

ADMISSION DOCUMENT

REGARDING THE ADMISSION TO TRADING ON EURONEXT GROWTH MILAN, MULTILATERAL TRADING FACILITY ORGANISED AND MANAGED BY BORSA ITALIANA S.P.A., OF THE ORDINARY SHARES OF MISITANO & STRACUZZI S.P.A.

Issuer



Euronext Growth Advisor – Global Coordinator – Specialist



Financial Advisor



Euronext Growth Milan is a multilateral trading system primarily dedicated to small and medium-sized companies and those with high growth potential, to which a higher level of risk is typically attached than to larger issuers or those with established businesses.

The investor must be aware of the risks involved in investing in this type of issuer and should decide whether to invest only after careful consideration.

Consob and Borsa Italiana have neither examined nor approved the contents of this document.

WARNINGS

The Admission Document has been prepared in accordance with the Euronext Growth Milan Issuers' Regulations published by the Stock Exchange for the purpose of admission to trading on Euronext Growth Milan of the ordinary shares of Misitano & Stracuzzi S.p.A.

This document does not constitute a public offering as of financial instruments as defined by Legislative Decree No. 58 of 24 February 1998 ("TUF" Italian Consolidated Law on Finance) and, therefore, it is not necessary to prepare a prospectus in the form provided for by EU Delegated Regulation 2019/980. The publication of this document must not be authorised by Consob pursuant to the Regulation of the European Parliament and of the Council No. 2017/1129 as subsequently amended and supplemented or any other rule or regulation governing the drafting and publication of prospectuses pursuant to Articles 94 and 113 of the TUF, including the Issuers' Regulation adopted by Consob with resolution No. 11971 of 14 May 1999 ("**Issuers' Regulation**").

The offer of the shares deriving from the Capital Increase constitutes a reserved placement, falling within the cases of inapplicability of provisions on public offerings for financial instruments pursuant to Article 1(4) of Regulation (EU) 2017/1129.

The Admission Document may not be circulated, either directly or indirectly, in Australia, Canada, Japan and the United States of America or in any other country in which the offer of the Shares is not permitted in the absence of specific authorisations by the competent authorities and/or communicated to investors residing in those countries, without prejudice to any exemptions provided for by applicable laws. The publication and distribution of the Admission Document in other jurisdictions may be subject to legal or regulatory restrictions. Any person who acquires possession of the Admission Document must first determine whether such regulations and restrictions exist and comply with such restrictions.

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or with any financial regulatory authority of any state of the United States of America or under the securities laws of Australia, Canada or Japan. The Shares may not be offered, sold or otherwise transferred, directly or indirectly, in Australia, Canada, Japan, and the United States of America nor may they be offered, sold or otherwise transferred, directly or indirectly, on behalf of or for the benefit of citizens or residents of Australia, Canada, Japan, the United States of America, unless the Company, in its sole discretion, avails itself of any applicable regulatory exemption.

Pursuant to the Euronext Growth Milan Issuers Regulation and to the Euronext Growth Advisor Regulation, Intermonte SIM S.p.A. is solely responsible towards Borsa Italiana. Intermonte SIM S.p.A., therefore, assumes no responsibility towards any person who, on the basis of the Admission Document, decides at any time to invest in the Company. Note that the only persons liable to investors for the completeness and truthfulness of the data and information contained in the Admission Document are those set out in Section One, Chapter I, Section Two, Chapter I of the Admission Document. The Admission Document is available on the Issuer's website at www.misitanoestracuzzi.com. The Company states that it will use the Italian language for all documents made available to shareholders and for any other information required by the Euronext Growth Milan Issuers' Regulation.

TABLE OF CONTENTS

WARNINGS	2
TABLE OF CONTENTS	3
DEFINITIONS	9
GLOSSARY	13
PLANNED TIMETABLE OF THE TRANSACTION	14
DOCUMENTS AVAILABLE TO THE PUBLIC.....	15
SECTION I	16
CHAPTER I – RESPONSIBLE PERSONS	17
1.1 Persons Responsible for the Admission Document	17
1.2 Statement of Responsibility.....	17
1.3 Expert Reports.....	17
1.4 Information from Third Parties.....	17
CHAPTER II – STATUTORY AUDITORS	18
2.1 Statutory Auditors of the Issuer	18
2.2 Information on Relationship with the Auditing Firm.....	18
CHAPTER III – SELECTED FINANCIAL INFORMATION	18
3.1 Introduction	18
3.2 Group selected consolidated financial information for the years ended 31 December 2023 and 2022	19
3.2.1 Selected economic information pertaining to the Group for the years ended 31 December 2023 and	19
3.2.2 Selected Group balance sheet data for the Financial Years ended 31 December 2023 and 2022	26
3.2.3 Selected Group cash flow figures for the years ended 31 December 2023 and 2022	34
3.3 Alternative performance indicators.....	35
CHAPTER IV – RISK FACTORS	39
4.1. RISKS RELATED TO THE ISSUER’S AND THE GROUP’S OPERATIONS AND SECTOR.....	39
4.1.1 Risks related to the availability of raw materials and fluctuations in raw material prices same.....	39
<i>Risks related to the failure of Group companies to fulfil contractual commitments regarding delivery times</i>	
<i>and product quality.....</i>	40
4.1.2 Product liability risks.....	41

<i>4.1.3 Risks relating to the operation of industrial plants</i>	41
<i>4.1.4 Risks associated with customer concentration</i>	42
<i>4.1.5 Risks associated with customer relations</i>	43
<i>4.1.6 Risks related to non-implementation or delayed implementation of development strategies and future programmes</i>	43
<i>4.1.8 Risks related to the Group's trade secrets</i>	45
<i>4.1.9 Risks related to macroeconomic trends and uncertainties in the economic and political environment in Italy, Europe and globally</i>	45
4.2 RISK FACTORS RELATING TO THE REGULATORY FRAMEWORK	46
<i>4.2.1 Risks related to applicable environmental and labour legislation</i>	46
<i>4.2.2 Risks related to tax legislation and the application of transfer pricing regulations</i>	48
4.3 RISKS RELATED TO CORPORATE GOVERNANCE	48
<i>4.3.1 Risks associated with related party transactions</i>	48
<i>4.3.2 Risks related to dependence on top management figures, key personnel and qualified personnel</i>	49
<i>4.3.3 Risks related to the administrative liability of entities pursuant to Legislative Decree No. 231/2001</i> ...	50
<i>4.3.4 Risks associated with the governance system and the deferred application of certain statutory provisions</i>	50
<i>4.3.5 Risks associated with potential conflicts of interest of certain directors</i>	51
4.4 RISKS RELATED TO THE RISK MANAGEMENT AND CONTROL SYSTEM	51
<i>4.4.1 Risks associated with the reporting system</i>	51
4.5 RISKS RELATING TO THE FINANCIAL SITUATION OF THE ISSUER AND THE GROUP	52
<i>4.5.1 Risks relating to financial debt</i>	52
<i>4.5.2 Risks related to the inclusion of unaudited data and alternative performance indicators in the Admission Document</i>	52
<i>4.5.3 Risks related to interest rate fluctuations</i>	53
<i>4.5.4 Risks associated with exchange rate fluctuations</i>	54
<i>4.5.5 Risks related to statements of prominence, forecasts, estimates, and internal processes</i>	55
B) RISK FACTORS RELATING TO FINANCIAL INSTRUMENTS AND THE OFFER	55
<i>B.1 Risks related to trading on Euronext Growth Milan, market liquidity and possible share price volatility</i> ..	55

<i>B.2 Risks related to the possibility of revocation of the Issuer's financial instruments from trading</i>	56
<i>B.3 Risks related to temporary unavailability of the shares</i>	56
<i>B.4 Risks associated with the Issuer's ownership structure and non-contestability</i>	56
<i>B.5 Risks related to the limited free float of the Issuer's Shares</i>	57
<i>B.6 Risks related to stabilisation activities</i>	57
<i>B.7 Risks related to dividend distribution</i>	57
<i>Risk related to the Price Adjustment Shares</i>	58
<i>B.8 Risks related to relations with Intermonte</i>	58
CHAPTER V – INFORMATION ON THE ISSUER	60
5.1 <i>Legal and Commercial Name of the Issuer</i>	60
5.2 <i>Issuer's place of registration and its registration number</i>	60
5.3 <i>Date of incorporation and duration of the Issuer</i>	60
5.4 <i>Registered office and legal form of the Issuer, legislation under which it operates, country of incorporation and registered office, address and telephone number, and website of the Issuer, if any</i>	60
CHAPTER VI – OVERVIEW OF ACTIVITIES	61
6.1 <i>Main activities of the Group</i>	61
6.2 <i>Main markets and competitive positioning</i>	75
6.3 <i>Important events in the Issuer's history</i>	81
6.4 <i>Future programmes and strategies</i>	82
6.5 <i>Issuer's dependence, if any, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes</i>	82
6.6 <i>Sources of the Issuer's statements on its competitive position</i>	82
6.7 <i>Main investments</i>	83
6.7.1 <i>Investments made by the Group in each financial year for the period covered by the financial information</i>	83
6.7.2 <i>Investments made up to the Admission Document Date</i>	84
6.7.3 <i>Investments in progress</i>	84
6.7.4 <i>Information concerning joint ventures and companies in which the Issuer holds a share of capital that may have a material effect on the valuation of the Issuer's assets and liabilities, financial position or profits and losses of the Issuer itself</i>	85
6.7.5 <i>Environmental issues</i>	85
CHAPTER VII – ORGANISATIONAL STRUCTURE	86
7.1 <i>Description of the group to which the Issuer belongs</i>	86
7.2 <i>Description of Group companies</i>	86
CHAPTER VIII – REGULATORY CONTEXT	87

8.1 Description of the Regulatory Context.....	87
8.2 Government, economic, fiscal, monetary or political policies or factors that have had, or could have, directly or indirectly, significant impact on the Issuer's business	89
CHAPTER IX – INFORMATION ON EXPECTED TRENDS	90
9.1 Recent trends in the markets in which the group operates.....	90
9.2 Information on known trends, uncertainties, demands, commitments or events that could reasonably be expected to have a significant effect on the Issuer's prospects at least for the current financial year.....	90
CHAPTER X – PROFIT FORECASTS AND ESTIMATES.....	91
CHAPTER XI – ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND TOP MANAGEMENT	92
11.1 Corporate bodies and top management.....	92
11.1.1 Board of Directors	92
11.1.2 Board of Statutory Auditors	103
11.1.3 Executives and key managers	106
11.2 Conflicts of interest of the members of the Board of Directors and the members of the Board of Statutory Auditors	107
11.2.1 Potential conflicts of interest of the members of the Board of Directors	107
11.2.2 Potential conflicts of interest of the members of the Board of Statutory Auditors.....	107
11.2.3 Potential conflicts of interest of executives and key managers	107
11.2.4 Agreements, if any, with the Issuer's major shareholders, customers, suppliers or other persons as a result of which the members of the Board of Directors, Board of Statutory Auditors and senior management were appointed.....	107
11.2.5 Restrictions agreed upon by the members of the administration and control bodies regarding the transfer of the Issuer's shares held by them	107
CHAPTER XII – PRACTICES OF THE BOARD OF DIRECTORS	109
12.1 Term of office of members of the Board of Directors and members of the Board of Statutory Auditors	109
12.2 Employment agreements entered into by the members of the Board of Directors and the members of the Board of Statutory Auditors with the Issuer that provide for severance payments	110
12.3 Transposition of corporate governance rules.....	110
12.4 Any significant impacts on corporate governance and future changes in the composition of the Board of Directors	112
CHAPTER XIII – EMPLOYEES.....	113
13.1 Number of employees.....	113
13.2 Shareholdings and stock option plans	113
13.3 Description of any employee shareholding agreements in the capital of the Issuer.....	113
CHAPTER XIV – MAJOR SHAREHOLDERS	114
14.1 Major shareholders	114
14.2 Different voting rights of major shareholders	116

14.3 Issuer's parent entity	116
14.4 Agreements that may lead to a change in the Issuer's control structure	116
CHAPTER XV – RELATED PARTY TRANSACTIONS.....	117
15.1 Introduction.....	117
15.2 Related party transactions for the year ended 31 December 2023.....	117
15.3 Related party transactions concluded up to the Date of Admission Document.....	118
CHAPTER XVI – ADDITIONAL INFORMATION.....	119
16.1 Share capital.....	119
16.1.1 Subscribed and paid-up share capital.....	119
16.1.2 Existence of shares not representing the capital, specification of their number and main characteristics	119
16.1.3 Own shares.....	119
16.1.4 Amount of convertible bonds, exchangeable bonds or bonds with warrants, with an indication of the method of conversion, exchange or subscription	119
16.1.5 Existence of rights and/or obligations to purchase authorised but unissued capital or a commitment to increase capital.....	119
16.1.6 Existence of offers under option for the capital of any members of the Group.....	119
16.1.7 Changes in share capital over the last three financial years	119
16.2 Memorandum of Association and Articles of Association	120
16.2.1 Corporate Purpose and aims of the Issuer	120
16.2.2 Rights and privileges attached to shares.....	120
16.2.3 Provisions in the Articles of Association that could have the effect of delaying, postponing or preventing the change of control structure of the Issuer	123
CHAPTER XVII – MATERIAL AGREEMENTS	124
17.1 Facility agreements.....	124
SECTION II	133
CHAPTER I RESPONSIBLE PERSONS	134
1.1 Persons responsible for the Admission Document	134
1.2 Statement of responsibility	134
1.3 Expert report.....	134
1.4 Information from third parties	134
CHAPTER II – RISK FACTORS	135
CHAPTER III – ESSENTIAL INFORMATION	136
3.1 Reasons for the Capital Increase and use of proceeds.....	136
3.2 Statement relating to working capital.....	136
CHAPTER IV – INFORMATION CONCERNING FINANCIAL INSTRUMENTS TO BE ADMITTED TO TRADING.....	136

4.1	<i>Description of financial instruments</i>	136
4.2	<i>Legislation under which the Shares were issued</i>	136
4.3	<i>Characteristics of financial instruments</i>	136
4.4	<i>Currency of financial instruments</i>	136
4.5	<i>Description of rights attached to the Shares</i>	137
4.6	<i>Resolutions, authorisations and approvals pursuant to which financial instruments have been or will be issued</i>	137
4.7	<i>Date of issue and making available of financial instruments</i>	137
4.8	<i>Restrictions on the free transferability of Shares</i>	137
4.9	<i>Indication of existence of any rules on mandatory tender offers and/or tender offers to purchase remaining shares in relation to Shares</i>	138
4.10	<i>Tender offers made on the Issuer's shares during the last financial year and the current financial year</i> 138	
CHAPTER V – HOLDERS OF FINANCIAL INSTRUMENTS WHO ARE SELLING		139
5.1	<i>Selling shareholder</i>	139
5.2	<i>Financial instruments offered for sale</i>	139
5.3	<i>Lock-up agreements</i>	139
CHAPTER VI – EXPENSES RELATED TO ADMISSION		141
6.1	<i>Total net proceeds and estimated total expenses related to Admission to Trading</i>	141
CHAPTER VII – DILUTION		142
7.1	<i>Amount and percentage of immediate dilution resulting from the Capital Increase</i>	142
7.2	<i>Dilutive effects in the event of non-subscription of the offer</i>	142
CHAPTER VIII – ADDITIONAL INFORMATION		143
8.1	<i>Participants to the transaction</i>	143
8.2	<i>Other audited information</i>	143
8.3	<i>Places where the Admission Document is available</i>	143
8.4	<i>Appendix</i>	143

DEFINITIONS

The following is a list of definitions and terms used in the Admission Document. These definitions and terms, unless otherwise specified, have the meanings set out below or, where applicable, set out in the Euronext Growth Milan Issuers' Regulations.

Admission to Trading	The admission of the Shares to trading on Euronext Growth Milan.
Share Capital Increase	The paid increase in share capital with the exclusion of pre-emption rights, pursuant to Article 2441, fifth paragraph, of the Italian Civil Code, to be executed by and no later than 31 December 2024, on a divisible basis, for a total maximum amount of EUR 25,000,000 inclusive of the share premium, through the issuance of ordinary shares without indication of nominal value, with regular entitlement, approved by the Extraordinary Shareholders' Meeting on 11 July 2024.
Shares	The Issuer's ordinary shares with no par value, regular dividend entitlement and freely transferable, to be admitted to trading on Euronext Growth Milan.
Borsa Italiana	Borsa Italiana S.p.A., with its registered office at No. 6 Piazza Affari, Milan.
Italian Civil Code	Royal Decree No. 262 of 16 March 1942, as amended and supplemented.
Corporate Governance Code	Corporate Governance Code of Listed Companies adopted on 31 January 2020 by the Committee for the Corporate Governance of Listed Companies and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, in force as of the Admission Document Date.
ISIN code or ISIN	Acronym for International Security Identification Number, the international code used to uniquely identify dematerialised financial instruments.
Placement	The placement aimed at establishing the minimum free float for the purpose of Admission to Trading, concerning the Shares and addressed to Qualified Investors.
Consob	Italian National Commission for Listed Companies and the Stock Exchange, with registered office in No. 3 Via G.B. Martini, Rome.

