82	19.4

<b>Total tax receivables</b>	<b>530</b>	<b>100.0</b>	<b>545</b>	<b>100.0</b>	<b>(15)</b>	<b>(2.8)</b>
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Other tax receivables refer to accrued tax receivables for the purchase of simple new assets and industry 4.0, which will be used to offset against tax liabilities in the coming months.

## 21. OTHER CURRENT RECEIVABLES

Other current receivables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Receivables for advance costs	0	0.0	25	4.8	(25)	(100.0)
Advances to suppliers	41	9.5	78	15.0	(37)	(47.4)
Accrued income and deferred expense	185	43.0	234	45.2	(49)	(20.9)
Other	204	47.4	181	35.0	23	12.7
<b>Total current receivables</b>	<b>430</b>	<b>100.0</b>	<b>518</b>	<b>100.0</b>	<b>(88)</b>	<b>(17.0)</b>

Other receivables include receivables from INAIL and from Fondimpresa, as well as receivables from INPS pending reimbursement. "Advances to suppliers" is attributable mainly to advances made on activities and/or goods pertaining to 2025.

Deferred expense relates mainly to the portion of tax receivables simple goods and 4.0 charged to the income statement consistently with the useful life of the asset for which it was received.

## 22. CASH FUNDS

Cash funds						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Bank and post office deposits	1,622	99.6	6,212	99.8	(4,590)	(73.9)
Cash and valuables on hand	7	0.4	12	0.2	(5)	(41.7)
<b>Total cash funds</b>	<b>1,629</b>	<b>100.0</b>	<b>6,224</b>	<b>100.0</b>	<b>(4,595)</b>	<b>(73.8)</b>

This item consists of cash and bank current account deposits. There are no restraints or restrictions on cash and cash equivalents. Current accounts and postal deposits are classified as current assets, highly liquid and convertible into cash, foreign currency cash has an exchange rate risk that is considered not material.

See the Statement of Cash Flows for an analysis of changes in cash funds.

## Liabilities

### 23. PROVISIONS FOR RISKS AND CHARGES

Provision for risks and charges						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Provision for supplementary agents' indemnity	209	70.6	209	99.5	(0)	(0.0)
Embedded derivatives	1	0.3	1	0.5	0	(37.4)
Provision on NDT China investment	86	29.1	0	0.0	86	0.0
<b>Total provisions for risks and charges</b>	<b>296</b>	<b>100.0</b>	<b>210</b>	<b>100.0</b>	<b>86</b>	<b>41.0</b>

Changes in the supplementary agents' indemnity are shown below:

Provision for risks and charges					
<i>(Euro thousands)</i>					
	31 DECEMBER 2023	Allocations	Utilization	Release	31 DECEMBER 2024
Movement of provision for supplementary agents' indemnity	209	0	0	0	209
<b>Total provision for risks and charges</b>	<b>209</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>209</b>

The provision for supplementary agents' indemnity was set aside to cover specific risks from potential interruptions to agency contracts.

The allowance for impairment of investments of € 86 thousand represents the negative equity share of the subsidiary Changzhou NDT new material technology company Ltd.

### 24. POST-EMPLOYMENT BENEFITS

Post-employment benefits						
<i>(Euro thousands)</i>						
	31 DECEMBER 2023	Allocation s	Transfer	Utilization	Discounting	31 DECEMBER 2024
Provision for post-employment benefits	686	12	101	(70)	0	729
Actuarial valuation of post-employment benefits (IAS 19)	(31)	0	0	0	(5)	(36)
<b>Total post-employment benefits</b>	<b>655</b>	<b>12</b>	<b>101</b>	<b>(70)</b>	<b>(5)</b>	<b>693</b>

The balance refers to the employee severance indemnity of Neodecortech S.p.A.. This liability qualifies as a defined benefit plan in accordance with IAS 19 and was therefore subject to actuarial calculation by an independent expert.

The defined benefit plan was updated to reflect its market value at 31 December 2024.

With regard to the discounting back of the Employee Severance Indemnity, the relevant actuarial model is based on various demographic and economic assumptions. For some of the assumptions used, where possible, explicit reference was made to the direct experience of the Company, for others best practice was taken into account. The technical and economic bases used are shown below.

Below are the technical economic bases.

	31 DECEMBER 2024
Annual discount rate	3.15%
Annual inflation rate	2.00%
Annual rate of increase in severance termination	3.00%
Annual rate of salary increase	1.00%

The table below shows the technical demographic basis.

Death	RG48 mortality tables published by the State General Accounting Office
Disability	INPS tables by age and gender
Retirement	100% upon meeting AGO requirements

Lastly, the annual turnover frequencies and severance indemnity advances.

	31 DECEMBER 2024
Advances Frequency	3.00%
Turnover Frequency	1.00%

## 25. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Current and non-current financial liabilities						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Unsecured loans	4,419	33.8	5,622	42.6	(1,203)	(21.4)
Mortgage loans	2,155	16.5	3,554	26.9	(1,399)	(39.4)
Non-current lease payables	0	0.0	0	0.0	0	0.0
Other financial payables over	759	5.8	833	6.3	(74)	(8.9)
Currency derivatives	0	0.0	0	0.0	0	0.0
<b>Total non-current financial liabilities</b>	<b>7,333</b>	<b>56.2</b>	<b>10,009</b>	<b>75.8</b>	<b>(2,676)</b>	<b>(26.7)</b>
Payables to banks A/C	1,464	11.2	0	0.0	1,464	0.0
Current portion of unsecured loans	2,723	20.9	1,689	12.8	1,034	61.2

Current portion of mortgage loans	1,398	10.7	1,368	10.4	30	2.2
Accrued interest expense	47	0.4	45	0.3	2	4.4
Current lease payables	90	0.7	88	0.7	2	2.3
Payables to other lenders	0	0.0	0	0.0	0	0.0
<b>Total current financial liabilities</b>	<b>5,722</b>	<b>43.8</b>	<b>3,190</b>	<b>24.2</b>	<b>2,531</b>	<b>79.3</b>
<b>Total financial liabilities</b>	<b>13,055</b>	<b>100.0</b>	<b>13,199</b>	<b>100.0</b>	<b>(144)</b>	<b>(1.1)</b>

“Lease payables” includes the financial liabilities from the rights of use shown in the table below.

<i>(Euro thousands)</i>	Balance at 01.01.2024	Payments	Other changes	Balance at 31.12.2024
Buildings	67	(43)	0	24
Other	245	(22)	(1)	222
<b>TOTAL</b>	<b>312</b>	<b>(65)</b>	<b>(1)</b>	<b>246</b>

The change in the period is related mainly to the repayment of maturing installments and the opening of a new 36-month fixed-rate unsecured loan of € 2 million signed on 21 February 2024 with BPER BANCA.

With regard to unsecured and mortgage loans, below are the details of Neodecortech S.p.A.'s loans.

- Original BPM mortgage loan of € 12,000 thousand, with a residual balance of € 3,554 thousand at 31 December 2024 divided into current and non-current portions;

Unsecured loans:

- BPM S.p.A. € 2,500 thousand, for 72 months (quarterly instalments) and a residual balance at 31 December 2024 of € 750 thousand divided into current and non-current portions - loan granted against closure of the short-term BPM loan of € 2,000 thousand granted in April 2020 - 80% FGPMI guarantee;
- BPM S.p.A. € 2,500 thousand, for 72 months (quarterly instalments) and a residual balance at 31 December 2024 of € 755 thousand divided into current and non-current portions - 90% FGPMI guarantee;
- BANCA POPOLARE DI SONDRIO € 5,000 thousand, for 60 months (monthly instalments) and a residual balance at 31 December 2024 of € 4,117 thousand divided into current and non-current portions;
- BPER € 2,000 thousand, for 36 months (quarterly instalments) and a residual balance at 31 December 2024 of € 1,520 thousand divided into current and non-current portions;
- SIMEST - facility measure "Support for Italian exporting companies sourcing from Ukraine and/or Russia and/or Belarus" of € 600 thousand, for 72 months (half-year installments), with a residual balance of € 600 thousand at 31 December 2024 (portion classified as low-interest loan).