Admission Document Date or Admission Date	Indicates the effective date of admission of the Shares to Euronext Growth Milan, established by a specific notice published by Borsa Italiana. This date coincides with the date of publication of the Admission Document.
Trading Start Date	Indicates the trading start date of the Shares on Euronext Growth Milan established by specific notice published by Borsa Italiana.
Admission Document	This admission document has been drawn up in accordance with the provisions of Article 3 and Schedule Two of the Euronext Growth Milan Issuers' Regulations.
Euronext Growth Advisor, Intermonte, Global Coordinator or Specialist	Intermonte SIM S.p.A..
Euronext Growth Milan or EGM	Euronext Growth Milan, a multilateral trading facility organised and managed by Borsa Italiana S.p.A.
Free Float	Indicates the portion of the Issuer's share capital actually outstanding on the stock market, excluding from the calculation controlling shareholdings, shareholdings bound by shareholders' agreements and those subject to restrictions on transferability (such as lock-up clauses), as well as shareholdings in excess of 5% calculated in accordance with the criteria indicated in the Transparency Rules referred to in the Euronext Growth Milan Issuers' Regulations. By contrast, shares held by collective investment undertakings, pension funds and social security institutions are included in the calculation for determining the Free Float.
Group or M&S Group	The group headed by Misitano & Stracuzzi, consisting of the Company and its subsidiaries included in the scope of consolidation.
Institutional Investors	Jointly, (i) the Qualified Investors, and (ii) institutional investors outside the United States of America pursuant to Regulation S promulgated under the Securities Act of 1933 (as subsequently amended).
Qualified Investors	The qualified investors (i) in the Member States of the European Economic Area pursuant to Article 2(e) of Regulation (EU) 2017/1129; and (ii) in the United Kingdom pursuant to Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

MAR or Market Abuse Regulation	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014.
Misitano & Stracuzzi, M&S, the Company or the Issuer	Misitano & Stracuzzi S.p.A., with registered office in Messina (ME), No. 64 Via Ghibellina, Tax Code, VAT No., and Messina Companies' Register No. 00170700835.
Monte Titoli	Monte Titoli S.p.A., with registered office in No. 6 Piazza degli Affari, Milan and trading name "Euronext Securities Milan".
Offer	Indicates the offer made through the Placement.
Related Parties	The "related parties" as defined in the regulation adopted by CONSOB with Resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented, containing provisions on transactions with related parties.
International Accounting Standards	Indicates all the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the European Union, as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC).
Italian Accounting Standards or Italian GAAP	The accounting standards in force in Italy as of the Admission Date, which regulate the criteria for the preparation of annual and Group financial statements for national and local companies, not listed on regulated markets, issued by the National Board of Chartered Accountants and Accounting Experts and by the Italian Accounting Body. These standards represent the accounting standards used for the preparation of the financial information contained in the Admission Document.
Delegated Regulation No. 980/2019	Commission Delegated Regulation (EU) 980/2019 supplementing Regulation 1129/2017 of the European Parliament and of the Board as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No. 809/2004.
Issuers' Regulation	The regulations approved by CONSOB by resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented.
Euronext Growth Milan Issuers' Regulations	The Euronext Growth Milan Issuers' Regulations published by Borsa Italiana in force on the Admission Date.

Euronext Growth Advisor Regulations	The Euronext Growth Advisor Regulations of Euronext Growth Milan approved and published by Borsa Italiana and in force as of the Admission Date.
Related Parties Regulations	The Regulation containing provisions on related party transactions approved by Consob with Resolution No. 17221 of 12 March 2010 and subsequent amendments and additions.
Auditing Firm or KPMG	KPMG S.p.A., with registered office in Milan, No. 25 Via Vittor Pisani, registered in the Milan Companies' Register, Tax Code 00709600159.
Stracuzzi Holding	Stracuzzi Holding S.r.l., with registered office in Messina (ME), No. 64 Via Ghibellina, Tax Code, VAT No., and Messina Companies' Register No. 03721470833.
Articles of Association	The articles of association of Misitano & Stracuzzi in force as of the Admission Date.
Italian Consolidated Law on Finance or TUF	Legislative Decree No. 58 of 24 April 1998, as amended.
Consolidated Income Tax Act or TUIR	Presidential Decree No. 917 of 22 December 1986, as amended and supplemented.

GLOSSARY

The following is a list of the technical terms used in the Admission Document. Such terms shall have the meanings set forth below, unless otherwise specified.

Concentration	Process consisting in the elimination of part of the water contained in the juice extracted from the fruit.
Greening	A disease affecting citrus fruits, spread by an insect, the Asian citrus psyllid (<i>Diaphorina citri</i> Kuwayama or ACP), resulting in the affected trees producing green, deformed, and bitter fruits, unsuitable for sale as fresh fruit or for juice.
Pectin	A natural thickener widely used in cooking, especially in the preparation of jams, jellies and marmalades.
Pasteurisation	Thermal treatment to which perishable foods are subjected, aimed at destroying the pathogens contained within them.
Aromatic solution	Production of essences derived from proprietary solutions of essential oils and aromatic substances mainly from citrus fruits.
Juices	The juice extracted from the pulp of the citrus fruit, which in some cases is subjected to pasteurisation and/or concentration before being marketed.

PLANNED TIMETABLE OF THE TRANSACTION

Date of submission of the pre-admission notice:	5 July 2024
Filing date of the Admission Application:	22 July 2024
Date of publication of the Admission Document:	25 July 2024
Admission Date of the Shares to trading:	25 July 2024
Trading Start Date:	29 July 2024

DOCUMENTS AVAILABLE TO THE PUBLIC

The following documents are available to the public at the Issuer's registered office in Messina (ME), No. 64 Via Ghibellina, as well as on the website www.misitanoestracuzzi.com.

- Admission Document.
- Issuer's Articles of Association.
- Group financial statements as of 31 December 2023, including the Auditing Firm's Report.

SECTION I

CHAPTER I – RESPONSIBLE PERSONS

1.1 Persons Responsible for the Admission Document

The Issuer assumes responsibility for the truthfulness and completeness of the data, information and news contained in the Admission Document.

1.2 Statement of Responsibility

M&S, which is responsible for the drafting of the Admission Document, states that the information contained in it is, to the best of its knowledge, true and accurate and does not omit any material information which would affect its interpretation, and that it has taken all reasonable steps in that regard.

1.3 Expert Reports

The Admission Document does not contain expert opinions or reports.

1.4 Information from Third Parties

The information contained in the Admission Document comes from third-party sources only where expressly indicated. The Issuer confirms that such information has been faithfully reproduced and that, to the best of its knowledge or as far as it has been able to ascertain from information published by the third parties in question, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of such information are specified in the Paragraphs of the Admission Document in which the information is given.

CHAPTER II – STATUTORY AUDITORS

2.1 Statutory Auditors of the Issuer

As of the Admission Document Date, the company appointed to perform the statutory audit of the Issuer's accounts is KPMG S.p.A., with registered office in Milan, No. 25 Via Vittor Pisani, Tax Code, VAT No. and Milan Companies' Register No. 00709600159, registered with the Register of Statutory Auditors pursuant to articles 6 et seq. of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135 of 17 July 2016, under registration number 70623.

On 21 March 2024, the Ordinary Shareholders' Meeting of the Issuer appointed the auditing firm KPMG S.p.A. to audit the accounts, pursuant to Article 13 of Legislative Decree No. 39/2010 and Article 2409-bis et seq. of the Italian Civil Code, with reference to the Issuer's annual financial statements and the Group's financial statements for the financial years 2024, 2025 and 2026.

On 13 March 2024, the Board of Statutory Auditors verified that the mandate subsequently conferred by the Ordinary Shareholders' Meeting on 21 March 2024 is consistent with the regulations that the Company will be required to comply with once it is admitted to a multilateral trading facility open to the public pursuant to Article *6-bis* of the Euronext Growth Milan Issuers' Regulation.

On 1 July 2024, the Company also appointed the Auditing Firm for the limited audit of the interim group financial statements as at 30 June for the financial years 2024, 2025, 2026.

The Group financial statements for the year ended 31 December 2023, approved by the Issuer's Board of Directors held on 28 February 2024, have been prepared in accordance with the laws governing Group financial statements and the Italian Accounting Standards ("OIC") and have been audited by KPMG S.p.A., the auditing firm, who issued their unqualified audit report on 20 March 2024.

For more information, see Section One, Chapter III, of the Admission Document.

2.2 Information on Relationship with the Auditing Firm

As of the Admission Document Date, the Issuer has not revoked the appointment of the Auditing Firm, nor has the Auditing Firm waived its mandate or refused to issue an opinion or issued a qualified opinion on the financial statements of the Issuer and on the Group financial statements.

CHAPTER III – SELECTED FINANCIAL INFORMATION

3.1 Introduction

This Chapter provides selected financial information of the Group for the years ended 31 December 2023 and 2022.

The selected financial information has been extracted and/or prepared solely on the basis of the Group financial statements for the year ended 31 December 2023, approved by the Board of Directors held on 28 February 2024, prepared in accordance with the laws governing Group financial statements and the Italian Accounting Standards ("OIC") and subject to statutory audit by the auditing firm KPMG S.p.A, which issued its unqualified audit report on 20 March 2024, containing an "Other Matters" paragraph indicating that the comparative figures as of 31 December 2022,

presented in the Group financial statements as of 31 December 2023, have not been subjected to either full or limited audit.

The Issuer's financial statements for the year ended 31 December 2023, together with the Group financial statements for the year ended on the same date, were approved by the Shareholders' Meeting on 21 March 2024.

The selected financial information set out below should be read in conjunction with the Group financial statements for the year ended 31 December 2023 and the related audit report, which are available at the Issuer's registered office and on the Issuer's website at www.misitanoestracuzzi.com.

3.2 Group selected consolidated financial information for the years ended 31 December 2023 and 2022

It should be noted that the Group financial statements as of 31 December 2023 are the first prepared by the Group and present, for comparative purposes only, the figures for the year ended 31 December 2022, prepared by the Issuer's Directors. These data have not been subjected to either full or limited audit.

3.2.1 Selected economic information pertaining to the Group for the years ended 31 December 2023 and 2022

Below are the Group's key financial figures for the years ended 31 December 2023 and 2022:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
A) Production value	58,942	100%	39,406	95%	19,536	50%
1) Revenues from sales and services	59,041	100%	41,509	100%	17,532	42%
2) Change in inventories of work in progress, semi-finished and finished products	(450)	(1%)	2,578	(6%)	2,128	(83%)
4) Increases in fixed assets for internal work	85	0%	207	0%	(121)	(59%)
5) Other revenues and proceeds, with separate indication of contributions for operating expenses	266	0%	268	1%	(2)	(1%)
B) Production Costs	47,550	81%	36,312	87%	11,238	31%
6) For raw materials, subsidiary materials, consumables and goods	35,081	59%	26,169	63%	8,912	34%
7) For services	7,694	13%	5,703	14%	1,991	35%
8) For use of third party assets	788	1%	641	2%	147	23%
9) For personnel	3,794	6%	3,293	8%	501	15%
10) Depreciation, amortisation and other write-offs	1,617	3%	1,209	3%	407	34%
11) Change in stocks of raw, ancillary and consumable materials and goods for resale	(1,609)	(3%)	(1,246)	(3%)	(363)	29%
12) Provisions for risks	0	0%	0	0%	0	0%
14) Other operating charges	186	0%	542	1%	(356)	(66%)
Difference between production value and production costs (A – B)	11,392	19%	3,094	7%	8,298	268%
C) Financial income and expenses	(1,229)	(2%)	(99)	(0%)	(1,130)	1 138%
16) Other financial income	35	0%	11	0%	24	210%
17) Interest and other financial charges	(954)	(2%)	(236)	(1%)	(718)	304%
17-bis) Exchange gains and losses	(310)	(1%)	126	0%	(436)	(347%)
D) Value adjustments on financial assets	0	0%	0	0%	0	0%
18) Value adjustments	0	0%	0	0%	0	0%
Profit before tax	10,163	17%	2,995	7%	7,168	239%
20) Current, deferred and prepaid income taxes for the financial year	3,083	5%	914	2%	2,169	237%
21) Consolidated Profit (Loss) for the year	7,080	12%	2,081	5%	4,999	240%

<i>(Valori in migliaia di euro e in percentuale)</i>	Al 31 dicembre				Variazione	
	2023	% su ricavi 2023	2022	% su ricavi 2022	2023 vs 2022	2023 vs 2022 %
Ricavi di vendita	59.041	100%	41.509	100%	17.532	42%
Costo del venduto	33.922	57%	27.501	66%	6.421	23%
Primo margine	25.119	43%	14.008	34%	11.111	79%
Costi per servizi	7.694	13%	5.703	14%	1.991	35%
Costi per godimento di beni di terzi	788	1%	641	2%	147	23%
Costo del personale	3.794	6%	3.293	8%	501	15%
Oneri diversi di gestione	186	0%	542	1%	(356)	(66%)
Costi operativi	12.461	21%	10.179	25%	2.282	22%
Altri ricavi e proventi operativi	351	1%	475	1%	(124)	(26%)
Margine operativo lordo (EBITDA)	13.009	22%	4.303	10%	8.705	202%
Ammortamenti, accantonamenti, svalutazioni	(1.617)	(3%)	(1.209)	(3%)	(407)	34%
Risultato Operativo (EBIT)	11.392	19%	3.094	7%	8.298	268%
Proventi finanziari	35	0%	11	0%	24	210%
Oneri finanziari	(954)	(2%)	(236)	(1%)	(718)	304%
Utili o Perdite su cambi	(310)	(1%)	126	0%	(436)	(347%)
Risultato ante imposte	10.163	17%	2.995	7%	7.168	239%
Imposte sul reddito	3.083	5%	914	2%	2.169	237%
Risultato netto	7.080	12%	2.081	5%	4.999	240%

Revenues from sales and services

The following table presents the Group's revenue for the years ended 31 December 2023 and 2022:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
1) Revenues from sales and services	59,041	100%	41,509	100%	17,532	42%

Revenues for the year ended 31 December 2023 amounted to EUR 59,041,000 compared to EUR 41,509,000 for the year ended 31 December 2022.

This growth of EUR 17,532,000 (+42%) relates to the combined effect of the increase in prices and sales volumes, as well as the different mix of products offered to customers.

The increase in average sales prices is mainly a consequence of the increase in the cost of raw materials and electricity that the Issuer has been able to pass on to customers; in fact, despite the negative impacts caused by inflation, the Group's target market is primarily linked to food consumption, particularly the healthy food sector, which is experiencing growth dynamics and has still untapped potential.

The increase in quantities sold is due to greater customer loyalty, a result of the market appeal of the products offered, whose quality has been a distinctive feature, along with a commercial strategy customised for the customers themselves (tailor-made products).

Sales analysis by geographical area

The breakdown of revenue by geographical area for the years ended 31 December 2023 and 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2023	2023 vs 2022	2023 vs 2022 %
Italy	3,424	6%	3,909	9%	(485)	(12%)
EU	18,505	31%	13,966	34%	4,539	32%
Non-EU	37,112	63%	23,634	57%	13,478	57%
Total revenues from sales and services	59,041	100%	41,509	100%	17,532	42%

The share of revenues from individual geographical areas relative to the total shows that in 2023 more than half of the turnover (63%) came from non-EU customers, a percentage that reaches 94% when considering all sales outside the domestic market, confirming that internationalisation has been a key success factor for the Issuer. Compared to the financial year 2022, the share of sales to non-EU customers increased from 57% to 63%. The share of sales to Italian and EU customers relative to the total turnover decreased compared to the previous year.

Other revenues and proceeds, with separate indication of contributions for operating expenses

Other revenues and proceeds, with separate indication of contributions for operating expenses for the year ended 31 December 2023 and 2022 are shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2023	2023 vs 2022	2023 vs 2022 %
a) miscellaneous	12	0%	53	0%	(41)	(77%)
b) contributions for operating expenses	254	0%	216	1%	38	18%
Total other revenues and proceeds	266	0%	268	1%	(2)	(1%)

“Other revenues and proceeds” amounted to EUR 266,000 as of 31 December 2023, substantially stable compared to 31 December 2022 (EUR 268,000).

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December	Change
---	-------------------	--------

	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
Other	9	0%	0	0%	9	100%
Reimbursement for transport costs, packaging, and miscellaneous expenses	3	0%	17	0%	(14)	(85%)
Capital gains on disposals	0	0%	38	0%	(38)	(100%)
Total other revenues and proceeds a) miscellaneous	12	0%	54	0%	(42)	(78%)
"CIM" tax credit	136	0%	119	0%	17	14%
"Research and Development" tax credit	64	0%	48	0%	16	33%
Industry 4.0 tax credit	35	0%	31	0%	4	14%
Energy bonus credit	16	0%	8	0%	7	92%
Super depreciation tax credit	3	0%	3	0%	1	21%
Other contributions	0	0%	5	0%	(5)	(100%)
Total other revenues and proceeds b) contributions for operating expenses	254	0%	214	1%	40	19%
Total Other revenues and proceeds	266	0%	268	1%	(2)	(1%)

As of 31 December 2023, the item Other revenues and proceeds mainly consists of revenues from operating grants (EUR 254,000 as of 31 December 2023), which in turn are mostly made up of the portion due to the tax year of tax receivables for investments in the south ("CIM") amounting to EUR 136,000 (EUR 119,000 as of 31 December 2022) and Research and Development credits amounting to EUR 64,000 (EUR 48,000 as of 31 December 2022).

Costs for raw materials, subsidiary materials, consumables and goods

The following table presents the Group's costs for raw materials, subsidiary materials, consumables and goods for the years ended 31 December 2023 and 2022:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
Costs for raw materials, subsidiary materials, consumables and goods	35,081	59%	26,169	63%	8,912	34%

As of 31 December 2023, Costs for raw materials, supplies, consumables and goods amounted to EUR 35,081,000 and increased compared to 31 December 2022 (EUR 26,169,000), due to the increase in sales volumes recorded in the year ended 31 December 2023 and the increase in prices related to the global macroeconomic situation. The share of these costs relative to revenues decreased during the year, from 63% as of 31 December 2022 to 59% as of 31 December 2023, mainly due to a different mix of products sold, which consequently influenced the purchasing dynamics.

Costs for services

The breakdown of the Group's cost of services for the years ended 31 December 2023 and 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
Transport	1,649	3%	1,702	4%	(53)	(3%)
Sales Expenses and Commissions	1,350	2%	739	2%	611	83%
Directors' and Statutory Auditors' Fees	1,131	2%	834	2%	297	36%
Energy and Utility Costs	998	2%	288	1%	710	246%
Consultancy	433	1%	689	2%	(256)	(37%)
Waste disposal	426	1%	165	0%	261	158%
Other Services	410	1%	318	1%	92	29%
Collection Expenses and Bank Fees	403	1%	121	0%	282	233%
Maintenance and Repairs	237	0%	264	1%	(27)	(10%)
Fees for professional services	170	0%	159	0%	12	7%
Insurance	150	0%	128	0%	22	17%
Trade Fairs	93	0%	85	0%	8	9%
Representation expenses	90	0%	18	0%	72	402%
Travel	74	0%	115	0%	(41)	(36%)
Telephone bills	50	0%	55	0%	(5)	(9%)
Cleaning expenses	25	0%	19	0%	6	33%
Vehicle Expenses	1	0%	0	0%	1	577%
Postal and postage costs	1	0%	2	0%	(1)	(47%)
Total costs for services	7,694	13%	5,703	14%	1,991	35%

Costs for services amounted to EUR 7,694,000 as of 31 December 2023, compared to EUR 5,703,000 as of 31 December 2022, showing an increase of EUR 1,991,000 (+35%). The share of total service costs relative to sales revenues is 13% as of 31 December 2023, compared to 14% as of 31 December 2022.

The increase in service costs was mainly due to the growth in the items “Energy and Utility Costs”, “Sales Expenses and Commissions”, “Fees for Directors and Statutory Auditors” and “Collection Expenses and Bank Fees”.

Energy and utility costs amounted to EUR 998,000 as of 31 December 2023, compared to EUR 288,000 as of 31 December 2022, with an impact on revenues of 2% as of 31 December 2023 and 1% as of 31 December 2022, respectively. The increase in these costs is mainly due to the new contract for the supply of electricity to the Furci Siculo plant, effective from 1 January 2023, which includes a fixed cost for the energy component that is higher than the previous contract, as well as some adjustments related to the year 2022 that were invoiced by the supplier only in 2023.

Sales expenses and commissions amounted to EUR 1,350,000 as of 31 December 2023 compared to EUR 739,000 as of 31 December 2022, highlighting an impact on revenues of 2% as of 31 December 2023 and as of 31 December 2022. The increase in these costs is due to the rise in sales volumes recorded in the year 2023.

Fees for Directors and Statutory Auditors amounted to EUR 1,131,000 as of 31 December 2023, compared to EUR 834,000 as of 31 December 2022, highlighting an impact of 2% as of 31 December 2023 and as of 31 December 2022.

Collection expenses and bank fees amounted to EUR 403,000 as of 31 December 2023, compared to EUR 121,000 as of 31 December 2022, highlighting an impact on revenues of 1% as of 31 December 2023 and 0% as of 31 December 2022. The increase in these costs is due to both the increased operations related to the growth in working capital and the increase in average fees charged by credit institutions during 2023.

Costs for use of third-party assets

Lease and rental costs amounted to EUR 788,000 as of 31 December 2023, compared to EUR 641,000 as of 31 December 2022, showing an increase of EUR 147,000 (+23%). This variation is generalised across all cost components, except for “maintenance on third-party assets”, which amounted to EUR 19,000 as of 31 December 2023 (Euro 36,000 as of 31 December 2022).

As of 31 December 2023, this item mainly included “Rent payable” in the amount of EUR 451,000 (EUR 402,000 as of 31 December 2022), “Software licences” in the amount of EUR 128,000 (EUR 97,000 as of 31 December 2022) and “Lease payments” in the amount of EUR 126,000 (EUR 80,000 as of 31 December 2022).

The share of total service costs to sales revenues is 1% as of 31 December 2023, compared to 2% as of 31 December 2022.

Personnel Costs

The breakdown of personnel costs for the years ended 31 December 2023 and 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
Salaries and wages	2,971	5%	2,545	6%	425	17%
Social security contributions	580	1%	517	1%	63	12%
Severance indemnities	195	0%	189	0%	7	3%
Other costs	48	0%	42	0%	6	15%
Total personnel costs	3,794	6%	3,293	8%	501	15%

Personnel costs amounted to EUR 3,794,000 as of 31 December 2023, compared to EUR 3,293,000 as of 31 December 2022, an increase of EUR 501,000 (+15%). This change is due to the application of the salary increases provided for by the National Collective Labour Agreement (CCNL) as of 1 January 2023 and the increase in the company’s workforce. As of 31 December 2023, the company’s workforce stood at 69 employees (6 managers, 1 middle manager, 37 clerical staff and 25 manual workers), while in 2022 it was 58 employees (3 managers, 1 middle manager, 32 clerical staff and 22 manual workers). The total share of personnel costs relative to sales revenues is 6% as of 31 December 2023, compared to 8% as of 31 December 2022.

Amortisation, depreciation and write-downs

A breakdown of “Amortisation, depreciation and write-downs” for the years ended 31 December 2023 and 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
Amortisation of intangible fixed assets	369	1%	334	1%	35	11%
Depreciation of tangible fixed assets	845	1%	843	2%	2	0%
Total Amortisation and Depreciation	1,214	2%	1,177	3%	37	3%
Other write-downs of tangible fixed assets	360	1%	0	0%	360	100%
Write-down of receivables included in current assets and cash and cash equivalents	42	0%	32	0%	10	30%
Total write-downs	402	1%	32	0%	370	1153%
Total amortisation, depreciation and write-downs	1,617	3%	1,209	3%	407	34%

Amortisation and depreciation amounted to EUR 1,214,000 as of 31 December 2023, compared to EUR 1,177,000 as of 31 December 2022, showing an increase of EUR 37,000 (+3%). This change is mainly due to the amortisation and depreciation of intangible assets and, in particular, to the item “Amortisation and depreciation of software licences”, as a result of the implementations carried out by the Parent Company on the company’s CRM, document archiving platform and cloud server.

The item “Write-downs” amounted to EUR 402,000 as of 31 December 2023, compared to EUR 32,000 as of 31 December 2022. The increase is mainly due to the write-down of planning expenses in the amount of EUR 360,000 relating to a building owned by the Issuer located in the municipality of Barcellona Pozzo di Gotto, following the change in its intended use.

Other operating charges

Other operating charges amounted to EUR 186,000 as of 31 December 2023, compared to EUR 542,000 as of 31 December 2022. As of 31 December 2023, the item mainly included “Other Charges” in the amount of EUR 58,000 (EUR 65,000 as of 31 December 2022), “CONAI Contributions” in the amount of EUR 29,000 (EUR 26,000 as of 31 December 2022), costs related to quality certifications in the amount of EUR 22,000 (EUR 28,000 as of 31 December 2022) and various taxes including property taxes (IMU) in the amount of EUR 12,000 (EUR 5,000 as of 31 December 2022).

The decrease in the item as of 31 December 2023 compared to 31 December 2022 is mainly due to the near-zeroing of “Contingent liabilities” (EUR 267,000 as of 31 December 2022) and “Losses on tax receivables” (EUR 66,000 as of 31 December 2022).

Financial income

Financial income amounted to EUR 35,000 as of 31 December 2023, compared to EUR 11,000 as of 31 December 2022, and included almost exclusively bank interest income accrued on cash and cash equivalents held at financial institutions.

Financial charges

Financial expenses amounted to EUR 954,000 as of 31 December 2023, compared to EUR 236,000 as of 31 December 2022, showing an increase both in absolute value (EUR 718 thousand, or +304%) and as a percentage of sales revenues (2% of revenues as of 31 December 2023, compared to 1% as of 31 December 2022). This change is mainly due to the increase in average interest rates applied by banks on outstanding financial liabilities, following the ECB’s raising of reference interest rates to counter the inflationary phenomenon.

Exchange Gains and Losses

A breakdown of exchange gains and losses for the years ended 31 December 2023 and 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
Exchange gains	323	1%	686	2%	(363)	(53%)
Exchange losses	(633)	(1%)	(561)	(1%)	(73)	13%
Total Exchange Gains and Losses	(310)	(1%)	126	0%	(436)	(347%)

Net exchange losses amounted to EUR 310,000 as of 31 December 2023 compared to net exchange gains of EUR 126,000 as of 31 December 2022.

Current, deferred and prepaid income taxes for the financial year

A breakdown of taxes for the years ended 31 December 2023 and 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
Current taxes	3,197	5%	949	2%	2,248	237%
Deferred taxes	(114)	(0%)	(36)	(0%)	(79)	221%
Total Current, deferred and prepaid income taxes for the financial year	3,083	5%	914	2%	2,169	237%

Income Taxes amounted to EUR 3,083,000 as of 31 December 2023, compared to EUR 914,000 as of 31 December 2022, showing an increase of EUR 2,169,000 mainly related to the recognition of higher current taxes for EUR 2,248,000, as a result of the higher pre-tax result achieved in 2023.

Consolidated Profit (Loss) for the year

Consolidated profit for the year ended 31 December 2023 was EUR 7,080,000, compared to EUR 2,081,000 as of 31 December 2022, an increase of EUR 4,999,000. This change was due to the increase in the difference between value and cost of production of EUR 8,298,000, partially offset by the worsening of the financial management result for a total of EUR 1,130,000 and the increase in income taxes for EUR 2,169,000.

In terms of percentage share of sales revenues, the consolidated profit for the year ending 31 December 2023 increased compared to the previous year, rising from 5% to 12%.

3.2.2 Selected Group balance sheet data for the Financial Years ended 31 December 2023 and 2022

Information concerning the Group's key balance sheet figures for the years ended 31 December 2023 and 31 December 2022 is provided below. In particular, the consolidated balance sheets as of 31 December 2023 and 31 December 2022 are shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
I – Intangible fixed assets	1,700	1,921	(221)	(11%)
II – Tangible fixed assets	12,184	8,300	3,884	47%
III – Financial fixed assets	11	8	4	47%
Total Fixed Assets (B)	13,895	10,228	3,666	36%
I – Inventories	16,740	15,270	1,471	10%
II – Receivables	10,040	8,089	1,951	24%
IV – Cash and cash equivalents	8,499	6,025	2,474	41%
Total current assets (C)	35,279	29,384	5,895	20%
Prepayments and Accrued Income	88	84	4	4%
Total accruals and deferrals (D)	88	84	4	4%
Total Balance Sheet Assets	49,262	39,697	9,565	24%

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %

			2022	2022 %
A) Shareholders' equity	13,975	8,488	5,487	65%
B) Provisions for risks and charges	615	579	36	6%
C) Severance indemnities	570	467	103	22%
D) Payables	33,089	29,134	3,954	14%
E) Accrued liabilities and deferred income	1,013	1,028	(16)	(2%)
Total Balance Sheet Liabilities	49,262	39,697	9,565	24%

An analysis of the items included in these schedules as of 31 December 2023 and 31 December 2022 is shown below.

3.2.2.1 Total Fixed Assets

Intangible Fixed Assets

Details of intangible fixed assets and changes from 31 December 2022 to 31 December 2023 are shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
2) Development costs	28	50	(22)	(43%)
3) Industrial patent and intellectual property rights	230	195	35	18%
4) Concessions, licences, trade marks and similar rights	980	1,125	(145)	(13%)
5-bis) Consolidation difference	234	263	(29)	(11%)
7) Other intangible fixed assets	228	287	(59)	(21%)
Total Intangible Fixed Assets	1,700	1,921	(221)	(11%)

The change between 31 December 2022 and 31 December 2023 in Intangible Fixed Assets amounted to EUR –221,000 (–11%) and derived from the net balance of:

- i) investments for the period of EUR 149,000, entirely relative to the item “Patent rights and intellectual property rights” and attributable to the interventions carried out by the Parent Company on the corporate CRM, document storage platform and cloud server;
- ii) amortisation and depreciation for the year in the amount of EUR 369,000.

As of 31 December 2023, the most significant item among the intangible fixed assets was the Issuer’s corporate trademark, amounting to EUR 980,000 (EUR 1,125,000 as of 31 December 2022). The same was revalued in the 2020 financial year pursuant to Article 110 of the Decree–Law No. 104 of 14 August 2020 (so-called “August Decree”), based on a specific sworn appraisal prepared by an independent external expert, increasing the historical cost already existing as of 31 December 2019, with a corresponding entry to a specific Shareholders’ Equity Reserve.

Tangible Fixed Assets

Details of tangible fixed assets and changes from 31 December 2022 to 31 December 2023 are shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
1) Land and buildings	9,705	5,052	4,653	92%
2) Plant and machinery	2,183	2,734	(551)	(20%)
3) Industrial and commercial equipment	66	74	(8)	(11%)
4) Other tangible fixed assets	55	69	(14)	(20%)
5) Tangible fixed assets under construction and payments on account	174	372	(198)	(53%)
Total Tangible Fixed Assets	12,184	8,300	3,884	47%

As of 31 December 2023, Tangible Fixed Assets amounted to EUR 12,184,000 and mainly related to land and buildings. The change between 31 December 2023 and 31 December 2022 in tangible fixed assets amounted to EUR 3,884,000 (+47%) and is due to the following movements:

- (i) investments amounting to EUR 5,076,000, mainly due to the item land and buildings, as a result of the parent company's recognition of the purchase cost and related accessory charges of two industrial properties located in the municipalities of Pace del Mela (ME) and San Filippo del Mela (ME), which will be used for the production of essential oils and juices, respectively;
- (ii) amortisation and depreciation for the period amounting to EUR 832,000;
- (iii) write-downs of Assets under construction for EUR 360,000.

Tangible fixed assets under construction as of 31 December 2023 include, for EUR 85 thousand, the costs of technical advisers incurred to date for design expenses related to the refurbishment of 2 recently acquired industrial properties and an advance payment for the supply of an extractor for the "juices" segment in the amount of EUR 89,000.

3.2.2 Current Assets

Inventories

A breakdown of the Group's Inventories as of 31 December 2023 and 31 December 2022 and the related changes is shown in the table below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
1) Raw materials and consumables	13,706	12,290	1,416	12%
2) Work in progress	2,098	1,183	915	77%
4) Finished products and goods	932	1,796	(865)	(48%)
5) Payments on account	4	0	4	100%
Total Inventories	16,740	15,270	1,471	10%

The change between 31 December 2022 and 31 December 2023 in inventories amounted to EUR 1,471,000 and is related to both a quantity and price effect. As of 31 December 2023, Inventories consist of EUR 932,000 in finished products, either to be shipped or already shipped as of the year-end date (given the make-to-order method used), EUR 2,098,000 in semi-finished products, and EUR 13,706,000 in raw materials (exclusively essential oils). These latter goods are comparable to commodities and, consequently, can potentially be immediately liquidated.