The nominal value of unsecured and mortgage loans amounted to € 11,397 thousand, with an adjustment from the measurement at amortized cost equal to € -101 thousand.

With regard to unsecured and mortgage loans, the table below shows the maturity bands:

	31 DECEMBER 2024	%	31 DECEMBER 2023	%
<i>(Euro thousands)</i>				
Due within 1 year	4,121	38.5	3,057	25.0
Due within 5 years	6,574	61.5	9,176	75.0

Due beyond 5 years	0	0.0	0	0.0
<b>Total</b>	<b>10,695</b>	<b>100.0</b>	<b>12,233</b>	<b>100.0</b>

The loans taken out by Neodecortech S.p.A. do not require compliance with specific financial parameters (covenants).

The Company hedged the interest rate risk on the BPM mortgage loan by subscribing an interest rate swap (IRS). The fair value of this instrument, reclassified under "Non-current financial receivables" at 31 December 2024 came to a positive € 67 thousand (positive € 172 thousand at 31 December 2023).

From 1 January 2024 to 31 December 2024, interest rate movements had no material impact on the fair value of the Company's loans.

## 26. TRADE PAYABLES

Trade payables at 31 December 2024 amounted to € 7,264 thousand (€ 8,661 thousand at 31 December 2023). The decrease of € 1,397 thousand refers to the lower volume of business in the last quarter of 2024; for details on the business performance, reference is made to the Directors' Report on Operations. Additionally, the Company did not request or obtain any extension or deferment of payments with its suppliers.

There are no trade payables due beyond 12 months.

The Directors believe that the book value of trade payables approximates their fair value.

## 27. RECEIVABLE AND PAYABLE FROM TAX CONSOLIDATION

At 31 December 2024, there is no payable from tax consolidation, but a receivable of € 13 thousand (versus € 117 thousand payable at 31 December 2023). This item referred to the IRES receivable/payable ratio claimed by Neodecortech S.p.A. from Finanziaria Valentini S.p.A.. For further details, reference should be made to the section "Income tax" of the Notes to the financial statements.

## 28. TAX PAYABLES

Tax payables							
<i>(Euro thousands)</i>							
	31 DECEMBER 2024		31 DECEMBER 2023		Chg.	% chg.	
		%		%			
VAT	192	29.8	0	0	192	0.00	
IRAP	0	0.0	53	11	(53)	(100)	
Withholdings a/c	418	64.8	409	88.6	9	2.2	
Other tax payables	35	5.4	0	0.0	35	-	

<b>Total tax payables</b>	<b>645</b>	<b>100.0</b>	<b>462</b>	<b>100.0</b>	<b>184</b>	<b>39.6</b>
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## 29. OTHER CURRENT PAYABLES

Other current payables						
<i>(Euro thousands)</i>						
	31 DECEMBER 2024	%	31 DECEMBER 2023	%	Chg.	% chg.
Payables to social security institutions	994	20.1	958	23.5	36	3.8
Payables to employees	1,077	21.7	1,040	25.5	37	3.6
Advances received from customers	522	10.5	638	15.6	(116)	(18.2)
Accrued expense and deferred income	1,828	36.9	1,182	29.0	646	55
Other	534	10.8	260	6.4	274	43.4
<b>Total other current payables</b>	<b>4,955</b>	<b>100.0</b>	<b>4,078</b>	<b>100.0</b>	<b>877</b>	<b>21.5</b>

The change in accruals of € 646 thousand is attributed to new allocations of deferrals of extraordinary revenue from tax receivable for expenditure in new assets and Industry 4.0, aligning it with the useful life of the subsidized asset and the portion of the Simest grant applicable to subsequent years.

"Other" is due mainly to the variable fees to directors.

## 30. EQUITY

### Capital increases

There were no share capital increases in 2024.

### Share Capital

At 31 December 2024, the share capital of Neodecortech S.p.A. amounted to € 18,804,209.37 and is divided into no. 14,218,021 ordinary shares with no par value.

### Dividend payout

The Shareholders' Meeting held on 19 April 2024 of the Parent Company Neodecortech S.p.A. approved the Financial Statements at 31 December 2023, allocating profit for the year of € 2,848,012.95 as follows: i) € 142,400.65 to the legal reserve; ii) € 650,884.24 to the non-distributable revaluation reserve for investments recorded in accordance with Legislative Decree no. 38/05 Article 6 paragraph 1; iii) € 2,054,728.06 to the extraordinary reserve.

## Details and changes in equity reserves

(Euro thousands)	31/12/2023	Allocation of profit (loss)		Other changes			Profit (loss) for the year	31/12/2024
		Dividend distribution	Other allocations	Increase	Decreases	Reclassification		
Share Capital	18,804							18,804
Legal reserve	2,643		142					2,785
Share premium reserve	18,864							18,864
Extraordinary reserve	5,884		2,055					7,939
Equity revaluation reserve	15,686		651		17			16,354
Revaluation reserves	6,152							6,152
Hedging reserve	131				(80)			51
Retained earnings/(losses carried forward)	8,761							8,761
OCI reserve	(21)				10			(11)
FTA reserve	(1,303)							(1,303)
Treasury shares reserve	(986)				(702)			(1,688)
Profit/(loss) for the year	2,848		(2,848)				4,111	4,111
rounding	(1)		-					(1)
<b>Equity at 31/12/2024</b>	<b>77,462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(755)</b>	<b>-</b>	<b>4,111</b>	<b>80,818</b>

## Distributability of equity reserves

(Euro thousands) Distributability of equity reserves				
DESCRIPTION	AMOUNT 31 DECEMBER 2024	ORIGIN/NATURE	ELIGIBILITY FOR USE	AVAILABLE PORTION
SH. CAP. IN SHARES	18,804	Share capital		0
PROV. SH. PREM. RESERVE	18,864	Share capital	A;B;C	17,887
TREASURY SHARES RESERVE	(1,687)	Share capital		0
LEGAL RESERVE	2,785	Profit	B	2,785
EXTRAORDINARY RESERVE	7,939	Profit	A;B;C	7,939
REVALUATION RESERVES	22,506	Profit	A;B	6,152
OCI RESERVE	(12)	Profit	B	0
RESERVE HEDG. ESTIM. CASH FLOWS	51	Profit	B	0
IAS RESERVES	(1,303)	Profit	B	0
RETAINED EARNINGS	8,760	Profit	A;B;C	8,761
<b>Total</b>	<b>76,707</b>			<b>43,524</b>
<b>Distributable portion</b>				<b>31,636</b>

## Treasury shares

At 31 December 2024, the Company holds no. 527,000 treasury shares for a value of € 1,687,610. A total of no. 229,291 shares were purchased in 2024.

The Shareholders' Meeting held on 19 April 2024 approved the additional purchase of ordinary shares of the Company, up to a maximum of 10% of the Company's share capital, equal to a maximum of no. 1,421,802 ordinary shares. The purchase of treasury shares may be made, in one or more tranches, within eighteen months.

### Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares outstanding during the year. Therefore, treasury shares held by the Company are excluded from the denominator.

Earnings per share	31/12/2024	31/12/2023
Net profit attributable to the shareholders (Euro thousands)	4,111	2,848
Weighted average number of shares outstanding (n./000)	13,796	14,004
<b>Basic earnings per share</b>	<b>0.30</b>	<b>0.20</b>
Diluted earnings per share	31/12/2024	31/12/2023
Net profit attributable to the shareholders (Euro thousands)	4,111	2,849
Weighted average number of shares outstanding (n./000)	13,796	14,004
Weighted average number of shares outstanding adjusted for dilution effect (n./000)	13,796	14,004
<b>Diluted earnings per share (*)</b>	<b>0.30</b>	<b>0.20</b>

\* The Company has no potentially dilutive financial instruments and therefore the two indicators match.

### 31. COMMENTS ON THE MAIN ITEMS OF THE STATEMENT OF CASH FLOWS

In 2024, cash absorbed amounted to € 4,595 thousand (versus the prior year's cash increase of € 3,173 thousand), resulting in cash funds of € 1,629 thousand.

Starting from a profit before tax, interest, dividends, amortization and depreciation, provisions, gains/losses on disposals and other non-cash changes of € 4,061 thousand, the change in cash flow is related mainly to the events below.

The situation associated with the trend in sales and business highlighted in the Directors' Report on Operations resulted in a decrease in trade receivables and an increase in inventory, partly offset by an increase in other receivables and other payables, and trade payables, generating a cash use in NWC of € 2,375 thousand.

Capital expenditure, net of disposals, made during the year generated cash flow from investing activities of € 5,838 thousand.

The repayment of loans amounted to € 3,507 thousand, against the new loan taken out with banks for € 2,000 thousand, while the net change between loan originations and intercompany repayments to subsidiaries was € +811 thousand.

Monetary changes in equity include the purchase transactions on treasury shares, which generated a net negative cash flow of € 702 thousand.

### 32. CONTINGENT LIABILITIES

In compliance with the provisions of IAS 34:15B, no further contingent liabilities were reported, except for those that generated allocations to "provisions for risks", described above.

### 33. RELATED PARTY TRANSACTIONS

Transactions carried out by Neodecortech S.p.A. with related parties, as identified by IAS 24, including transactions with subsidiaries and associates, are neither atypical nor unusual and fall within the ordinary course of business of the Company. These transactions were carried out on market terms. It should be noted that transactions with subsidiaries are not shown as they are derecognized at the consolidation level, while transactions with related parties at 31 December 2024 are shown. Additionally, mention should be made that the Parent Company Neodecortech S.p.A. is in turn controlled by Finanziaria Valentini S.p.A..

In accordance with the provisions of IAS 24, the following entities are considered Related Parties: (a) companies that directly or indirectly through one or more intermediate companies, control, or are controlled by, or are under common control with, the reporting entity; (b) associates; (c) natural persons who directly or indirectly have voting power in the reporting entity that gives them a dominant influence over the company and their immediate family members; (d) Key management personnel, i.e. those who have the power and responsibility for planning, directing and controlling the activities of the reporting entity, including directors and officers of the company and the immediate family members of such persons; (e) companies in which significant voting power is held, directly or indirectly, by any natural person described under c) or d) or over which such natural person can exercise significant influence. Case e) includes undertakings owned by the directors or major shareholders of the reporting entity and undertakings which have a key management personnel in common with the reporting entity.

With regard to the provisions of point 2) of the third paragraph of Article 2428 of the Italian Civil Code, it should be noted that the Company is controlled, through a 58.60% stake, by Finanziaria Valentini S.p.A.. Accordingly, the Company is part of a group of entities whose parent is "Finanziaria Valentini S.p.A." and whose sister company is "Valinvest S.r.l.". Related parties also include "Valfina S.r.l." as it is directly or indirectly controlled by the Valentini Family.

Specifically, at 31 December:

<i>(Euro thousands)</i>				
	Trade receivables 31 DECEMBER 2024	Financial receivables 31 DECEMBER 2024	Trade payables 31 DECEMBER 2024	Financial payables 31 DECEMBER 2024
Finanziaria Valentini S.p.A.	0	13	0	117
BonelliErede	0	0	0	0
Loma S.r.l.	589	0	0	0
Cartiere di Guarcino S.p.A.	759	4,216	0	0
Bio Energia Guarcino S.r.l.	99	0	75	0
Ndt Energy S.r.l.	0	0	0	0
<b>Total</b>	<b>1,447</b>	<b>4,229</b>	<b>75</b>	<b>117</b>

<i>(Euro thousands)</i>		
	Revenue and income 31 DECEMBER 2024	Costs and expense 31 DECEMBER 2024
Finanziaria Valentini S.p.A.	1	0
BonelliErede	0	114
Loma S.r.l.	2,489	71
Cartiere di Guarcino S.p.A.	897	15,461
Bio Energia Guarcino S.r.l.	99	0
Ndt Energy S.r.l.	0	0
<b>Total</b>	<b>3,486</b>	<b>15,646</b>

At 31 December 2024, the following remain outstanding with related parties:

- the tax consolidation agreement with Finanziaria Valentini: financial receivables, amounting to € 13 thousand, represent the receivable from tax consolidation, while income from tax consolidation amounted to € 1 thousand;
- the loan agreements between the Company and its subsidiary Cartiere di Guarcino S.p.A.;
- the loan agreements between the Company and the indirect subsidiary Bio Energia Guarcino S.r.l.;
- the agreement on the supply of raw materials between the subsidiary Cartiere di Guarcino S.p.A. and the Parent Company;
- agreements for central administrative services, payment of directors' fees and costs for the implementation of the new ERP from the Parent Company to the subsidiaries Cartiere di Guarcino S.p.A. and Bio Energia Guarcino S.r.l.;
- The business agreement with Loma S.r.l. for the distribution of Neodecortech S.p.A. products, as well as an agreement with Loma S.r.l. for the supply of business consulting services; this Company became a related party following appointment of one of the Parent Company's executives as "key management personnel";
- The consulting agreement with BonelliErede.

The following table shows the fees and payables to the Company's directors, statutory auditors and key management personnel for 2024:

<i>(Euro thousands)</i>	
Subjects	Fees 31 DECEMBER 2024
Luigi Cologni	533
Massimo Giorgilli	219
Luca Peli	94
Adriano Carlo Bianchi	37
Sara Bertolini	30

Ida Altimare	34
Cinzia Morelli	31
Vittoria Giustiniani	28
Gianluca Valentini	25
Edda Delon	26
Stefano Santucci	24
Federica Menichetti	26
Key management personnel	437
<b>Total</b>	<b>1,544</b>

<i>(Euro thousands)</i>	
Subjects	Fees payable 31 DECEMBER 2024
Luigi Cologni	218
Massimo Giorgilli	189
Luca Peli	0
Adriano Carlo Bianchi	9
Sara Bertolini	0
Ida Altimare	0
Cinzia Morelli	0
Vittoria Giustiniani	0
Gianluca Valentini	0
Edda Delon	26
Stefano Santucci	0
Federica Menichetti	0
Key management personnel	46
<b>Total</b>	<b>488</b>

### 34. SEASONALITY

The Company's business performance is not significantly affected by seasonality.

### 35. INFORMATION PURSUANT TO ART. 1, PARAGRAPH 125, OF LAW NO. 124 OF 4 AUGUST 2017

With regard to the provisions of Article 1, paragraph 125, of Law 124/2017, regarding the obligation to provide evidence in the notes to the financial statements of any amounts of money received during the year by way of grants, contributions, paid assignments and in any case economic advantages of any kind from public administrations and from the persons referred to in paragraph 125 of the same article, mention should be made, for the situation updated at 31 December 2024, of the following.