The average days of inventory on hand (calculated as the ratio between (i) inventories as of the consolidated financial statement reference date and (ii) the sum of costs for raw materials, supplies, consumables, goods, and changes in inventory as of the reference date from the consolidated financial statement, multiplied by 365) show a decrease from 203 days in 2022 to 180 days in 2023.

Receivables

The breakdown of the Group's receivables as of 31 December 2023 and 31 December 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
1) Trade debtors	8,898	6,819	2,080	30%
5-bis) Tax receivables	980	1,049	(69)	(7%)
5-ter) Prepaid tax(es)	82	117	(34)	(29%)
5-quater) Other receivables	80	105	(25)	(24%)
Total Receivables	10,040	8,089	1,951	24%

The change between 31 December 2022 and 31 December 2023 in trade receivables amounted to EUR 2,080,000 (+30%) and is due to the increase in turnover, as the average collection times (DSO) experienced a slight improvement in the 2023 financial year. In fact, the average collection time (calculated as the ratio of (i) trade receivables at the consolidated balance sheet date net of VAT and (ii) revenues at the consolidated balance sheet date, multiplied by 365) was 55 days at 31 December 2023, compared to 60 days at 31 December 2022.

The breakdown of the Group's trade receivables as of 31 December 2023 and 31 December 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
Trade receivables Italy	397	267	130	49%
Trade receivables EU	1,675	1,034	641	62%
Trade receivables Non-EU	7,037	5,686	1,351	24%
Allowance for doubtful accounts	(210)	(168)	(42)	25%
Total Trade receivables	8,898	6,819	2,080	30%

The Issuer is not particularly exposed to credit risk on commercial transactions with its customers. Important multinational companies are among the customers with whom they have established business relationships. New business counterparties are analysed in advance through creditworthiness searches and, subsequently, constantly monitored. For first deliveries, new customers are required to pay in advance.

A breakdown of receivables net of trade receivables and changes from 31 December 2022 to 31 December 2023 is shown in the table below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
VAT receivable	546	696	(151)	(22%)
Tax receivable for capital goods	228	186	42	23%
Various tax receivables and research and development	206	167	39	24%
Prepaid taxes	82	117	(34)	(29%)
Receivables from others	80	105	(25)	(24%)
Total other assets	1,142	1,271	(129)	(10%)

Other Group assets as of 31 December 2023 amounted to EUR 1,142,000 compared to EUR 1,271,000 as of 31 December 2022, showing a decrease of EUR 129,000 (-10%). As of 31 December 2023, the item mainly included the VAT receivable in the amount of EUR 546,000 (EUR 696,000 as of 31 December 2022) and tax receivables for capital goods (EUR 228 thousand, against EUR

186,000 as of 31 December 2022) and for Research and Development (EUR 206 thousand, against EUR 167,000 as of 31 December 2022).

3.2.2.3 Balance sheet liabilities

Shareholders' Equity

Shareholders' equity as of 31 December 2023 amounted to EUR 13,975,000 compared to EUR 8,488,000 as of 31 December 2022, showing an increase of EUR 5,487,000 (+65%). This change is mainly due to the following combined effects:

- i. profit for the year amounting to EUR 7,080,000;
- ii. distribution of dividends in the amount of EUR 1,900,000.

Provisions for liabilities and charges

The breakdown of the provisions for liabilities and charges and the changes from 31 December 2022 to 31 December 2023 are detailed below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
For pensions and similar obligations	218	79	140	178%
For probable taxes	117	117	0	0%
For deferred taxes	280	384	(104)	(27%)
Provision for risks and charges	615	579	36	6%

The Group's provision for risks and charges as of 31 December 2023 amounted to EUR 615 thousand, compared to EUR 579,000 as of 31 December 2022, showing an increase of EUR 36,000 (+6%). As of 31 December 2023, the provision for risks and charges consisted of the provision for deferred taxes amounting to EUR 280,000 (EUR 384,000 as of 31 December 2022), the provision for pensions and similar obligations amounting to EUR 218,000 (EUR 79,000 as of 31 December 2022) and the provision for probable taxes amounting to EUR 117,000 (EUR 117,000 as of 31 December 2022).

The provision for deferred taxes mainly includes the residual amount (amounting to EUR 273,000 as of 31 December 2023) of the value recorded in the 2021 financial year following the decision of the Parent Company to revoke the – for tax purposes only – step-up of the trademark revaluation carried out in 2020 pursuant to Article 110 of Decree-Law No. 104 of 14 August 2020. The recognition of deferred taxes was therefore carried out to the extent of the difference between the carrying amount of the trademark (revalued) and the tax-recognised value, with a corresponding entry to the Shareholders' Equity Reserve "Trademark Revaluation Decree-Law 104-2020". In subsequent years, the reduction of the deferred tax provision thus constituted, due to the amortisation of the trademark, is recognised in the Income Statement.

The provision for pensions and similar obligations amounted to EUR 218,000, compared to EUR 79,000 as of 31 December 2022. This change is attributable to the allocation of the portion pertaining to the Parent Company's Directors for 2023. This item also includes amounts payable to supplementary pension funds.

The provision for probable taxes includes provisions made by the Parent Company in previous years for ongoing tax disputes, based on the opinions of appointed tax advisors.

Severance indemnities

As of 31 December 2023, severance indemnities (TFR) amounted to EUR 570 thousand, compared to EUR 467,000 as of 31 December 2022, showing an increase of EUR 103,000 (22%), due to the combined effect of provisions amounting to EUR 195,000 and utilisations, payments to other funds and withholdings on revaluation totalling EUR 92,000.

Payables

The breakdown of the Group's payables as of 31 December 2023 and 31 December 2022 is shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
4) Payables to banks	23,505	22,016	1,489	7%
5) Payables to other Lenders	72	352	(280)	(80%)
6) Payments on account	0	0	0	0%
7) Trade payables	6,369	5,651	718	13%
12) Tax payables	2,405	564	1,841	326%
13) Payables to pension and social security institutions	230	144	86	60%
14) Other payables	509	408	101	25%
Total Payables	33,089	29,134	3,954	14%

With regard to items 4) Payables to banks and 5) Payables to other lenders, please refer to Paragraph 3.2.2.4 Net Financial Debt.

The change between 31 December 2022 and 31 December 2023 in trade payables was EUR 718,000 (+13%) in correlation with the growth in volumes processed and sold, given also the slight reduction in average payment terms. The latter (calculated as the ratio between (i) trade payables as of the consolidated financial statement reference date and (ii) the sum of costs for raw materials, supplies, consumables, goods, changes in inventory, service costs, costs for the use of third-party assets, and capex as of the reference date from the consolidated financial statement, multiplied by 365) were 56 days as of 31 December 2022 compared to 47 days as of 31 December 2023.

A breakdown of the Group's trade payables as of 31 December 2023 and 31 December 2022 is shown below:

<i>(Valori in migliaia di euro e in percentuale)</i>	Al 31 dicembre		Variazione	
	2023	2022	2023 vs 2022	2023 vs 2022 %
Debiti verso fornitori Italia	2.573	2.434	139	6%
Debiti verso fornitori UE	2.353	2.200	153	7%
Debiti verso fornitori Extra UE	1.443	1.017	426	42%
Totale Debiti verso fornitori	6.369	5.651	718	13%

As of the Admission Document Date, as well as of 31 December 2023 and 31 December 2022, no actions, injunctions or suspensions of supplies have been taken by the Group's suppliers. In addition, there are no positions due beyond 12 months or for which the Group has renegotiated contractual maturities.

The detailed schedule of liabilities (net of items 4) Payables to banks, 5) Payables to other lenders, and 7) Trade payables) and the changes from 31 December 2022 to 31 December 2023 are provided below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %

			2022	2022 %
Taxes payable for the year	2,204	446	1,758	394%
Irpef payables	194	96	99	103%
Other tax payables	7	22	(16)	(70%)
Payables to Social Security Institutions	230	144	86	60%
Other payables	509	408	101	25%
Total Other liabilities	3,144	1,116	2,028	182%

Other Group liabilities as of 31 December 2023 amounted to EUR 3,144,000 compared to EUR 1,116,000 as of 31 December 2022, showing an increase of EUR 2,028,000 (+182%). This change is mainly due to the increase of EUR 1,758,000 in current tax payables for the year, due to the higher pre-tax result achieved in the year 2023.

Accrued expenses and deferred income

Accrued expenses and deferred income as of 31 December 2023 amounted to EUR 1,013 thousand, of which deferred income amounted to EUR 920 thousand, compared to EUR 1,028,000 as of 31 December 2022, of which deferred income amounted to EUR 988,000. Overall, the item decreases by 2% between 2022 and 2023. The deferred liabilities as of 31 December 2023 relate to various tax receivables on investments, which are released to the income statement on an accrual basis according to the useful life of the related assets. These mainly include the tax receivable for investments in the south (so-called "CIM") amounting to EUR 627,000 as of 31 December 2023 and the "Industry 4.0" tax receivable amounting to EUR 153,000.

3.2.2.4 Net financial debt

The following table shows the composition of Financial Indebtedness as of 31 December 2023 and 31 December 2022, presented in accordance with ESMA Guidelines 32-382-1138 on disclosure requirements under EU Regulation 2017/1129 published on 4 March 2021.

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December		Change	
	2023	2022	2023 vs 2022	2023 vs 2022 %
A. Cash and cash equivalents	8,499	6,025	2,474	41%
B. Cash equivalents	0	0	0	0%
C. Other current financial assets	0	0	0	0%
D. Liquidity (A + B + C)	8,499	6,025	2,474	41%
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	6,288	5,672	616	0%
F. Current portion of non-current financial debt	12,383	10,867	1,515	14%
G. Current financial debt (E + F)	18,671	16,539	2,131	13%
H. Net current financial debt (G - D)	10,172	10,514	(342)	(3%)
I. Non-current financial debt (excluding current portion and debt instruments)	4,906	5,828	(923)	(16%)
J. Debt instruments	0	0	0	0%
K. Non-current trade and other payables (K)	0	0	0	0%
L. Non-current financial debt (I + J + K)	4,906	5,828	(923)	(16%)
M. Total financial indebtedness (H + L)	15,077	16,343	(1,265)	(8%)

As of 31 December 2023, Financial Indebtedness was EUR 15,077 thousand, compared to EUR 16,343,000 at 31 December 2022, an increase of Euro 1,265,000. This change is mainly due to the combined effect of:

- i. an increase in the item “cash and cash equivalents” of EUR 2,474,000, generated by operating activities and partially offset by the absorption from investing activities;
- i. an increase in current financial indebtedness of EUR 2,131,000 dictated by both the increase in current financial debt due to new bank loans taken out during the year and the increase in the current portion of non-current financial debt;
- ii. a decrease in the item “non-current financial debt” in the amount of EUR 923,000 due to the net repayments made during the year of bank loans.

Cash and cash equivalents (A)

Item “A. Cash and cash equivalents” amounted to EUR 8,499,000 as of 31 December 2023 (Euro 6,025,000 as of 31 December 2022) and included current accounts, bank and postal deposits, and cash on hand.

It should be noted that as of both 31 December 2023 and 31 December 2022, the Group’s cash and cash equivalents were mainly denominated in EUR (respectively, EUR 5,326,000 and EUR 5,485,000) and for the remaining part in US Dollars (respectively, EUR 3,173,000 and EUR 540,000).

Current and non-current financial debt (G + L)

The composition of the Group’s financial debt as of 31 December 2023 and 31 December 2022 is shown below, with an indication of the relevant maturities:

<i>(Values in thousands of EUR)</i>	As of 31 December 2023		As of 31 December 2022	
	Current share	Non-current share	Current share	Non-current share
Bank loans	12,383	4,906	10,867	5,828
Total non-current financial debt (L)	12,383	4,906	10,867	5,828
Advance accounts and bank overdrafts	6,216	0	5,320	0
Advances from factoring companies and other short-term financing	72	0	352	0
Total current financial debt (G)	6,288	0	5,672	0
Total financial debt (G + L)	18,671	4,906	16,539	5,828

Bank loans

The item under review includes both the current and non-current portions of loans granted by banking institutions as well as bank overdrafts.

Financial liabilities are mainly denominated in EUR. With regard to the facility agreements of 31 December 2023 and 31 December 2022, it should be noted that they do not provide for compliance with financial covenants.

As of 31 December 2023, financial liabilities related to bank loans totalled EUR 17,288,000, of which EUR 12,383,000 referred to current financial payables and EUR 4,906,000 to non-current financial payables.

As of 31 December 2022, financial liabilities related to bank loans totalled EUR 16,696,000, of which EUR 10,867,000 referred to current financial payables and EUR 5,828,000 to non-current financial payables.

The increase at 31 December 2023 compared to 31 December 2022, amounting to EUR 592,000, is due to the following factors:

- i. repayment of instalments due in the amount of EUR 18,408,000;
- ii. stipulation of new facility agreements in the amount of EUR 19,000,000.

3.2.3 Selected Group cash flow figures for the years ended 31 December 2023 and 2022

Below are the summary details of cash flows generated and absorbed by operating, investing, and financing activities for the years ending 31 December 2023 and 2022.

The figures are taken from the cash flow statement of the Group's Group financial statements for the year ended 31 December 2023:

<i>(Values in thousands of EUR)</i>	As of 31 December	
	2023	2022
A. Cash flows generated/(absorbed) by operating activities	9,052	1,786
B. Cash flows generated/(absorbed) by investing activities	(5,241)	(350)
C. Cash flows generated/(absorbed) by financing activities	(1,335)	863
Net cash flow for the year (A+B+C)	2,475	2,300
Cash and cash equivalents at the beginning of the year	6,025	3,725
Cash and cash equivalents at the end of the year	8,499	6,025

In the reporting years, the Group's operating activities generated cash on the whole. This trend is strongly influenced by the economic results achieved and the management of net working capital. Please refer to Paragraph 3.2.2 of this Chapter for an analysis of the trend in net working capital.

In the reference years, the cash flows absorbed by investing activities were heavily influenced by investments in tangible assets. This trend is more pronounced in the 2023 financial year, mainly due to the acquisition by the Parent Company of two new industrial properties, located in the municipalities of Pace del Mela (ME) and San Filippo del Mela (ME), to be used respectively for the production of essences and the production of juices. Please refer to Chapter VI, Paragraph 6.7 of this Admission Document for a more detailed analysis of the investments made during the financial years under review.

In the 2023 financial year, the Group's financing activities overall absorbed cash due to the repayment of financial liabilities, compared to the cash generation recorded in the 2022 financial year.

3.3 Alternative performance indicators

In order to facilitate understanding of the Group's economic and financial performance, the Directors have identified a number of alternative *performance* indicators ("**Alternative Performance Indicators**" or "**APIs**"). These indicators are also the tools that facilitate the directors themselves in identifying operational trends and making decisions on investments, resource allocation and other operational decisions.

For a correct interpretation of these APIs, the following should be noted:

- (i) these indicators are constructed solely from historical Group data and are not indicative of the Group's future performance;
- (ii) APIs are not required by the relevant accounting standards ("OIC") and, although they are derived from the Group's Group financial statements, they are not audited;
- (iii) the reading of these APIs must be made in conjunction with the Group's financial information taken from the Group's Group financial statements for the year ended 31 December 2023 presented in the Annexes to this Admission Document;
- (iv) the definitions of the indicators used by the Group, as they do not derive from the reference accounting standards, may not be consistent with those adopted by other Groups and therefore may not be comparable with them;
- (v) the APIs used by the Group are consistently and uniformly defined and presented for all periods for which financial information is included in this Admission Document.

The APIs used by the Group's management to monitor the operating performance of the business as of 31 December 2023 and 2022 are shown in the table below:

<i>(Values in thousands of EUR and in percentage)</i>	Notes	As of 31 December	
		2023	2022
First margin	(1)	25,119	14,008
EBITDA	(2)	13,009	4,303
EBITDA Margin (%)	(2)	22%	10%
EBIT	(2)	11,392	3,094
EBIT Margin (%)	(2)	19%	7%
Net Operating Working Capital (NOWC)	(3)	19,269	16,437
Net Working Capital (NWC)	(4)	16,343	15,648
Net Invested Capital (NIC)	(5)	29,053	24,830
Net financial debt	(6)	15,077	16,343

Note 1 – First margin

The First Margin is determined as the algebraic sum of revenues from sales and services, costs of raw materials, ancillary materials, consumables and goods, changes in inventories of work-in-progress, semi-finished and finished goods, and changes in inventories of raw materials, ancillary materials, consumables and goods taken from the Group financial statements as of 31 December 2023 and 2022.