NDT			
Paying entity	Amount collected/taken	Collection/availability date	Description of reason
I.N.P.S.	8,581	16/01/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	193	16/01/2024	Youth Exemption L.205/17-L.160/19
Gestore dei Servizi Energetici GSE S.p.A.	604	23/01/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	0	23/01/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	2,250	23/01/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	-37	23/01/2024	Electricity production incentive
Fondimpresa	1,500	09/02/2024	Training plan refund
I.N.P.S.	8,452	16/02/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,320	16/02/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/02/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	13,183	21/02/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	4,726	21/02/2024	Electricity production incentive
I.N.P.S.	8,452	18/03/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,242	18/03/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	18/03/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	2,231	18/03/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	623	18/03/2024	Electricity production incentive
Fondimpresa	6,600	20/03/2024	Training plan refund
I.N.P.S.	8,723	16/04/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,000	16/04/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/04/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	472	18/04/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	151	18/04/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	1,831	18/04/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	401	18/04/2024	Electricity production incentive
I.N.P.S.	8,948	16/05/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,000	16/05/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/05/2024	Eson.ass/trasf.a1 c11 L.178/20
Fondirigenti	3,900	21/05/2024	Training plan refund
Gestore dei Servizi Energetici GSE S.p.A.	623	21/05/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	2,231	21/05/2024	Electricity production incentive
I.N.P.S.	11,340	17/06/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	3,000	17/06/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	17/06/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	2,215	17/06/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	627	17/06/2024	Electricity production incentive
Fondimpresa	1,731	02/07/2024	Training plan refund
I.N.P.S.	7,943	16/07/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	2,940	16/07/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	941	16/07/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	627	08/08/2024	Electricity production incentive
Gestore dei Servizi Energetici GSE S.p.A.	627	08/08/2024	Electricity production incentive
I.N.P.S.	7,983	16/08/2024	Decont.SOUTH LD104/20-L178/2020

I.N.P.S.	3,000	16/08/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/08/2024	Eson.ass/trasf.a1 c11 L.178/20
I.N.P.S.	8,140	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	158	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	173	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	167	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	173	16/09/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	2,500	16/09/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/09/2024	Eson.ass/trasf.a1 c11 L.178/20
Fondimpresa	3,260	03/10/2024	Training plan refund
I.N.P.S.	8,388	16/10/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	2,000	16/10/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/10/2024	Eson.ass/trasf.a1 c11 L.178/20
Fondirigenti	1,967	11/11/2024	Training plan refund
I.N.P.S.	8,321	18/11/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	1,500	18/11/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	18/11/2024	Eson.ass/trasf.a1 c11 L.178/20
Gestore dei Servizi Energetici GSE S.p.A.	627	13/12/2024	Electricity production incentive
I.N.P.S.	8,859	16/12/2024	Decont.SOUTH LD104/20-L178/2020
I.N.P.S.	1,500	16/12/2024	Eson.ass/trasf.a1 c10 L.178/20
I.N.P.S.	1,000	16/12/2024	Eson.ass/trasf.a1 c11 L.178/20
<b>Total 2024</b>	<b>197,911</b>		

With regard to the simplification introduced by Article 3-quater, paragraph 2, of LD 135/2018, concerning economic benefits already published in the National State Aid Register, reference is made to the information published in the Register available at: [//www.rna.gov.it/sites/PortaleRNA/it\\_IT/trasparenza](http://www.rna.gov.it/sites/PortaleRNA/it_IT/trasparenza).

## Other supplementary information

### 36. GUARANTEES GIVEN

Guarantees issued in favour of the subsidiaries, Cartiere di Guarcino S.p.A. and Bio Energia Guarcino S.r.l., up to a maximum of € 26,360,000 for short-term lines of credit for mixed use and export finance, granted to the latter by BPM, BPER, Popolare di Sondrio, and Monte dei Paschi di Siena, via "umbrella" credit facilities.

On 10 November 2020, Neodecortech S.p.A. issued a Letter of Patronage to Banco di Desio e Brianza S.p.A., extended until 8 November 2024, in favour of the subsidiary Cartiere di Guarcino S.p.A. to guarantee various lines of credit up to a maximum of € 2,650,000 granted by the bank to the subsidiary.

On 19 January 2021, Banco Popolare BPM S.p.A. issued a first-demand bank guarantee, in favour of Sonae Industria de Rivestimentos SA, for € 250 thousand, expiring on 30 April 2026, to guarantee the balance relating to the purchase of the new laminating machine for the production plant in Casoli d'Atri (TE), to be paid within 5 years, based on the business agreements, residual guarantee at 31.12.2024 of € 167,919.

On 07.12.2022, Neodecortech S.p.A. issued a Letter of Patronage to Axpo Italia S.p.A. in favour of its subsidiary Cartiere di Guarcino S.p.A. to guarantee the supply of natural gas, up to a maximum of € 2,000,000.

On 07.11.2022, Neodecortech S.p.A. issued a Letter of Patronage to Golden Agri-Resources Europe B.V. in favour of its subsidiary Bio Energia Guarcino S.r.l. to guarantee the supply of palm oil, up to a maximum of USD 16,000,000. At 31 December 2024, Bio Energia Guarcino S.r.l.'s exposure to the supplier, for contracts to be performed, was € 2,588 thousand.

On 16 June 2023, Neodecortech S.p.A. issued a letter of Patronage to ITALPREFABBRICATI S.p.A. - Industria Italiana di Prefabbricati in favour of the subsidiary NDT energy S.r.l., to guarantee the payment of sums due from the contract for the supply of prefabricated structure on site (€ 154,000).

### **37. EVENTS AFTER YEAR END**

Reference should be made to the Directors' Report on Operations, specifically to the section "Significant events after 31 December 2024".

### **38. INFORMATION ON AGREEMENTS NOT RESULTING FROM THE STATEMENT OF FINANCIAL POSITION**

Pursuant to Article 2427, point 22-ter, mention should be made that there are no agreements not shown in the statement of financial position that have significant risks or benefits and that are necessary to assess the Company's financial position, results of operations and cash flows.

### **39. INFORMATION ON ASSETS AND LOANS FOR A SPECIFIC TRANSACTION**

With regard to the requirements of Articles 2447-bis to 2447-decies of the Italian Civil Code, it should be that during the year the Group allocated assets or loans for the establishment on 19 October 2022 of NDT Energy S.r.l., with registered office in Filago (BG) and operating offices in Casoli di Atri (TE). The Company has a fully paid-up capital of € 100 thousand, is currently dormant and awaiting authorization to operate a WtE plant, capable of reusing process waste and meeting a large part of the energy needs of the adjacent NDT "laminates" division.

### **40. UNDERTAKINGS THAT PREPARE THE FINANCIAL STATEMENTS OF THE LARGER/SMALLER BODY OF UNDERTAKINGS THEY ARE PART OF AS SUBSIDIARIES**

In accordance with Article 2427, numbers 22-quinquies and 22-sexies of the Italian Civil Code, the following table indicates the name and registered office of the undertaking preparing the consolidated financial statements, of the larger or smaller body of undertakings, of which the company is part as a consolidated company. It also indicates the place where the copy of the consolidated financial statements is available:

Larger body	
Company name	Finanziaria Valentini S.p.A.
Place	Rimini
Tax code	3842170403
Place of tax consolidation filing	Rimini

#### 41. INFORMATION ON THE FEES TO THE BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS AND INDEPENDENT AUDITORS

In accordance with the law, the table below shows the total fees to the Directors, the Board of Statutory Auditors and the Independent Auditors.

<i>(In units of Euro)</i>		
Qualification	31 DECEMBER 2024	31 DECEMBER 2023
Directors	770,804	570,469
Board of Statutory Auditors	70,217	67,546

<i>(In units of Euro)</i>		
	31 DECEMBER 2024	31 DECEMBER 2023
Auditing services	78,546	77,616
Provision of other activities with issuance of certification	25,725	38,000
Provision of other non-auditing services	2,520	9,000

#### 42. ALLOCATION OF THE RESULT FOR THE YEAR

Shareholders, in light of the above considerations and of the information appearing in the Explanatory Notes, we invite you:

- to approve the Financial Statements for the year ended 31 December 2024 together with the Explanatory Notes and this Report thereto;
- to allocate net profit for the year, amounting to € 4,111,012.61, as follows:
  - € 205,550.63 to the legal reserve;
  - € 3,886,617.46 to the non-distributable revaluation reserve for investments recorded pursuant to Legislative Decree no. 38/05 Article 6, paragraph 1;
  - the remaining part of profit amounting to € 18,844.52 to the extraordinary reserve;
- to consider the distribution of dividends for the 14,218,021 outstanding ordinary shares totaling € 2,132,703.15, by drawing the amount from the available profit reserves of the Extraordinary Reserve; and therefore, the distribution of a unit dividend, also in consideration of the distribution of the dividend

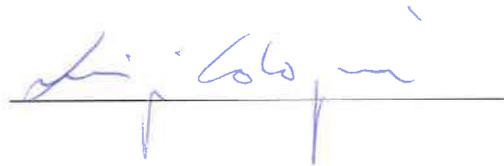
attributable to treasury shares, of € 0.15 for each entitled ordinary share, without prejudice to the fact that any change in the number of treasury shares in the company's portfolio at the time of distribution will not affect the distribution of the unit dividend as established above, but will increase or decrease the amount allocated to the extraordinary reserve.

Filago (BG), 19 March 2025

For the Board of Directors

The Chief Executive Officer

(Luigi Cologni)



## Certification of the financial statements at 31 December 2024 pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented

1. The undersigned Luigi Cogni, Chief Executive Officer, and Marina Fumagalli, Financial Reporting Manager, of Neodecortech S.p.A., also in compliance with the provisions set out in Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the Company's characteristics; and
- the actual application of the administrative and accounting procedures for the preparation of the financial statements for the period 1 January 2024 - 31 December 2024.

2. No major issues arose in this respect.

3. We also certify that:

3.1 the financial statements at 31 December 2024:

a) have been prepared in accordance with the applicable IFRS endorsed by the European Union pursuant to (EC) Ruling no. 1606/2002 of the European Parliament and Council of 19 July 2002;

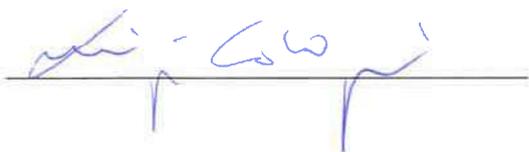
b) correspond to the accounting books and entries;

c) give a true and fair view of the financial position, results of operations and cash flows of the Issuer and of the companies included in the consolidation scope as a whole.

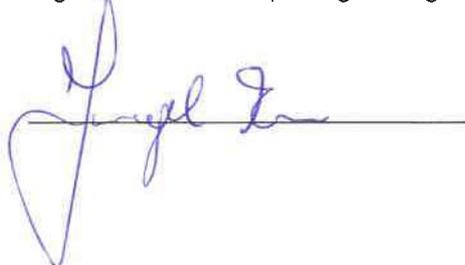
3.2 The Directors' Report on Operations, drawn up for the purposes of the financial statements and consolidated financial statements, includes a reliable analysis of performance and results of operations of the Issuer, together with a description of the main risks and uncertainties it is exposed to. The Directors' Report on Operations also includes a reliable analysis of the significant transactions with related parties.

Date: 19 March 2025

Signed Chief Executive Officer



Signed Financial Reporting Manager



**Decors and surfaces  
for sustainable living.**

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Capitale Sociale Euro 18,804,209.37 i.v.  
C.F. e R.I. 00725270151 – P. IVA IT 02833670165 – R.E.A. 193331



## **Certification of the Group's consolidated financial statements at 31 December 2024 pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented**

1. The undersigned Luigi Cologni, Chief Executive Officer, and Marina Fumagalli, Financial Reporting Manager, of Neodecortech S.p.A., also in compliance with the provisions set out in Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the Company's characteristics; and
- the actual application of the administrative and accounting procedures for the preparation of the consolidated financial statements for the period 1 January 2024 - 31 December 2024.

2. No major issues arose in this respect.

3. We also certify that:

3.1 the consolidated financial statements at 31 December 2024:

a) have been prepared in accordance with the applicable IFRS endorsed by the European Union pursuant to (EC) Ruling no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) correspond to the accounting books and entries;

c) give a true and fair view of the financial position, results of operations and cash flows of the Issuer and of the companies included in the consolidation scope as a whole.

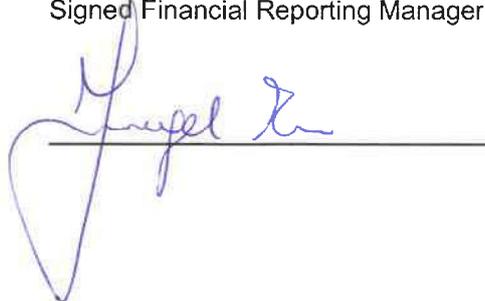
3.2 The Directors' Report on Operations, drawn up for the purposes of the financial statements and consolidated financial statements, includes a reliable analysis of performance and results of operations of the Issuer and of all the companies included in the consolidation scope, together with a description of the main risks and uncertainties they are exposed to. The Directors' Report on Operations also includes a reliable analysis of the significant transactions with related parties.

Date: 19 March 2025

Signed Chief Executive Officer



Signed Financial Reporting Manager



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**BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS'  
MEETING OF NEODECORTECH S.p.A.**

*pursuant to Article 153 of Legislative Decree No. 58/1998 and Article 2429, paragraph two,  
of the Italian Civil Code*

Shareholders,

this Report, addressed to you, provides an overview of the supervisory activities carried out by the Board of Statutory Auditors (hereinafter "Board") in 2024. It was prepared in accordance with Article 153 of Legislative Decree No. 58 of 24 February 1998 (hereinafter "TUF"), Article 2429, paragraph two, of the Italian Civil Code, and the recommendations provided by CO.N.SO.B. (hereinafter "CONSOB") in Communication No. DEM/1025564 of 6 April 2001, as subsequently amended.

The Board, as currently composed, was appointed by the Shareholders' Meeting on 27 April 2023, and its term concludes with the Shareholders' Meeting to approve the financial statements for the year ending 31 December 2025.

BDO Italia S.p.A (hereinafter "BDO") conducts the statutory audit assignment as resolved by the Shareholders' Meeting on 9 December 2019, for the years from 31 December 2020 to 31 December 2028. It was also entrusted with the limited audit of the Non-Financial Reporting, voluntarily prepared by the Company.

The Board of Statutory Auditors, acting as the Internal Control and Audit Committee, conducted its supervisory activities in accordance with Article 149, paragraph 1 of the TUF, Article 19, paragraph 1 of Legislative Decree No. 39 of 27 January 2010, as amended by Legislative Decree No. 135 of 17 July 2016, and Legislative Decree No. 125 of 6 September 2024 (also Decree 39/2010), CONSOB provisions on corporate controls, and the guidelines in the Corporate Governance Code. These activities also considered the guidelines in the "Rules of Conduct for the Board of Statutory Auditors of Listed Companies", issued by the Italian Association of Public Accountants and Accounting Professionals, last updated in December 2024.