The calculation details for the years ended 31 December 2023 and 2022 are shown below:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December				Change	
	2023	% of revenue 2023	2022	% of revenue 2022	2023 vs 2022	2023 vs 2022 %
1) Revenues from sales and services	59,041	100%	41,509	100%	17,532	42%
6) For raw materials, subsidiary materials, consumables and goods	(35,081)	(59%)	(26,169)	(63%)	(8,912)	34%
2) Change in inventories of work in progress semi-finished products	(450)	(1%)	2,578	(6%)	2,128	(83%)
11) Change in stocks of raw, ancillary and consumable materials and goods for resale	1,609	3%	1,246	3%	363	29%
First margin	25,119	43%	14,008	34%	11,111	79%

Note 2 – EBITDA, EBITDA margin, EBIT margin

EBITDA is defined as the sum of the profit for the year, income tax, financial income, financial expenses and depreciation and amortisation taken from the Group financial statements as of 31 December 2023 and 2022.

The EBITDA margin is calculated by the Group as the ratio of EBITDA to revenue from sales and services taken from the Group financial statements as of 31 December 2023 and 2022.

EBIT is defined as the sum of the profit for the year, income tax, financial income and financial expenses taken from the Group financial statements as of 31 December 2023 and 2022.

The EBIT margin is calculated by the Group as the ratio of EBIT to revenue from sales and services taken from the Group financial statements as of 31 December 2023 and 2022.

Below is the reconciliation of the net profit with EBIT and EBITDA for the years ending 31 December 2023 and 2022:

<i>(Values in thousands of EUR and in percentage)</i>	As of 31 December	
	2023	2022
21) Consolidated Profit (Loss) for the Year	7,080	2,081
20) Current, deferred and prepaid income taxes for the financial year	3,083	914
17-bis) Exchange gains and losses	310	(126)
17) Interest and other financial charges	954	236
16) Other financial income	(35)	(11)
EBIT (A)	11,392	3,094
EBIT Margin	19%	7%
10) Amortisation, depreciation and write-downs (B)	1,617	1,209
EBITDA (A + B)	13,009	4,303
EBITDA Margin	22%	10%

Note 3 – Net Operating Working Capital (NOWC)

The Net Operating Working Capital (NOWC) is defined as the sum of Inventories, Trade receivables, and Trade payables, as derived from the Group financial statements as of 31 December 2023 and 2022.

The calculation details for the years ended 31 December 2023 and 2022 are shown below:

<i>(Values in thousands of EUR)</i>	As of 31 December	
	2023	2022
1 – Inventories	16,740	15,270
1) Trade debtors	8,898	6,819
7) Trade payables	(6,369)	(5,651)
Net Operating Working Capital (NOWC)	19,269	16,437

Note 4 – Net Working Capital (NWC)

Net Working Capital (NWC) is defined as the sum of the Net Operating Working Capital (NOWC) as defined above, and Tax Receivables, Deferred Tax Assets, Other Receivables, Accrued Income, Tax Payables, Social Security Payables, Other Payables and Accrued Expenses, taken from the Group Financial Statements as of 31 December 2023 and 2022.

The calculation details for the years ended 31 December 2023 and 2022 are shown below:

<i>(Values in thousands of EUR)</i>	As of 31 December	
	2023	2022
Net Operating Working Capital (NOWC)	19,269	16,437
5-bis) Tax receivables	980	1,049
5-ter) Prepaid tax(es)	82	117
5-quater) Other receivables	80	105
Accrued income and prepaid expenses	88	84
12) Tax payables	(2,405)	(564)
13) Payables to pension and social security institutions	(230)	(144)
14) Other payables	(509)	(408)
E) Accrued liabilities and deferred income	(1,013)	(1,028)
Net Working Capital (NWC)	16,343	15,648

Note 5 – Net Invested Capital (NIC)

Net Invested Capital (NIC) is defined as the sum of Net Working Capital (NWC), as defined above, and Intangible, Tangible and Financial Assets, Severance Indemnities and Provisions for Risks and Charges, taken from the Group Financial Statements at 31 December 2023 and 2022.

The calculation details for the years ended 31 December 2023 and 2022 are shown below:

<i>(Values in thousands of EUR)</i>	As of 31 December	
	2023	2022
I – Intangible fixed assets	1,700	1,921
II – Tangible fixed assets	12,184	8,300
III – Financial fixed assets	11	8
Fixed Assets	13,895	10,228
Net Working Capital (NWC)	16,343	15,648
B) Provisions for risks and charges	(615)	(579)
C) Severance indemnities	(570)	(467)
Net Invested Capital (NIC)	29,053	24,830

Note 6 – Net financial debt

Net financial debt is determined in accordance with the requirements of ESMA Guidelines 32–382–1138 on disclosure requirements under EU Regulation 2017/1129 published on 4 March 2021, as explained in Paragraph 3.2.2.4 of this Chapter.

CHAPTER IV – RISK FACTORS

This Chapter of the Admission Document describes the risk elements relating to the Company and the Group, the business sector in which it operates and the Shares subject to Admission to Trading.

Investing in the Shares involves a high degree of risk.

Accordingly, before deciding to make an investment in the Shares, potential investors are advised to carefully consider the risks described below, which should be read in conjunction with the information contained in the Admission Document including the documents and information incorporated by reference therein.

In order to make a correct assessment of the investment in Shares, investors are invited to evaluate the specific risk factors relating to the Company and the Group, the business sector in which it operates and the financial instruments, together with all the information contained in the Admission Document. The occurrence of any of the circumstances described in any of the following risk factors could adversely affect the business and the economic and financial situation of the Company and the Group, their prospects and the price of the Shares, and shareholders could lose all or part of their investment. These negative effects on the Company, the Group and the Shares could also occur if events, not known to the Company today, were to occur that would expose the Company to further risks or uncertainties, or if risk factors that are not considered significant today were to become so due to circumstances that have arisen. The Company considers the following risks to be relevant for potential investors.

References to Sections, Chapters and Paragraphs refer to Sections, Chapters and Paragraphs of the Admission Document.

A) RISK FACTORS RELATING TO THE ISSUER AND THE GROUP

4.1. RISKS RELATED TO THE ISSUER'S AND THE GROUP'S OPERATIONS AND SECTOR

4.1.1 Risks related to the availability of raw materials and fluctuations in raw material prices same

The occurrence of the events subject to the following risk, which is considered by the Issuer to be of high probability of occurrence, could have significant adverse effects on the Group's economic, equity and financial situation. In consideration of the foregoing, the Issuer estimates that the risk referred to in this Section is of high significance.

The M&S Group uses raw materials such as essences and citrus products for the production of essential oils, aromatic solutions and juices, respectively. With reference to essences and aromatic solutions, procurement is made from a heterogeneity of suppliers located mainly in Italy, Europe, the United States and South America.

With reference, on the other hand, to the production of juices, the M&S Group uses citrus fruits exclusively from Italy.

The availability of the main raw materials (essential oils and citrus fruits) can undergo significant fluctuations due to various factors that are only partially controllable by the Company, including, for example, diseases that can affect citrus fruit (including greening). Therefore, the scarce availability of raw materials could lead to fluctuations in raw material prices.

The incidence of the Group's costs for raw materials, consumables and goods and their variation, for the periods ended 31 December 2023 and 31 December 2022, is 57% and 67%, respectively.

The exposure to the risk related to commodity price fluctuations is not systematically hedged.

Therefore, it cannot be ruled out that a lack of availability of raw materials that causes an abnormal or particularly protracted increase in the costs of the main raw materials could have a negative impact on the economic situation, financial position of the Group if appropriate prevention policies are not adopted. prevention policies are not adopted.

Risks related to the failure of Group companies to fulfil contractual commitments regarding delivery times and product quality

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

Failure to meet contractual commitments regarding delivery times and product quality could adversely affect the performance of contracts in which the Group is involved.

Should unexpected problems occur in the different stages of raw material selection, processing and extraction, or should there not be complete compliance with quality standards or customer requirements, this may lead to cost increases, delays in delivery, the payment of contractual penalties or damages and/or the cancellation of contracts and/or the activation of guarantees in favour of the customer (such as, among other things, the customer's right to refuse the delivery of products that do not comply with the requests made or the right to request their replacement), with negative effects on the Group's economic and financial situation and image.

As a consequence of the termination of contracts due to non-compliance, in which Group companies are involved, the number of customers could decrease. In such circumstances, the Group would be required to identify new customers or acquire replacement orders to maintain its order book. If, in the event of termination, the Group is unable to find other customers or if the selling price to alternative customers is lower, there could be negative effects on the Group's business as well as on its economic, financial and balance sheet situation.

As of the Admission Document Date, the Group companies have not been involved in proceedings or transactions related to compensation claims for damages caused by failure to meet contractual commitments regarding delivery times or product quality that have had significant repercussions on the Group's business, economic, financial, and balance sheet situation. In light of the above, the Group has not ever been subject to the activation of contractual safeguards to guarantee its counterparties or to the application of penalties of a significant amount in relation to non-compliance with the delivery date. delivery date, nor have there been any cases of early termination of contractual relationships.

However, if in the future the Group is unable to always meet these commitments accurately and promptly, it could have negative repercussions on the Issuer's and the Group's business, as well as on their economic, financial, and balance sheet situation.

Finally, it should be noted that, as of the Admission Document Date, the production capacity of M&S Group is subject to logistical limitations within the Furci Siculo (ME) and S. Teresa di Riva (ME) plants.

In view of this situation, should the number of orders increase significantly in a short period of time, this could make it very difficult for M&S Group to fulfil the orders in the required timeframe.

4.1.2 Product liability risks

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

The Group, in line with other operators in the sectors in which it operates, is exposed to the risk of product liability actions.

The Group is exposed to warranty claims as well as risks related to compensation for damages arising from the marketing of its essential oils and juices, and to potential costs of recall campaigns for products affected by possible disputes.

Although the Group pays the utmost attention to the quality and safety of its production processes in order to contain the above-mentioned risks, it cannot be excluded that, for any reason (even exogenous to the Group), products may fail to meet production quality standards and, therefore, product liability actions may be brought, which could result in significant compensation obligations or trigger recall campaigns for product batches, leading to substantial costs. Such circumstances could be detrimental to the Group's image and reputation, as well as having a negative impact on the business and prospects, as well as on the economic, asset and/or financial situation of the Issuer and the Group. This could result in the possible loss of customers deemed also strategic for the Group.

It should be noted that, as of the Admission Document Date, M&S Group has never been involved in disputes concerning product liability damages.

M&S Group also took out insurance policies to protect itself against product liability risks. In particular, as of the Admission Document Date, M&S Group has an insurance policy relating to product liability (damages) with an aggregate annual limit of EUR 2,000,000.00 and an insurance policy relating to product liability (recall) with an aggregate annual limit of EUR 1,000,000.00.

However, insurance coverage may prove insufficient to meet claims in the event of certain particularly significant events, for compensation of product liability damages against the Issuer or Group companies. The occurrence of the above-mentioned circumstances could have an adverse effect on the Issuer's and the Group's business, as well as on their economic, financial, and balance sheet situation.

4.1.3 Risks relating to the operation of industrial plants

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a medium probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

As of the Admission Document Date, the Group operates through two industrial plants located in Sicily and a storage and processing warehouse located in the United States, specifically, in the state of Pennsylvania.

M&S Group, therefore, is exposed to the risk of interruption of production activities in one or more of its plants due to, for example, equipment failures and malfunctions, revocation or contestation of permits and licences by the relevant public authorities, fires, explosions, severe weather conditions and other natural disasters, civil unrest, workplace accidents, industrial accidents, and non-compliance with regulations on hygiene, health, safety, and environmental protection. This includes the need to comply with these regulations and protocols concluded with local authorities or the results of their inspections, or other reasons for interruption of the production process in the plants or within its supply chain, both with respect to customers and suppliers. Additionally, with particular reference to the production plant located in Furci Siculo (ME), since it is situated within a highly touristy area, it should be noted that the operation of this plant is subject to significant reductions during the summer period.

The Group's current insurance policies may not be sufficient to cover damages generated by any interruptions in activity at the industrial plants, ascribable to circumstances even beyond the Group's control with a consequent negative effect on the Group's operations and its economic, financial, and balance sheet situation. The restoration of plants following such events could result in increased costs, potential losses, and the need to alter the Group's investment plan. Furthermore, malfunctions or service interruptions in the plants could expose the Group to legal proceedings, which, if unfavourable, could result in compensation obligations.

The occurrence of such events could entail significant costs for the Group, delay or even halt the Group's production, and consequently affect the delivery of products. Additionally, it might be necessary to temporarily relocate operations to another facility, incurring considerable costs and with the possibility that the structures identified do not respond in any case to the Group's needs.

4.1.4 Risks associated with customer concentration

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

The Group's revenues are concentrated on a moderate number of customers. As of 31 December 2023 and 31 December 2022, the top customer, the top 5 customers, and the top 10 customers of the Group represented, respectively, for 2023: 25.6%, 54.1%, and 67.5%, and for 2022: 19.1%, 46.8%, and 58.7% of the Group's consolidated revenues.

Any termination of the current agreements between M&S Group and one or more of its major customers would result in a significant loss of sales volumes and revenues. In this regard, it should be noted that the Issuer's customer base is composed of a small number of major international flavouring manufacturers worldwide, therefore, any termination of existing relationships with these entities could result in the impossibility of replacing them.

Additionally, the Group is exposed to the risk of delays in receiving orders and the related delays in customer payments, which could have negative effects on the economic results and the consistency of incoming cash flows during the financial year.

The failure to expand the Group's customer base, the inability to reach commercial agreements similar to those in place, and the possible failure to increase sales volumes and revenues in the next few years could have negative effects on the Group's business as well as on its economic, financial and balance sheet situation.

4.1.5 Risks associated with customer relations

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

The Group's activities are typically characterised by long-term relationships with large companies that are leaders in their respective sectors.

The Group's operations with its customers are not characterised by long-term contracts but by framework agreements that provide for the supply (via individual orders) of one or more products with technical specifications requested by the customer, which are fulfilled upon delivery of the product each time.

In light of the above—although the Issuer has established long-term relationships with its customers and believes it is not easily replaceable by other market players—there is no contractual obligation on the part of the customers towards the Group. Therefore, they could potentially prefer other supplies to the same in the future.

Additionally, the framework agreements with customers require M&S Group, among other things, to indemnify and hold the customer harmless from potential liabilities and/or third-party claims caused by product defects as well as in cases of disputes, damages, losses, and expenses arising from violations of third-party intellectual property rights. Generally, these agreements do not specify maximum amounts for such indemnity and hold-harmless obligations.

In light of the above, the Group is exposed to the risk that customers may not execute the framework agreements by placing orders, may not place orders at all, or may place orders for quantities lower than the Group's expectations. This could have negative impacts on the Group's activity planning as well as on its economic, financial, and balance sheet situation.

4.1.6 Risks related to non-implementation or delayed implementation of development strategies and future programmes

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

The Group's ability to achieve its growth and development objectives and the estimated profitability levels primarily depends on the successful implementation of its strategy, aimed at consolidating the Group's competitive positioning as a strategic and preferred producer of citrus essences.

This strategy is based on three guidelines:

- (i) organic growth implemented on the one hand by meeting the needs of customers who require larger volumes of product, and on the other hand through the entrance into new markets such as perfumery and personal care and/or operating in new target countries such as, for example, India or the Gulf countries;
- (ii) the productive and logistical efficiency of the Company implemented through (a) the construction of new production plants, the investments of which are currently underway (the new plant in Pace del Mela for the production of essences and solutions aromatic solutions, new factory in San Filippo del Mela for the production of juices) as well as (b) the continuous improvement of internal efficiency to guarantee a high quality service and to increase margins; and
- (iii) growth by external lines implemented through the implementation of possible extraordinary transactions functional to the acquisition of producers of non-citrus extracts (*i.e.*, horizontal integration) or through the implementation of possible extraordinary transactions functional to the acquisition of players operating in the value chain of M&S Group, such as, for example, producers of flavours or fragrances, etc. (*i.e.*, vertical integration); and

The first two guidelines are developed within the business plan approved by the Board of Directors on 1st July 2024, covering the period from 2024 to 2028. This plan is based on some discretionary assumptions, some of which beyond the control of the Issuer and the Group or, in any case, refer to events not entirely dependent on the will of the Issuer or the Group itself.

Due to the uncertainty associated with the realisation of any future event, both concerning the occurrence of the event and regarding the extent and timing of its manifestation, the deviation between actual data and the forecasted values could be significant, even if the events envisaged in the hypothetical assumptions were to occur.

Therefore, in case of non-fulfilment or partial realisation of the business plan or some of the actions foreseen therein to the extent and within the times proposed, the Group's ability to increase its revenues and profitability could be impaired, and deviations, even significant ones, from the formulated forecasts could occur.

Regarding production efficiency through the construction of new production plants located, respectively, in Pace del Mela (ME) and in San Filippo del Mela (ME), delays in the realisation and transfer of M&S Group's activities to these plants could have negative repercussions on the Issuer's and the Group's business, as well as on their economic, financial, and balance sheet situation.