The Board of Statutory Auditors supervised compliance with the law and the bylaws, the principles of correct administration, and specifically, the adequacy of the organizational, administrative, and accounting structure adopted by the Company and its effective operation. It also monitored the implementation of corporate governance rules provided by regulatory provisions, particularly the Corporate Governance Code, and the adequacy of the provisions issued by the Company to its subsidiaries. Additionally, it supervised the regularity and adequacy of the financial reporting process, the process of defining the sustainability report, the effectiveness of the internal control, audit, and risk management systems, the statutory audit activities by the Independent Auditors, and their independence.

In 2024, the Board held 15 meetings, each lasting approximately two hours. In 2025, to date, 9 meetings have been held.

The Board also attended, almost always in full, all meetings of the Board of Directors, the Control, Risk and Sustainability Committee, the Related Party Transactions Committee, and the Remuneration and Appointments Committee, as detailed in the Corporate Governance Report, to which we refer.

### **Composition and operation of the Board of Statutory Auditors**

In its current composition, the Board of Statutory Auditors consists of the following members:

- Standing Auditors: Edda Delon (Chair) Federica Menichetti, Stefano Santucci;
- Alternate Auditors: Pier Paolo Gori, Riccardo Losi

The Board of Statutory Auditors acknowledges that its current composition complies with the gender diversity provisions introduced by Article 1, paragraphs 302 and 303, Law No. 160 of 27 December 2019 as construed by CONSOB in Communication No. 1/2020 of 30 January 2020 and provided for in Article 30 of the bylaws.

The individual members certified the continued fulfillment of the requirements of professionalism, integrity, multiple offices, and independence as part of the annual self-assessment process. The outcome of this process, regarding adequacy, is detailed in the

document "Self-Assessment Report of the Board of Statutory Auditors of Neodecortech S.p.A.", which the Board of Directors acknowledged during its meeting on 24 March 2025. The Board of Directors' confirmation of the fulfillment of the independence requirements was the subject of a press release on the same date and is shown in the Corporate Governance Report.

In this report, the Board of Statutory Auditors outlines the main activities carried out during the year, separately for each supervisory area.

#### **Supervision of compliance with the law, bylaws and corporate governance code.**

The Board of Statutory Auditors constantly acquired from the Directors, during the above meetings, comprehensive and thorough information on the results of operations and the outlook, on the activities carried out and on significant transactions impacting the financial position, results of operations, and cash flows carried out by the Company and/or its subsidiaries, as well as on the progress of the activities and strategic projects undertaken and the underlying risks.

Generally speaking, the Board of Statutory Auditors confirmed that the decisions of the Board of Directors and the resolutions of the Board Committees are made based on an adequate set of information. This information is specifically prepared and made available in advance, in compliance with the provisions outlined in the current "Regulation for the Operation and Organization of the Board of Directors", as well as the regulations governing the operation of the Control, Risk and Sustainability Committee, the Remuneration and Appointments Committee, and the Related Party Committee, adopted by resolution of the Board of Directors on 25 June 2020, and most recently amended by resolution on 30 March 2023. Additionally, the discussions and debates held promote a productive and well-organized dialogue.

It is acknowledged that the Report on Corporate Governance and Ownership Structure is consistent with the provisions of Article 123 bis Legislative Decree 58/1998, and complies

with the guidance for the report on corporate governance and ownership structure provided by Borsa Italiana S.p.A..

With regard to the new rules introduced by Law No. 160 of 27 December 2019 (Budget Law 2020) as subsequently amended, as well as the provisions of Articles 147-ter and 148 TUF, regarding the minimum representation quotas for the least represented gender in the corporate governance bodies of listed companies, the Board notes how they are transposed by Article 20 of the Bylaws and illustrated in detail in the 2024 Report on Corporate Governance and Ownership Structure, paragraphs 4.3.1 and 11.3; likewise, the genders are also adequately represented in the Board Committees.

The Board of Directors, in view of the renewal of its members for the full term of office, carried out the self-assessment process, detailed in the Report on Corporate Governance and Ownership Structure to which reference is made, covering the 2022-2024 three-year term of office. The outcome of this process was reviewed at the Board meeting held on 19 March 2025. In compliance with recommendation No. 23 of the Corporate Governance Code, and considering the company's concentrated ownership structure, the Board did not find it necessary to establish guidelines regarding the optimal quantitative and qualitative composition.

The explanatory report on the appointment of the new governing body was prepared in accordance with Article 125-ter, paragraph 1, of Legislative Decree No. 58 of 24 February 1998, and Article 84-ter of the Regulations adopted by CONSOB Resolution No. 11971 of 14 May 1999. This report was made available within the time limits of law, along with the notice of call of the Shareholders' Meeting and related reports, on the Company website.

In carrying out its activities, the Board, taking into account "CONSOB's Warning Notices" as applicable to the Company, within its remit, supervised:

- compliance with the law and the bylaws;

- how the corporate governance rules set forth in the Corporate Governance Code - to which the Company adhered by resolution of 20 December 2020 - were properly implemented, verifying compliance of the corporate governance system with the recommendations expressed in the abovementioned Code. The related information was provided in the Report on Corporate Governance and Ownership Structure, which also took into account the recommendations contained in this regard in the letter sent by the Chairman of the Italian Corporate Governance Committee to all the top bodies of Italian listed companies;
- compliance with the regulations set forth in Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 (Management and Disclosure of Inside Information, Internal Dealing Disclosures);
- the implementation of the provisions of Legislative Decree 24/2023 (so-called Whistleblowing Directive).

As a result of the activities carried out, the Board of Statutory Auditors did not find any violations of the law, the bylaws, or the Corporate Governance Code, nor any transactions that are manifestly imprudent or risky, manifestly unreasonable and/or uninformed, potentially in conflict of interest, or contrary to the resolutions adopted by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets and its continuity.

#### **Supervision of compliance with the principles of proper administration.**

The Board supervised compliance with the principles of proper administration through its participation in the meetings of the Board of Directors and Board Committees, as well as through ongoing dialogue with the Financial Reporting Manager, the Internal Auditor, the Independent Auditors, and the Supervisory Board.

On these occasions, it acquired information on the performance of operations and the outlook, the activities carried out, and the most significant transactions in terms of operating results,

capital or financial position. Specifically, at the meeting of the Board of Directors on 22 February 2024, and the meeting of the Control, Risk and Sustainability Committee on 21 February 2024, the Board reviewed, *inter alia*, the Business Plan and the ESG Plan for 2024-2026.

Regarding intercompany and related party transactions, the Board reviewed the quarterly information flows and the annual report and assessed the proper implementation of the adopted procedure and compliance with regulatory requirements.

The processes that led to the determination of the Company's Remuneration Policy, which will be submitted to the Shareholders' Meeting for approval, were reviewed.

As a result of the activities carried out, there were no observations to report, and based on the information provided, it is confirmed that management decisions adhered to the principles of proper administration and reasonableness. Furthermore, the Directors consistently evaluated the risks and potential impacts of the transactions undertaken on the company.

### **Supervision of the adequacy of the organizational structure**

The Board of Statutory Auditors, without prejudice to the remit of the Board of Directors in preparing the organizational structures of the company, defining the corporate governance system of the Company and the structure of the Group, setting the guidelines for the internal control and risk management system, and assessing the risks, compatibility, and consistency with the strategic objectives, also conducts an annual assessment of the adequacy and effectiveness of the internal control and risk management system. For a description, see the contents of the Corporate Governance Report of 2024, ch. 9.1. Additionally, the Board assessed the existence of the necessary controls aimed at monitoring the performance of the Company and the Group.