As for the external growth strategy, the actual implementation of acquisition transactions of equity interests or companies, or corporate aggregation, will depend on the opportunities that arise in the market from time to time and on the possibility of carrying them out under satisfactory conditions. Such transactions may present certain issues, such as delays in their implementation or difficulties in integration processes, unexpected costs and liabilities, or the potential inability to achieve the anticipated operational benefits or synergies, as well as the loss of qualified personnel.

Moreover, the Group – in executing such transactions and, therefore, in pursuing the external growth strategy – will be exposed to the risk arising from potential liabilities inherent in the investment object. Additionally, to effectively ensure the expected growth levels, the Issuer will need to make the necessary investments and continue to improve and expand its systems and infrastructures promptly and efficiently.

In light of the foregoing, the occurrence of the above-mentioned circumstances could have an adverse effect on the Issuer's and the Group's business, as well as on their economic, financial, and balance sheet situation.

4.1.8 Risks related to the Group's trade secrets

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

In carrying out its activities and providing services to its clients, the Issuer relies on proprietary know-how and solutions for composing essences owned by the Issuer itself.

Such proprietary solutions and know-how as well as trade secrets could be subject to infringement by the Issuer's employees and/or consultants as a result of accidental or illegal activities, which might not be detected and inhibited in a timely manner.

Although the Issuer believes it has implemented appropriate measures to protect these proprietary solutions, such as signing confidentiality agreements with its employees, it cannot be assured that it will be able to adequately protect its trade secrets and prevent their disclosure by third parties in the future, especially considering that as at the Date of Admission Document Admission Document, the Issuer has not applied for any patents for any of the proprietary solutions produced by the Group.

The Issuer may also be forced to take legal action against parties whose activities violate its know-how or engage in unfair competition against the Issuer, resulting in the need to bear the costs associated with initiating and conducting related proceedings, legal expenses, and potential damage compensation.

Such disputes could result in the need to settle or pay the aforementioned fair compensation or to initiate or participate in disputes and/or proceedings, which could lead to unforeseen costs for the Issuer (including legal expenses and damage compensation) and/or injunctions.

4.1.9 Risks related to macroeconomic trends and uncertainties in the economic and political environment in Italy, Europe and globally

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a medium probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

In recent years, the macroeconomic environment has been characterised by high uncertainty.

Geopolitical tensions related to the war between the Russian Federation and Ukraine have led national and supranational authorities to impose particularly severe economic and financial sanctions on the Russian Federation, which, in turn, has taken retaliatory measures against other nations, including many located in the Eurozone. Furthermore, these tensions have also led to a significant increase in the cost of some raw materials, with substantial inflationary impacts and effects on the growth of countries in the European Economic Area and the progressive increase in interest rates by the Central Banks of the world's major economies, impacting banking systems and costs of facilities for individuals and businesses.

The ongoing conflict between Ukraine and the Russian Federation, as well as the maintenance or introduction of new sanctions or restrictive measures against the Russian Federation, along with further actions taken by the latter, could lead to an economic recession.

On 7 October 2023, Hamas, with the support of other Palestinian militant groups, launched a military offensive against the State of Israel, thus initiating a new phase in the Israeli–Palestinian war and increasing tensions in the Middle East region. Although this conflict had no repercussions on the Group's business as at the Admission Document Date, it cannot be ruled out that the prolongation and extension to other regions of the effects of the aforementioned conflict could jeopardise the Group's internalisation path.

It is also not possible to rule out potential future revenue reductions resulting from the occurrence and/or persistence of economic recession phenomena.

Given the growing uncertainties related to the geopolitical and macroeconomic situation, most of the impacts of the above situations and their economic consequences are not entirely predictable. A further slowdown in the national economic recovery or a recession caused by the war in Ukraine or the armed conflict between the state of Israel and Hamas, and the related international tensions with a negative macroeconomic impact, could result in a lower demand for the services offered by the Group, an increase in logistics costs, and the interest rates applicable to the Group's financing, with an adverse effect on the Issuer's and the Group's business, as well as on their economic, financial, and balance sheet situation.

4.2 RISK FACTORS RELATING TO THE REGULATORY FRAMEWORK

4.2.1 Risks related to applicable environmental and labour legislation

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of low significance.

The Group operates in the industrial sector and is therefore subject to laws and regulations concerning the environment, health and safety in the workplace and protection of workers, applicable within establishments where production activities are carried out. Any violations of the applicable regulations in these areas could result in limitations on the Group's activities, the imposition of sanctions, and/or substantial compensation of damages.

In this regard, it should be noted that the Issuer has obtained ISO 14001 certification for environmental aspects.

The Group monitors all developments in environmental legislation to ensure full compliance with the provisions of the Environmental Code (Legislative Decree No. 152/2006). The mechanisms to ensure the Group's constant alignment with the applicable legislation are: (i) the expertise of the technical managers of each business line for continuous monitoring of legislative and regulatory changes; (ii) periodic control activities (external and internal audits and checks under Legislative Decree no. 231/2001); (iii) internal audits conducted by the aforementioned technical managers; (iv) maintaining specific authorisations and certifications over time, the latter also considered a functional tool for precise alignment with the regulations.

As anticipated, the Group is required to comply with laws and regulations in the field of health and safety at work (*e.g.*, Legislative Decree No. 81 of 2008) aimed at preventing accidents and mapping and managing risks. To this end, the Group has adopted policies and procedures to comply with regulatory requirements; occupational health, safety and hygiene requirements are kept under control through continuous updating and the performance of legally required checks.

The Issuer is also obliged to comply with labour legislation, including, but not limited to, that concerning the proper use and disposal of holiday days, overtime work and working hours, compulsory hiring pursuant to Law No. 68/1999, proper implementation of non-compete agreements and probationary agreements with current personnel, and fixed-term employment contracts. In addition, as at the Admission Document Date, the Issuer has relations with 4 self-employed workers, for the purpose, *inter alia*, of performing technical, legal and IT consultancy activities.

Although these consultancy relationships existing as at the Date of the Admission Document are long-standing and consolidated, it is not possible to exclude the risk that in the future the self-employed may make claims regarding the requalification of the employment relationship on the basis of the current legal and regulatory provisions and certain legal guidelines, with consequent negative effects on the Issuer's economic and financial situation and assets.

In the event of non-compliance with environmental, health and safety, or labour laws and regulations, the Group could be subject to fines, penalties, and/or sanctions, which could be significant, and consequently lose the relevant certifications obtained. Should one or more of the aforementioned events occur, and the insurance policies taken out by the Group prove not to be sufficient and/or activated for any reason, the Issuer could be forced to bear unexpected costs and expenses, potentially substantial. Such events could result in legal disputes, with significant compensation claims, in addition to possible damage to the company's reputation.

As of the Admission Document Date, the Issuer has in place insurance policies with leading insurance companies, in line with market practice, that protect the Group from the risk of incurring costs arising from potential violations of the aforementioned regulations and/or from workplace accidents. The Issuer considers the limits of these insurance policies to be adequate.

Notwithstanding the foregoing, the occurrence of such events in the future could have adverse effects on the Group's business, prospects, and economic, financial, and balance sheet situation, also considering that the policy limits might be insufficient.

For more information, please refer to Chapter VIII of the Admission Document.

4.2.2 Risks related to tax legislation and the application of transfer pricing regulations

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a medium probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

The Group believes that it has diligently applied tax and fiscal regulations. However, tax and fiscal legislation, as well as its interpretation, are particularly complex elements, also due to the continuous evolution of the regulations themselves and their interpretation by the relevant administrative and judicial bodies. This circumstance means that it cannot be ruled out that the competent tax authorities or the courts might in the future adopt interpretations or positions different from those of the Group, with possible negative consequences on the Group's economic, financial, and balance sheet situation.

In this context, considering the international activities conducted by the Group's companies, transfer pricing rules represent one of the most critical areas. In particular, regarding the application of intra-group transfer pricing regulations, although the Issuer believes that these have been correctly applied, it cannot be excluded that the tax authorities of the countries in which the Group companies operate might not agree with the criteria for applying the methodological approach adopted, which are generally characterised by high subjectivity, as recognised by the relevant international practice (OECD Guidelines), and might raise objections that could have a negative effect on the Group's economic, financial, and balance sheet situation in terms of double taxation.

In this regard, it should be noted that on 6 March 2024, the Economic and Financial Police Unit of Messina initiated activities aimed at verifying the regular fulfilment of the Group's obligations concerning VAT, income taxes, and IRAP for the tax years 2022, 2023, and, as far as it concerns, 2024. As of the Admission Document Date, these activities are still ongoing, and although the Company does not believe that significant issues will emerge from them, it cannot be excluded that, as a result of the aforementioned inspection, significant sanctions may be imposed on the Group and that tax disputes may arise.

4.3 RISKS RELATED TO CORPORATE GOVERNANCE

4.3.1 Risks associated with related party transactions

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of low significance.

The Group has had and has as of the Date of the Admission Document, commercial relationships with Related Parties, identified in accordance with Article 2426, paragraph 2, of the Italian Civil Code, which refers for this purpose to international accounting standards adopted by the European Union, and, consequently, to IAS 24 "Related Party Disclosures".

The description of the transactions with related parties concluded by the Issuer in the financial years ending 31 December 2023 and 31 December 2022 is provided in Section One, Chapter XV, of the Admission Document.

As of the Admission Document Date, the Group believes that the conditions set and actually practised regarding relationships with Related Parties are in line with normal market conditions. However, there is no guarantee that if such transactions had been concluded between or with non-related parties, they would have negotiated and stipulated the related contracts, or carried out the transactions governed by them, under the same conditions and in the same manner.

It should also be noted that on 3 May 2024, the Company's administrative body approved the adoption, effective upon the commencement of the Company's trading on EGM, of the procedure for managing related party transactions in compliance with the applicable legal and regulatory provisions.

4.3.2 Risks related to dependence on top management figures, key personnel and qualified personnel

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of high significance.

The activities of M&S Group significantly depend on the work performed by certain top management figures within the Group as well as its qualified personnel who possess high technical and professional skills and, in some cases, extensive experience in the sectors in which M&S Group operates.

Similarly, the development of the Group's activities depends on its ability to attract and retain qualified personnel with a high level of expertise and knowledge of the sectors in which it operates. The termination of employment relationships with such top management figures, the inability to attract and retain highly qualified personnel and competent management, or to integrate the organisational structure with individuals capable of managing the Group's growth could, at least temporarily, reduce the Group's competitive capacity, affect the expected growth objectives, and have adverse effects on the Group's business, prospects, and economic, financial, and balance sheet situation.

With reference to the Issuer's top management figures, in particular, it should be noted that the Issuer's Chairman of the Board of Directors and Chief Executive Officer Antonio Stracuzzi, as well as the Chief Executive Officers Emanuela Stracuzzi and Diego Stracuzzi and the *chief financial officer* Giuseppe Trusso have contributed significantly to the realisation of M&S Group's development process and as at the Admission Document Date play a central role in its management.

Should the professional relationship between the Group and one or more of its key figures with strategic responsibilities be interrupted for any reason whatsoever, there can be no guarantee that the Group will be able to replace them in a timely manner with equally qualified persons capable of ensuring the same operational and professional contribution in the short term, with consequent negative effects on the Issuer's and the Group's business, economic, financial, and balance sheet situation, in light of the importance of the professional contribution of such persons for the Group's business.

4.3.3 Risks related to the administrative liability of entities pursuant to Legislative Decree No. 231/2001

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of low significance.

As of the Admission Document Date, the Issuer has adopted an organisation and management model pursuant to Legislative Decree No. 231 /2001 in order to create suitable rules to prevent the adoption of unlawful conduct by top management, managers or persons with decision-making powers.

However, the adoption and constant updating of the organisation, management, and control models would not, by itself, preclude the applicability of the sanctions provided for in Legislative Decree 231/2001. Legislative Decree 231/2001 ("**Decree 231**") provides for the administrative liability of entities as a consequence of certain offences committed by directors, managers and employees in the interest and to the advantage of the entity. However, this legislation provides that the entity is exempt from such liability if it demonstrates that it has adopted and effectively implemented an organisation, management, and control model ("**Model 231**") capable of preventing the commission of the criminal offences considered by Decree 231 and has appointed an independent body or officer, such as a Supervisory Body, to oversee this Model 231. In fact, in the event of an offence, both the models and their actual implementation are subject to review by the Judicial Authority. If the authority deems the models adopted inadequate to prevent offences of the type that occurred, or if the appointed body fails to comply, the Issuer could be subject to sanctions.

Any conviction and sanction imposed on the Issuer could cause reputational damage, with possible negative effects on the Group's business and prospects, as well as on its economic, financial, and balance sheet situation.

Should the Issuer's administrative liability be definitively established, in addition to the consequent application of the relevant sanctions, it is also possible that negative repercussions on the Issuer's reputation and operations may occur.

4.3.4 Risks associated with the governance system and the deferred application of certain statutory provisions

The Issuer has introduced a governance system in its Articles of Association that complies with the provisions of Article 6-bis of the EGM Issuers' Regulation, and is also inspired by some of the principles established in the Consolidated Law on Finance, aimed at protecting minority shareholders.

However, it should be noted that the current management and control bodies of the Company have not been elected based on the list voting mechanism provided by the Articles of Association, which will come into force on the date of the admission decision issued by Borsa Italiana.

Therefore, the appointment mechanisms to protect minorities will only apply on the date of expiration of the current management and control bodies, which will occur upon approval of the financial statements for the year ending 31 December 2026. During the period between the Admission Date and the renewal date of each of the corporate bodies, both the Board of Directors

and the Board of Statutory Auditors will be representative of the shareholders' meeting composed of the sole shareholder as of the Admission Document Date.

4.3.5 Risks associated with potential conflicts of interest of certain directors

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of low significance.

Some members of the Board of Directors may find themselves in situations of potential conflict of interest with the Issuer due to their direct and/or indirect ownership of shares in the Issuer's share capital or due to collaboration relationships with the Company, or because they are directors and/or shareholders of companies linked to the Issuer.

It should be noted that, as of the Admission Document Date, the Chairman and CEO Antonio Stracuzzi and the CEOs Emanuela Stracuzzi and Diego Stracuzzi each hold 33.3% of Stracuzzi Holding, the controlling shareholder of the Issuer. Furthermore, it should be noted that the CEO of the Issuer, Diego Stracuzzi, also serves as the sole director of Stracuzzi Holding, the controlling shareholder of the Issuer.

Due to these circumstances, decisions may be made that present a potential conflict of interest, possibly having adverse effects on the Issuer's economic, financial, and balance sheet situation.

For further information, please refer to Section One, Chapter XI, Paragraph 11.2 of the Admission Document, and for more information on the Issuer's shareholder composition, please refer to Section One, Chapter XIV of the Admission Document.

4.4 RISKS RELATED TO THE RISK MANAGEMENT AND CONTROL SYSTEM

4.4.1 Risks associated with the reporting system

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of low significance.

As of the Admission Document Date, the Group has adopted a management control system characterised by data collection and processing procedures that are not fully automated, as well as characterised by processes and procedures that are not fully formalised, which will require development interventions consistent with the growth of the Group.

In particular, the evolution of certain risk factors that could compromise the Group's operations might not be detected promptly.

As of the Admission Document Date, the Group has initiated a project aimed at identifying and implementing improvements to the reporting system, to be completed within six months from the Admission Date, through its progressive integration and automation, thereby reducing the risk of error and increasing the timeliness of information as well as through the formalisation of procedures.

The Issuer believes that, considering the Group's activities as of the Admission Document Date, the current reporting system is adequate for the size and business activities and allows for proper monitoring of revenues and margins for the main analysis dimensions so that the managing body can form an appropriate and reasonable judgement regarding the Group's prospects.

4.5 RISKS RELATING TO THE FINANCIAL SITUATION OF THE ISSUER AND THE GROUP

4.5.1 Risks relating to financial debt

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a medium probability of occurrence, could have significant adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

As of 31 December 2023 and 31 December 2022, the Group's net financial debt amounted to EUR 15.077 million and EUR 16.343 million, respectively. Should the relevant lending institutions decide to revoke the existing facility lines, this could potentially have a negative effect on the Issuer's and the Group's economic, financial, and balance sheet situation.

It should also be noted that some of the financial contracts in place for the Issuer include financial covenants, clauses that limit the distribution of dividends, so-called negative pledge clauses, and change of control clauses. Given the above, non-compliance by the Issuer with the obligations under the existing facility agreements, could result in a default event, giving the lender and/or noteholder the right to declare all amounts borrowed as immediately due and payable (together with accrued and unpaid interest) and to revoke any commitments to provide further financing, with substantial negative effects on the Issuer's and the Group's business, financial situation, and operational results or prospects.

Additionally, any worsening of the economic terms of new financing compared to those currently applicable and/or any future reduction in the credit capacity with the banking system could limit the Group's growth capability and ultimately have negative effects on its business, operating results, and financial condition.