The activity was conducted by collecting information from the heads of the corporate departments, the Independent Auditors, the Supervisory Board, and by reviewing the corporate documents.

Within its remit, the Board of Statutory Auditors, considering the size of the Company, acquired knowledge of and supervised (i) the adequacy and operation of the organizational structure, in terms of structure, procedures, competencies, and responsibilities; (ii) the adequacy and operation of the administrative-accounting system, as well as its reliability in correctly presenting operations. The Board also (iii) made assessments regarding the composition of the Board, its operation, and the fulfillment of the independence requirements of the individual members; (iv) assessed the correct application by the Board of Directors of the procedures adopted to assess the requirements of the Directors; (v) acquired information on the activities carried out pursuant to Legislative Decree 231/2001.

The Board of Statutory Auditors, as a result of the activities carried out, has reasons to believe that the organizational structure as a whole is adequate, also in light of the provisions of Article 2086 of the Italian Civil Code, in relation to the management of the activity carried out and the size of the Company and the Group.

### **Supervision of the adequacy of the Internal Control System**

The main features of the Internal Control and Risk Management System (also "ICRMS") are described in the Report on Corporate Governance and Ownership Structure of 2024, to which reference is made.

The Board of Statutory Auditors supervised the adequacy of the internal control and risk management system by also carrying out its activities as Internal Control and Audit Committee. This activity was carried out, *inter alia* by reviewing the periodic reports of the Control, Risk and Sustainability Committee, the Periodic Reports of the Internal Auditor, the 2024-2026 Internal Audit Plan, the report of the Financial Reporting Manager pursuant to Article 154-bis TUF, the periodic reports of the Supervisory Board on the Organizational, Management and Control Model, the updates of the ERM process, as well as the Report on the Remuneration Policy and on Compensation Paid, expressing its opinion where due.

The information obtained underwent thorough analysis not only during Board of Directors and Board Committee meetings but also through dedicated meetings with departmental contacts and other involved parties within the internal control system. These discussions enabled the Board to comprehensively conclude its analysis regarding the internal control and risk management system.

As member of the Supervisory Board, our Standing member Federica Menichetti constantly updated the Board of Statutory Auditors on the main activities and facts that came to light during her assignment. The Board of Statutory Auditors also periodically met with the Chairman of the SB.

On 13 November 2024, the Board of Directors resolved to proceed with updating the Organizational, Management, and Control Model pursuant to Legislative Decree 231/01 (hereinafter "Model 231"). This updating project is primarily focused on (i) integrating Model 231 with the new relevant crimes introduced by the legislation, excluding the provisions of Legislative Decree No. 24/2023 regarding the management of reports, which have already been incorporated within the General Section; (ii) accounting for the organizational changes that have occurred within the corporate structure; and (iii) reorganizing the Model itself, shifting from a structure based on crimes to one based on corporate processes, in alignment with best practices. To assist the Company with this update, the consulting firm Deloitte Risk Advisory S.r.l. was engaged.

It is hereby acknowledged that on 17 March 2025, the Control, Risk and Sustainability Committee issued its favorable opinion on the annual assessment of the adequacy of the Internal Control and Risk Management system, and on 19 March 2025, the Board of Directors assessed, subject to the above opinion and also in light of Article 2086 of the Italian Civil Code and Recommendation No. 1 letter d) of the Corporate Governance Code, the adequacy of the organizational, administrative and accounting structure of the Company and its subsidiaries.

The audits conducted and the information received showed that the Internal Control and Risk Management System is adequate as a whole and suitable for pursuing risk prevention, as well

as ensuring effective application of the company's rules of conduct. Additionally, the organizational structure of the system ensures coordination between the various parties and departments involved, supported by a continuous flow of information. Therefore, there is no evidence to be presented to the Shareholders' Meeting.

**Supervision of the adequacy of the administrative accounting system, financial reporting process, and statutory auditing.**

The Board of Statutory Auditors, also as the Internal Control and Audit Committee, (i) supervised the adequacy of the administrative accounting system and its reliability in correctly presenting operations. It also (ii) monitored the process and assessed the effectiveness of the Internal Control and Risk Management Systems with regard to financial reporting. Additionally, it acquired continuous information about the activities carried out by the Financial Reporting Manager, who utilized the support of the Internal Audit department for testing activities. This was done with regard to the preparation of corporate documents to assess the operation of the internal control system concerning financial reporting at the Company and the companies included in the consolidation scope, pursuant to L. 262/2005.

The Board supervised compliance with the regulations on the preparation and presentation of the Half-Year Report and Interim Reports on Operations and the proper application of accounting standards.

The Chief Executive Officer and the Financial Reporting Manager certified, through specific reports prepared pursuant to Article 154-bis, paragraph 5 of Legislative Decree No. 58/1998 and Article 81-ter of CONSOB Regulation No. 11971/1999, as subsequently amended, attached to the consolidated and separate financial statements:

- a) the adequacy and effective application of accounting and administrative procedures for the preparation of the separate and consolidated financial statements;
- b) the compliance of the consolidated and separate financial statements with International Financial Reporting Standards;

- c) the consistency of the consolidated and separate financial statements with the results of the accounting books and accounting records;
- d) their suitability to provide a true and fair view of the financial position, results of operations, and cash flows of the Company and of the Group.

In compliance with the provisions of Article 19 of Legislative Decree 39/2010, the Board of Statutory Auditors oversaw the activities carried out by the Independent Auditors with regard to the audit strategy and planning, agreeing on the main "Key Audit Matters", and the approach to the relevant business risks; there was constant exchange of data and information relevant to the performance of the respective tasks, updates on the completion of the audit activities and their outcomes, and no facts or situations arose that need to be highlighted in this report.

The Board supervised the Directors' compliance with the procedural rules regarding the preparation, approval and publication of the consolidated and separate financial statements, assessing their compliance with the law in terms of their formation, structure and proper use of the accounting standards adopted.

As part of the meetings with Independent Auditors, the Board of Statutory Auditors fulfilled its supervisory duty under Article 19 of Legislative Decree 39/2010 by acquiring from BDO Italia S.p.A. a description of the audit approach adopted, the key aspects of the Work Plan, the main evidence found in the audits conducted, and information on the use of experts and specialists.

It is acknowledged that the Board of Directors provided the Annual Report at 31 December 2024, which includes the financial statements of Neodecortech S.p.A. for the year ended 31 December 2024, the Group's consolidated financial statements at 31 December 2024, and the Directors' Report on Operations dated 24 March.

The above financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union pursuant to Article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and the European Council of 19

July 2002 and pursuant to Article 9 of Legislative Decree 38/2005, and are prepared on a going concern basis.

On today's date, the Independent Auditors BDO Italia S.p.A. issued its Report, pursuant to Article 14 of Legislative Decree No. 39/2010 and Article 10 of Regulation (EU) No. 537/2014, on the separate financial statements and the consolidated financial statements at 31 December 2024, certifying that:

- both financial statements give a true and fair view of the financial position at 31 December 2024, the results of operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union as well as the measures issued in implementation of Article 9 of Legislative Decree 38/05;
- both financial statements were prepared in HTML format in accordance with the provisions of Delegated Regulation (EU) 537/2014;
- the Directors' Report on Operations and certain specific indications contained in the Report on Corporate Governance and Ownership Structure outlined in Article 123 bis paragraph 4 of Legislative Decree 58/98 are consistent with the financial statements of the Company and the Group and comply with the law;
- regarding the statement under Article 14, paragraph 2, letter e of Legislative Decree 39/2010 concerning the potential identification of material errors in the Directors' Report on Operations, it stated that there were no findings to report based on the audit's comprehension and knowledge of the company and its context.