Therefore, the occurrence of the above-mentioned circumstances could have an adverse effect on the Issuer's and the Group's business, as well as on their economic, financial, and balance sheet situation.

For further information, please refer to Section One, Chapter III and XVII, of the Admission Document.

4.5.2 Risks related to the inclusion of unaudited data and alternative performance indicators in the Admission Document

The Admission Document contains certain Alternative Performance Indicators identified by the Issuer to facilitate a better assessment of historical and prospective economic performance, as well as the Group's financial and balance sheet situation. The Issuer is exposed to the risk that the Alternative Performance Indicators ("APIs") used may prove to be inaccurate or inefficient. In fact, since APIs are not measures regulated by International Accounting Standards and are not subject to audit, the criteria for their determination by the Group may not be consistent with those adopted by

other corporate groups. Therefore, the Group's APIs may not be comparable with those potentially presented by such groups.

These indicators are also the tools that facilitate the directors themselves in identifying operational trends and making decisions on investments, resource allocation and other operational decisions. Regarding the interpretation of these APIs, attention is drawn to the fact that the same:

- they are constructed exclusively from the Group's historical and prospective data and are comparable, as there have been no changes in calculation methods in the accounting periods under review; it should also be noted that they are not indicative of the expected performance of the current or future financial years;
- they are not required by Italian Accounting Standards and, although derived from the Group's Group financial statements, are not subject to audit;
- they should not be considered substitutes for the indicators required by the relevant accounting principles (Italian Accounting Standards);
- the definitions of the indicators used, as they are not derived from the relevant accounting principles, may not be consistent with those adopted by other competitor companies/groups and therefore may not be comparable;
- are consistently and uniformly defined and presented for all periods for which financial information is included in the Admission Document.

Therefore, an investor's examination of the Issuer's APIs carried out without considering the above issues could lead to an incorrect assessment of the Company's economic, financial, and balance sheet situation, resulting in erroneous, inappropriate, or unsuitable investment decisions for that investor. Investors are therefore advised that there is a risk of deviation in the definition of APIs compared to those determined by other companies, including competitors, and that the APIs may prove to be inaccurate or inefficient for the informational purposes for which they are prepared.

For further information, please refer to Section One, Chapter III of the Admission Document.

4.5.3 Risks related to interest rate fluctuations

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a medium probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of low significance.

As of 31 December 2023 and 31 December 2022, variable-rate payables represented 89% and 69%, respectively, of bank borrowings.

The Group relies on various external sources of financing, obtaining both short-term and medium to long-term facilities, and is therefore subject to the cost of money and interest rate volatility, particularly with reference to contracts that provide for variable interest rates. These do not allow for precise prediction of the debt amount in terms of interest over the facility period.

When entering into variable-rate facilities, mainly related to medium-term financing transactions, M&S Group considers case by case if managing the risk of interest rate fluctuations through hedging

operations (in particular, through swaps, collars, and caps), with the aim of minimising potential losses related to interest rate fluctuations.

Specifically, with regard to the financial year ending 31 December 2023, 4.5% of the gross variable and mixed-rate financial debt is hedged. Any increases in interest rate levels would lead to an overall increase in financial charges and could negatively affect the results of the Issuer and the Group, both in relation to existing financial debt and the cost of new borrowing for the potential refinancing of maturing debts, with possible negative effects on their business, prospects, and economic, financial, and balance sheet situation.

Future growth and/or fluctuations in interest rates, which depend on various factors outside the Group's control, such as monetary policies, macroeconomic trends, and the state of the Italian economy and politics, could lead to a significant increase in the financial charges related to the Group's debt, with consequent negative effects on its economic, financial, and balance sheet situation.

Furthermore, it cannot be assured that the hedging transactions undertaken by the Group will entirely neutralise the risk associated with interest rate fluctuations or that these transactions will not result in losses. Additionally, the policies and procedures implemented by the Group for risk management may prove inadequate to address all types of risk.

For more information, see Section One, Chapter III, of the Admission Document.

4.5.4 Risks associated with exchange rate fluctuations

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a medium probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of medium significance.

The currency of the Group's financial statements is the Euro. However, as it operates internationally, the Issuer concludes transactions in currencies other than the Euro and is, therefore, exposed to the risk of exchange rate fluctuations between the different currencies.

In particular, with reference to the financial years ended 31 December 2023 and 31 December 2022, the Group generated revenues in foreign markets of EUR 55.616 million and EUR 37.600 million, respectively, amounting to 94% and 91% of the Group's total revenues in those periods, of which 21.5% and 19.7%, respectively, were generated in US dollars.

The fluctuation of currency markets has not historically had a significant impact on the Group's results.

As of the Admission Document Date, the Group has entered into hedging transactions, including partial hedging, aimed at managing future commercial transactions and the accounting of assets and liabilities in foreign currencies.

Any fluctuations in currencies other than the Euro against the Euro that are not covered by hedging financial instruments could therefore have negative effects on the Issuer's operating margins and, consequently, on its economic, financial, and balance sheet situation.

For more information, see Section One, Chapter III, of the Admission Document.

4.5.5 Risks related to statements of prominence, forecasts, estimates, and internal processes

The occurrence of the events subject to the following risk, which is considered by the Issuer to have a low probability of occurrence, could have adverse effects on the Group's business as well as on its economic, financial and balance sheet situation. In view of the foregoing, we consider the risk referred to in this paragraph to be of low significance.

The Admission Document contains statements of pre-eminence based on estimates of the market size and the competitive positioning of the Group, as well as market evaluations and comparisons with competing operators, formulated, unless otherwise specified, by the Issuer based on its own experience, specific industry knowledge, competitors' activities, and the processing of available market data.

This information has not been verified by an independent third party. Furthermore, some statements of pre-eminence are based more on qualitative parameters, such as the competitive positioning of the Group, rather than on quantitative metrics. Such information may not accurately represent the reference markets, results, competitive positioning, and performance of the Issuer in its areas of activity and/or in different geographical areas. There could be significant future deviations from those hypothesised in these statements due to known and unknown risks, uncertainties, and other factors, both widely described in this Admission Document and dependent on possible exogenous factors (such as, for example, the entry of new operators in the reference sector) and therefore not known as of the Document Date.

For further information, please refer to Section One, Chapter VI of the Admission Document.

B) RISK FACTORS RELATING TO FINANCIAL INSTRUMENTS AND THE OFFER

B.1 Risks related to trading on Euronext Growth Milan, market liquidity and possible share price volatility

The Shares will not be listed on an Italian regulated market and, although tradable on Euronext Growth Milan, there can be no guarantee that a liquid market for them will be formed or maintained. The Shares could therefore encounter common and widespread liquidity issues, regardless of the Issuer's performance, as sell orders may not find adequate and timely counterparts and may be subject to significant price fluctuations.

Furthermore, following admission to trading on Euronext Growth Milan, the market price of the Shares could fluctuate considerably in relation to a number of factors and events, some of which are beyond the Issuer's control, and may therefore not reflect the Issuer's operating results or be lower than the subscription price at the time of the placement.

Such factors and events include, but are not limited to, market liquidity, differences in actual operating and financial results compared to those expected by investors and analysts, changes in analysts' forecasts and recommendations, changes in the general economic situation or market conditions, and significant market fluctuations. An investment in financial instruments traded on Euronext Growth Milan may therefore entail a higher risk than an investment in financial instruments listed on a regulated market.

The uncertainty of the macroeconomic situation could also produce an increased volatility of share prices, including those of equities. The stock markets have shown considerable fluctuations in recent years in both the price and volume of securities traded. Such uncertainties could in the future negatively affect the market price of the Shares, irrespective of the Company's operating profits or financial situation. The inflationary scenario and the crisis generated by the recent conflicts between Russia and Ukraine and between Israel and Hamas represent an additional factor of uncertainty, which could negatively impact the market price of the Shares in the future.

Since Shares are a risk capital instrument, investors could incur a total or partial loss of the invested capital.

B.2 Risks related to the possibility of revocation of the Issuer's financial instruments from trading

According to the EGM Issuers' Regulation, Borsa Italiana could revoke the Issuer's financial instruments from trading in the following cases:

- i. within 6 months from the date of suspension of trading due to the subsequent absence of the Euronext Growth Advisor, the Issuer does not provide for their replacement;
- ii. the financial instruments have been suspended from trading for at least 6 months;
- iii. the revocation is approved by shareholders representing at least 90% of the votes of the shareholders present at the meeting.

B.3 Risks related to temporary unavailability of the shares

The Issuer and Stracuzzi Holding have made specific lock-up commitments to the Euronext Growth Advisor valid until 18 months from the Trading Start Date.

Upon expiration of these lock-up commitments, there is no guarantee that these parties will not proceed to sell the Shares (no longer subject to constraints) with a potential negative impact on their price.

For more information, please refer to Section Two, Chapter V, of the Admission Document.

B.4 Risks associated with the Issuer's ownership structure and non-contestability

Stracuzzi Holding, the controlling shareholder of the Issuer as of the Admission Document Date, pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code, will continue to maintain control of the Issuer even after the full subscription of the Share Capital Increase, thereby playing a decisive role in the Company.

As of the Admission Document Date, the Issuer is legally controlled, pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code, by Stracuzzi Holding, which directly holds 100% of the Issuer's share capital.

Following the Private Placement, in the event of full subscription of the 6,060,000 Shares resulting from the Share Capital Increase and full exercise of the greenshoe option on sale by Stracuzzi Holding for number 606,000 Shares, Stracuzzi Holding's shareholding in the Issuer will be diluted to 77,8%.

Therefore, even after the full subscription of the Capital Increase, the Issuer will continue to be legally controlled by Stracuzzi Holding, which, while not exercising direction and coordination, will play a decisive role in adopting the resolutions of the Issuer's shareholders' meeting, such as, for example, the approval of the financial statements, the distribution of dividends, the appointment of the administrative and control bodies, changes in Share Capital, and statutory amendments.

For further information, please refer to Section One, Chapter XIV, Paragraphs 14.3 and 14.4, and Section Two, Chapter VII of the Admission Document.

B.5 Risks related to the limited free float of the Issuer's Shares

It should be noted that the free float of the Company's share capital, calculated according to the provisions of the EGM Issuers' Regulation, will be approximately 22.2% of the Issuer's share capital, assuming the full placement of the Shares subject to the Private Placement and greenshoe option.

This circumstance entails, compared to securities of other issuers with a higher free float, a greater risk of volatility in the price of the Shares, and greater difficulties in divesting for shareholders at the market prices at the time of placing a potential sell order.

B.6 Risks related to stabilisation activities

Intermonte, as Global Coordinator, may carry out stabilisation activities on the Shares from the Trading Start Date until 30 days thereafter, in compliance with current regulations. Therefore, there is a risk that, as a result of these activities, there could be negative impacts on the market price of the Shares, which could be higher than it would have been in the absence of stabilisation activities.

In addition to the foregoing, there is no guarantee that the stabilisation activity will actually be carried out or that, even when undertaken, it cannot be interrupted at any time.

For further information, see Section One, Chapter XIV, Paragraph 14.1 of the Admission Document.

B.7 Risks related to dividend distribution

As of the Admission Document Date, the Issuer has not adopted a dividend distribution policy. It will therefore be up to the Issuer's Board of Directors to propose the determination of dividends to the Shareholders' Meeting from time to time.

On 21 March 2024, the Shareholders' Meeting resolved to distribute the sum of EUR 5,102,000.00 to the shareholder, related to the Issuer's results for the financial year ending 31 December 2023.

The amount of dividends that the Company will be able to distribute in the future will depend, among other things, on the actual achievement of revenues and, in general, on its economic results, financial situation, cash flows, working capital requirements, capital expenditures, and other factors. Moreover, the Issuer may decide not to distribute dividends, even in the presence of net profits, or to adopt different distribution policies.

It cannot be assured that in the future the Issuer, despite having the availability, will distribute dividends, favouring instead investments for the growth and expansion of its activities, unless otherwise resolved by the Shareholders' Meeting. The distribution of dividends by the Issuer will also be conditioned by the results achieved, the establishment and maintenance of legally required

reserves, the general performance of the management, and the future resolutions of the Shareholders' Meeting approving (in whole or in part) the distribution of distributable profits.

In the absence of dividend distribution, shareholders can obtain a return on their investment in the Shares only if they sell them at a market price higher than the purchase price.

Risk related to the Price Adjustment Shares

On the Trading Starting Date, the shareholder Stracuzzi Holding will hold 3,600,000 shares special "Price Adjustment Shares " (the "PAS" or "PAS Special Shares"). These shares, in the event that the achievement by the Company of the profitability target indicated below, will be cancelled, thereby leading to a reduction in the number of Company Shares held by Stracuzzi Holding. It should be noted that the PAS will not be admitted to trading on Euronext Growth Milan.

Conversely, if the profitability target is reached, the PAS will be converted into ordinary Shares. The conversion of the PAS into ordinary Shares or their cancellation will be determined through a formula based on the EBITDA value that will be recorded in the financial year ending 31 December 2024 ("**EBITDA 2024**"). This minimum profitability target identified by the Issuer in no way constitutes a forecast of the Company's future economic and future financial performance of the Company. It only represents an abstract objective identified by the Company, reasonably achievable and lower than the Issuer's expectations of results for the period of the Issuer, the achievement of which (or failure to achieve) constitutes the condition to which the conversion of the AS into ordinary shares or their cancellation is subject.

The achievement (or failure to achieve) of the profitability target, as well as the conversion into ordinary shares or the cancellation of the PAS will be determined by a resolution of the of the Board of Directors based on the results of the consolidated financial statements of the Company as at 31 December 2024 approved by the Board of Directors. Once determined by the Board of Directors the precise number of PAS to be converted into ordinary Shares or to be cancelled, the conversion or cancellation will take place automatically.

In this regard, it should be noted the potential conflict of interest of the Board of Directors of the Company, which is called upon, inter alia, (i) to identify EBITDA 2024 as well as (ii) to identify the precise number of PAS to be converted into ordinary Shares or cancelled, as the directors Antonio Stracuzzi, Diego Stracuzzi and Emanuela Stracuzzi are also shareholders of the Stracuzzi Holding.

Finally, taking into account the Shares subscribed under the Placing, the so-called free float of the Issuer will be equal, as of the Trading Starting Date, to approximately 22.2% (calculated on the percentage of the exercisable voting rights). In the event of conversion of all no. 3,600,000 PAS into ordinary shares of the Company, the free float will remain unchanged; conversely, in the event of the cancellation of all no. 3,600,000 PAS the so-called free float will be approximately 25.2%.

B.8 Risks related to relations with Intermonte

Intermonte, as Global Coordinator, Euronext Growth Advisor, and Specialist, is in a potential conflict of interest situation as described below.

Intermonte receives fees as compensation for the services provided in relation to these roles in the Euronext Growth Milan listing.

In addition, Intermonte, or companies in its group, in the ordinary course of its activities, may in the future: (a) provide investment banking or other financial services to the Issuer, and/or its shareholders, and/or entities controlled by and/or connected to and/or invested in by them, and/or other parties directly or indirectly involved in the Offer; (b) engage in brokerage and/or research activities and/or other financial services on financial instruments of the parties mentioned in (a) above and/or on related financial instruments and/or hold positions in those financial instruments.

CHAPTER V – INFORMATION ON THE ISSUER

5.1 Legal and Commercial Name of the Issuer

The company is called Misitano & Stracuzzi S.p.A.

5.2 Issuer's place of registration and its registration number

The Issuer is registered in the Messina Companies Register and in the Economic and Administrative Index at the Messina Chamber of Commerce under number ME - 97248, LEI code 815600BA443AC4396B21.

5.3 Date of incorporation and duration of the Issuer

The company was incorporated on 15 July 1974, in the form of a general partnership, by a deed drawn up by Mr Giovanni Paderni, Notary in Messina, rep. no. 265, coll. no. 4327.

In accordance with Article 4 of the Articles of Association, the term of the Issuer is set at 31 December 2070 and can be extended by a resolution passed at the extraordinary shareholders' meeting.

5.4 Registered office and legal form of the Issuer, legislation under which it operates, country of incorporation and registered office, address and telephone number, and website of the Issuer, if any

The Company is incorporated as a joint-stock company in Italy and operates under Italian law.

The company has its registered office in Messina (ME), No. 64 Via Ghibellina, tel. +39 090 2922571. The Issuer's website is www.misitanoestracuzzi.com.

CHAPTER VI – OVERVIEW OF ACTIVITIES

6.1 Main activities of the Group

6.1.1 Introduction

The Misitano & Stracuzzi Group is one of Italy's leading business-to-business (B2B) players active internationally in the creation, production and marketing of citrus essences and aromatic solutions mainly of natural origin and to a lesser extent in the production and commercialisation of citrus juices.