As anticipated during the presentation of the audit plan on the separate and consolidated financial statements, in its reports the Independent Auditors indicated as 'key matters' of the separate financial statements: the 'measurement of investments', and of the consolidated financial statements, with regard to the subsidiary Bio Energia Guarcino S.r.l., the 'estimate of GMP revenue' related to the 'guaranteed minimum price system' pursuant to Legislative Decree 181/23, details of which are provided in the audited annual financial report.

On today's date, the Board of Statutory Auditors also received the Additional Report from the Independent Auditors, as per Article 11 of Regulation (EU) No. 537/2014. This report aligns with the aforementioned judgment, and upon review, no noteworthy aspects emerged that need to be highlighted in this report. The document includes the attached statement pursuant to Article 6 paragraph 2) lett. a) of EU Regulation 537/2014 and as required by paragraph 17, lett. a) of Auditing Standard ISA Italia 260, from which no situations that may compromise its independence emerge.

The Board of Statutory Auditors supervised the independence of the Independent Auditors in accordance with Article 19 of Legislative Decree No. 39/2010, verifying the assignments of the Company and/or Group companies to the Independent Auditors and/or to companies or entities in its network or, in any case, to individuals linked to it by relevant financial relations for services other than the statutory audit.

The section "Information on the fees to the Board of Directors, Board of Statutory Auditors and Independent Auditors" of the Financial Statements, pursuant to Article 149 *duodecies* of the Issuer Regulation, presents the summary statement of fees to the Independent Auditors and the companies belonging to its network for auditing, certification and other services provided to Neodecortech S.p.A. and its subsidiaries, in relation to which the Board:

- assessed that no assignments were undertaken that contravened the provisions outlined in Article 5 Paragraph 1 of Regulation (EU) No. 537/2014;
- carried out oversight to verify that the Independent Auditors, with regard to "non-audit" services provided to Neodecortech S.p.A. and its subsidiaries, complied with the limits set forth in Article 4 of EU Regulation 537/2014;
- acknowledges that the fees for the above assignments regarding the year were recognized in the amount of € 107,894.00 for auditing, € 25,725.00 for certification of the Non-Financial Statement, € 27,500.00 for certification services (SIMEST statements and research and development tax receivable) and € 2,500.00 for other services (Whistleblowing platform).

In light of the above, the Board of Statutory Auditors deems that the independence requirement of the Independent Auditors BDO S.p.A. is met.

### **Supervision of the Sustainability Report**

The Company has voluntarily prepared the Sustainability Report in accordance with the "Sustainability Reporting Standards 2021" defined by the Global Reporting Initiative (GRI). The reporting scope includes Neodecortech S.p.A. and all fully consolidated companies within the scope of the consolidated financial statements.

Today, the Independent Auditors issued a report on the limited review of the Sustainability Report.

As part of its meetings with the relevant functions and during the meetings of the Control, Risk and Sustainability Committee, the Board of Directors, and during information exchanges with the Independent Auditors, the Board received periodic updates on the preliminary activities and processes supporting the preparation of the Sustainability Report.

### **Supervision of relations with parent companies and subsidiaries.**

Whereas the Group's structure at 31 December 2024, consists of the following companies: Cartiere di Guarcino S.p.A., Bio Energia Guarcino S.r.l., NDT energy S.r.l., and Changzhou NDT Ltd, the Board was informed by the Financial Reporting Manager that the administrative system of the only foreign company is suitable to regularly report its income and financial data. As a result of the third-level audits, the Internal Audit department did not find any exceptions in the tests of control carried out in support of the Financial Reporting Manager, with regard to the requirements defined by the relevant procedures.

The Board of Statutory Auditors was not aware of any risks potentially arising from inadequate information flows to and from subsidiaries, nor of any risks arising from specific intercompany transactions.

### **Supervision of related-party transactions**

It is hereby acknowledged that the Company, by resolution of the Board of Directors on 25 June 2020, adopted the Related Party Procedure in implementation of Article 2391-bis of the Italian Civil Code and CONSOB Regulation adopted by resolution 17221 of 12 March 2010, subsequently amended by the Board of Directors on 10 December 2020 - in compliance with regulatory changes resulting from the transposition of Directive No. 828/2017 so-called Shareholders' Rights Directive II -, on 28 June 2021 and, lastly, on 30 March 2023.

Based on the information available to the Board of Statutory Auditors, it is noted that in 2024, the Company did not engage in any atypical or unusual transactions with third, intercompany or related parties. Reference is made to the only related party transaction classified as "significant", which was resolved by the Board of Directors on 22 April 2024. The Board verified compliance with the Related Party Transaction Regulations in force at the time.

Regarding intercompany or related party transactions that took place during the year, the Company provided specific and timely information in its periodic reports in compliance with the provisions of the adopted regulations.

The information presented by the Board of Directors in the Annual Report for the year ended 31 December 2024 provides a summary of transactions involving related parties. These transactions are reported to have occurred under terms consistent with ordinary market values, without qualifying as atypical or unusual. Instead, they are considered to be within the ordinary course of the Company's business.

The Board of Statutory Auditors supervised compliance with the rules governing related party transactions, has no particular remarks to make in this regard, and believes that the information provided by the Directors in the Directors' Report on Operations and in the Notes to the

Consolidated and Separate Financial Statements for the year ended 31 December 2024, regarding intercompany and related party transactions is adequate.

**Omissions and censurable facts noted, opinions rendered and initiatives taken**

During the year ended 31 December 2024 and up to today's date, the Board of Statutory Auditors

- received no complaints from Shareholders pursuant to Article 2408 of the Italian Civil Code, nor submissions or other reports pursuant to Articles 152 and 155 of Legislative Decree 58/98;
- received no submissions of any kind;
- received no requests from CONSOB
- did not make specific disclosures to CONSOB, except for the response to the request received on 20 December 2023 pursuant to Article 9, paragraph 3 of Legislative Decree No. 254/2016 and Article 115, paragraph 1 of Legislative Decree No. 58/98, which was provided on 15 January 2024.

During 2024, the Board of Statutory Auditors issued the following opinions:

- pursuant to Article 2389 of the Italian Civil Code regarding the remuneration of directors holding strategic responsibilities;
- opinion on the approval of the 2024-2026 Internal Audit Plan, in compliance with Recommendation No. 33 Article 6 of the Corporate Governance Code;

in the current year:

- a reasoned proposal for the appointment of the sustainability auditor under Article 13, paragraph 2-ter Legislative Decree no. 39/2010

### **Russia-Ukraine and Middle East conflicts**

It is hereby acknowledged that, with regard to the CONSOB Warnings of 7 and 18 March 2022, the Company has implemented adequate safeguards concerning the risk of cyberattacks and the impact of the effects on the prices of energy sources and raw materials, as explained in the Directors' Report on Operations, to which reference should be made.

### **Indication of any proposals to be submitted to the Shareholders' Meeting in accordance with Article 153, paragraph 2, TUF**

Based on the matters set forth and illustrated in this Report, and considering the findings contained in the Independent Auditors' Report, the Board of Statutory Auditors does not find, in accordance with its respective remits, any reason to oppose the approval of the Financial Statements for the year ended 31 December 2024, approved by the Board of Directors on 24 March 2025, along with the proposals made by the Board of Directors regarding the allocation of profit.

Filago, 31 March 2025

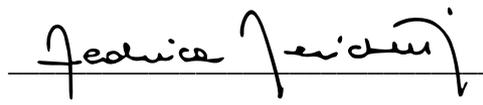
The Board of Statutory Auditors



Edda Delon – Chair

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Federica Menichetti - Standing Auditor



Stefano Santucci - Standing Auditor