With regard to the production and marketing of citrus essences and aromatic solutions, the Group's main business, the Company buys citrus essential oils from around the world and produces proprietary solutions tailored to the needs of each individual customer.

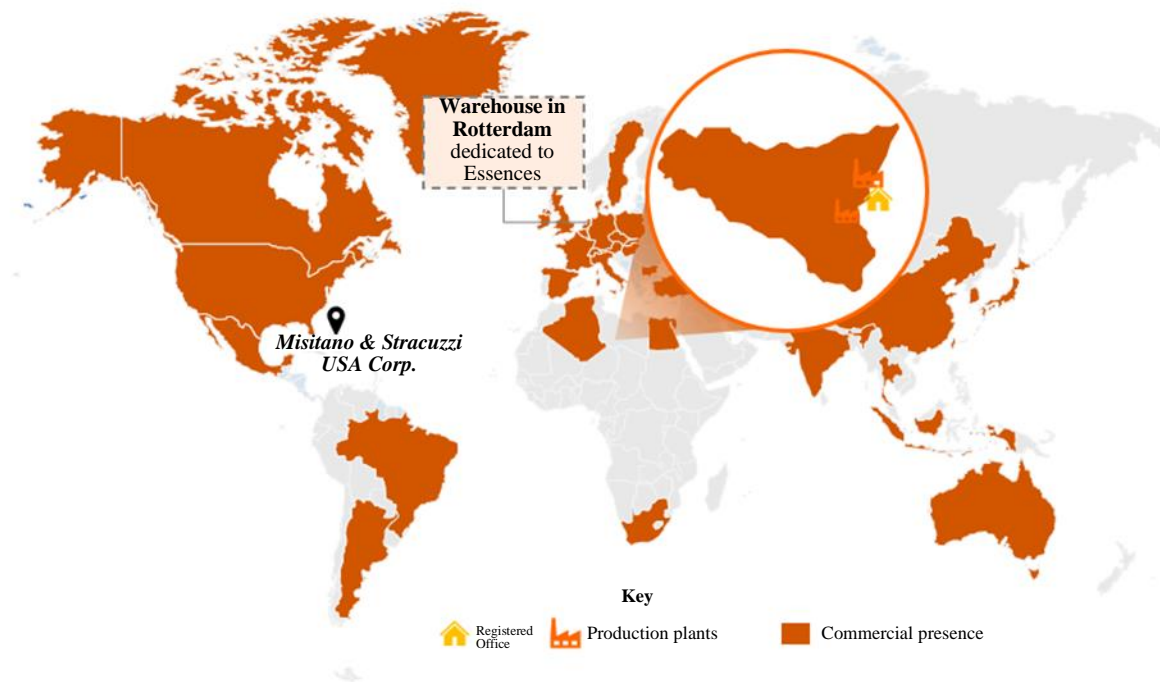
The products manufactured by M&S Group are primarily intended for international clients, including, with reference to the essence, major producers of flavours and fragrances, as well as producers active in the food and beverage market, in the personal and home care, aromatherapy, perfumery, cosmetics, and pharmaceutical sectors. In the clientele of the production of juices are included strategic international partners operating in the food and beverage sector.

The activity began over 100 years ago from the synergies and collaborations between the Misitano family and the Stracuzzi family, who, in 1922, were respectively owners of two companies specialising in the production of citrus essences operating in Sicily, in the province of Messina. Over the years, despite the succession of generations, Misitano & Stracuzzi has maintained the same spirit, ambition, and dedication in the search for always innovative and up-to-date production processes to ensure a product that meets customer expectations.

In the early 2000s, the Issuer started creating and expanding laboratories for the development of proprietary solutions and simultaneously has modernised and expanded the operational plant in Furci Siculo (ME) to meet the substantial demand for M&S products over time.

The Group has two production units located in Sicily, respectively in Furci Siculo (ME) and Santa Teresa di Riva (ME), supported by several warehouses located in Italy, Northern Europe, and the east coast of the United States; the production is flanked by a dense and structured sales network worldwide, including agents who support the Group's customer relations.

Specifically, the Furci Siculo (ME) plant, the Group's first operational site established in the early 1900s, focuses on the production of essential oils and juices of citrus derivation. The Santa Teresa di Riva (ME) plant, established in 2014, is entirely dedicated to the production of essential oils and aromatic solutions.



As of the Admission Date, the Group employs 81 staff members.

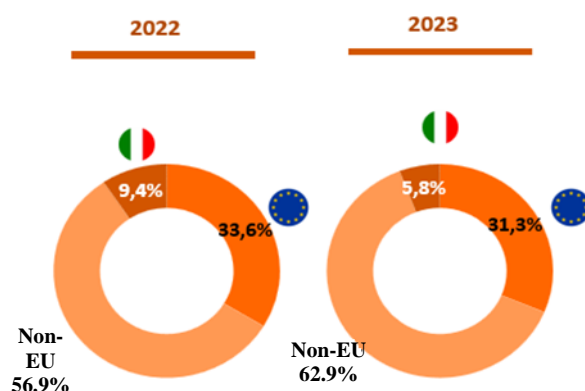
The Misitano & Stracuzzi Group’s mission is to continue developing its role as a partner to the leading players in the food and beverage, personal and home care, aromatherapy, perfumery, cosmetics, and pharmaceutical sectors by offering increasingly innovative and high-quality products, also through the activities of M&S Group’s research and development department.

The Group can thus offer its customers a wide range of innovative proprietary solutions, thanks to the teams and laboratories specialised in advanced and applied research activities (dedicated to the development of new products and new proprietary solutions and production processes). In the event of a reduction in the availability of raw materials (for example, due to the effect of so-called greening), through the development of proprietary solutions, the Group can provide customers with solutions that have characteristics similar to those initially requested by the customers.

For the financial year ending 31 December 2023, the Group recorded revenues of EUR 59 million (an increase of 42% compared to revenues of EUR 41.5 million recorded on 31 December 2022), an EBITDA of EUR 13 million (an increase of 202% compared to the EBITDA recorded on 31 December 2022), and an EBITDA Margin of 22.1% (an increase of 11.6% compared to the EBITDA recorded on 31 December 2022).

The Group’s revenues derive from three geographical areas: Italy, the European Union and non-EU countries. Specifically, with reference to the financial year ending 31 December 2023, 5.8% of M&S Group’s revenues were generated in Italy, 31.3% in Europe and 62.9% in non-EU countries.

Revenue breakdown
(%) by geographical
area



6.1.2 Main Products

The Group's core business is the creation, production and marketing of essential oils and aromatic solutions, predominantly natural and of predominantly natural citrus fruits and to a lesser extent in the production and marketing of citrus juices.

In particular, M&S Group products can be categorised according to the macro-category they belong to: citrus essences, aromatic solutions and citrus juices.

Citrus Essences and aromatic solutions

The term aromatic solution refers to the production of essences derived from proprietary solutions of essential oils and/or aromatic substances mainly from citrus fruits.

With regard to the production and marketing of citrus extracts, the Group's main business, the Company mainly buys citrus essential oils from around the world and produces proprietary solutions tailored to the needs of each individual customer. Specifically, about 90% of the proprietary solutions are composed exclusively of raw materials of natural origin.

As of 31 December 2023, the Group's product portfolio includes over 1,000 references.

Although a limited percentage of citrus essences and aromatic solutions is required for the production of flavours and fragrances, they play an indispensable role in consumer preferences, especially in the food and beverage sector, being a key factor capable of influencing the organoleptic characteristics of the different products in the market.

Aromatic solutions are produced according to the specific technical and organoleptic requirements of each customer. Each aromatic solution undergoes a precise validation process by the customer to ensure a high quality level that meets the agreed standards.

The main citrus fruits of interest for the production of proprietary solutions are the following:

Lemon

Citrus limon (L.) Burm.

Lemon is a fruit tree belonging to the Rutaceae family that reaches heights of between 3 and 6 metres. In Italy it is mostly cultivated in Sicily where it was introduced by the Arabs in the 9th century. The Sicilian lemon is famous for its qualitative and nutritional characteristics. The most widespread varieties in Sicily are the Femminello and Monachello, which account for about 75% and 10% of production. It is mainly produced in the Ionian area of Sicily, between the provinces of Syracuse, Catania and Messina. The harvest period runs from September to June.

Blond Orange

Citrus sinensis

The blond orange is present in China and India since the mid-3rd millennium BC, and was introduced to Europe starting from the 14th century, probably by Portuguese traders. It can reach a height of 12 metres and has fleshy leaves and white flowers, the skin is very fragrant and rich in essential oils. The blond orange is classified among the sweet varieties for its pulp's taste, which produces a pleasant and refreshing juice. It is a typical sicilian and calabrese cultivar. The varieties are numerous and the best known are: Washington, Navelina, Ovale, Ribera, Belladonna and Valencia. The harvest period for the different varieties is from October to June.

Blood Orange

Citrus sinensis

The blood orange is a sweet variety characterised in particular by the colour of its pulp, which ranges from dark orange to bright red. This is due to the high concentration of anthocyanins, a water-soluble pigment with powerful antioxidant properties and beneficial effects. The most important varieties of blood orange are Tarocco, Moro and Sanguinello. The plant was introduced to Sicily by the Arabs between the 9th and 11th centuries, but in its bitter form (*Citrus aurantium*), mainly with ornamental purposes. Blood oranges are extensively cultivated in the eastern part of Sicily, in the areas near Mount Etna between the provinces of Catania and Syracuse. The harvest period runs from December to April.

Lime

Citrus aurantiifolia

It is a species belonging to the Rutaceae family. The plant grows to about 5 meters and produces small, oval or round fruits with a thin peel rich in essential oil. When ripe, the peel turns a yellowish-orange colour, and the pulp is very juicy and fragrant but sour and acidic. Its growth requires a tropical climate and is therefore not widespread in Europe; today it is mainly cultivated in Central American regions and, in particular, in Mexico. The fruits are harvested between June and September before they ripen when the peel is still green because the pulp is juicier and tastier.

Bergamot

Citrus bergamia

The tree reaches a height of between 3 and 4 meters; the flowers are white and very fragrant; the fruit is spherical, with a thin, intensely yellow peel rich in essential oil, and the pulp is sour and very bitter. In Italy, cultivation is essentially limited to the coastal Ionian strip of the province of Reggio Calabria, which, due to its physical conformation and climatic properties, provides ideal conditions for the cultivation of this citrus species. It is estimated that more than 80% of the world's production of bergamot is cultivated in Calabria. The most important varieties are Femminella, Castagnaro, and Fantastico. The harvest of fruits takes place from November to March.

Mandarin

Citrus reticulata, Blanco

Originally from Asia, the cultivation of mandarins developed in Sicily starting from the 19th century. The plant, belonging to the Rutaceae family, reaches a height of between 2 and 4 metres. Recent studies have clarified that, along with the pomelo and citron, it has given rise, through hybridisation and selection, to all varieties of the Citrus family. The fruit has a light orange pulp that is very juicy and sweet. The peel is thin and fragrant, rich in essential oil, and its colour can be green, yellow, or red depending on the degree of ripeness and the extraction technique. The most common varieties are Avana, Paternò, and Tardivo di Ciaculli. The harvest period runs from October to March.

Grapefruit

Citrus paradisi

In Italy, it has been cultivated since the 1960s, mainly in Sicily in the provinces of Catania and Palermo. The plant is evergreen and can easily reach 15 meters in height, has white flowers, and yellow fruits characterized by juicy but slightly bitter-acidic pulp of yellow or pink-red colour, depending on the variety, surrounded by a thick white spongy layer called albedo. It is rich in minerals, vitamins, and active ingredients such as naringenin, which has antioxidant and anticancer activity. The most common varieties in Italy are Marsh Seedless and Star Ruby. The harvest period runs from October to May.

Citrus Juices

The juice is mechanically extracted directly from the citrus fruit pulp: the natural juice obtained is then subjected to a pasteurisation process, essential for the reduction of the microbial load, and in some cases, depending on market demand or following a specific specific customer request, it may undergo a process of concentration.

In the production process of citrus juices, only fruits of Italian origin are used.

With reference to juice citrus production, M&S Group provides the following types of final product:

- concentrated juice;
- natural juice;
- organic natural juice; and

- preserved juice.

The citrus fruits involved in juice production are:

- blood orange;
- blond orange;
- mandarin and
- lemon.



6.1.3 Customers

The products manufactured by M&S Group (essential oils, aromatic solutions and juices) are intended for international clients, including major producers of flavours and fragrances, or directly to producers of consumer goods mainly active in the food and beverage, personal and home care, aromatherapy, perfumery, cosmetics, and pharmaceutical sectors.

The Group's customer acquisition strategy is implemented through (i) participation in international events, such as congresses or in trade fairs, (ii) presentation of its products to potential customers and (iii) through specific market surveys.

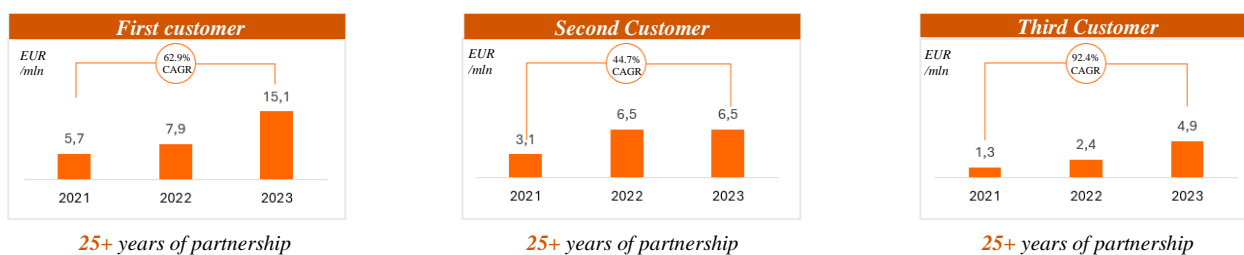
In general, the Group has a number of framework agreements in place that regulate the supply relationships of products provided by M&S Group to its customers. In particular, the framework agreements have the following contractual clauses:

- delivery times;
- payment methods;
- guarantees;
- resolution;
- change of control clauses, *i.e.*, substantial change of business activity, and
- indemnification obligations.

With regard to customer relations, M&S Group has more than 100 customers with whom it has established consolidated contractual relationships. The Group's customers are large international players with regard to essences and national essences and national with regard to juices.



Over the years, the Group has been able to establish consolidated and long-lasting relationships with leading international customers. In fact, the partnership established with the Group's top three customers has lasted more than 25 years. With reference to the financial years ending 31 December 2023 and 2022, sales to the Group's top three customers represented approximately 45% and 41% of the Group's consolidated revenues, respectively.



The following table provides the concentration of the top 1, top 5 and top 10 customers with respect to revenues as of 31 December 2023.

	Period ending 31 December 2023	
	EUR (millions)	% of revenue
Top customer	15.1	25.6%
Top five customers	31.9	54.1%
Top ten customers	39.8	67.5%

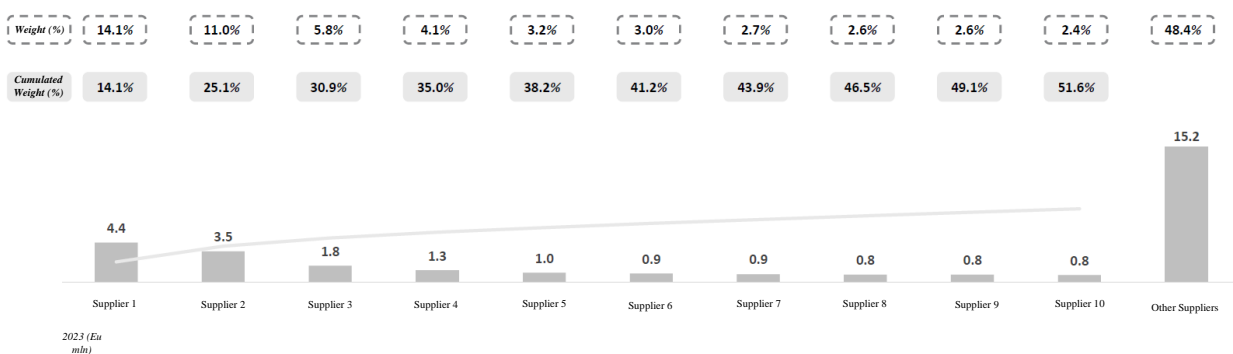
6.1.4 Suppliers

Regarding citrus essences, the Group sources from suppliers located mainly in Italy, Europe, the United States, and South America.

Regarding citrus juices, the Group sources from suppliers located exclusively in Italy.

The Group enjoys long-term relationships and low concentration within its supplier base.

As of 31 December 2023, the Group has more than 100 suppliers.



The following table provides the concentration of the top 1, top 5, and top 10 suppliers in relation to supply costs as reported in the financial statements for the year ending 31 December 2023.

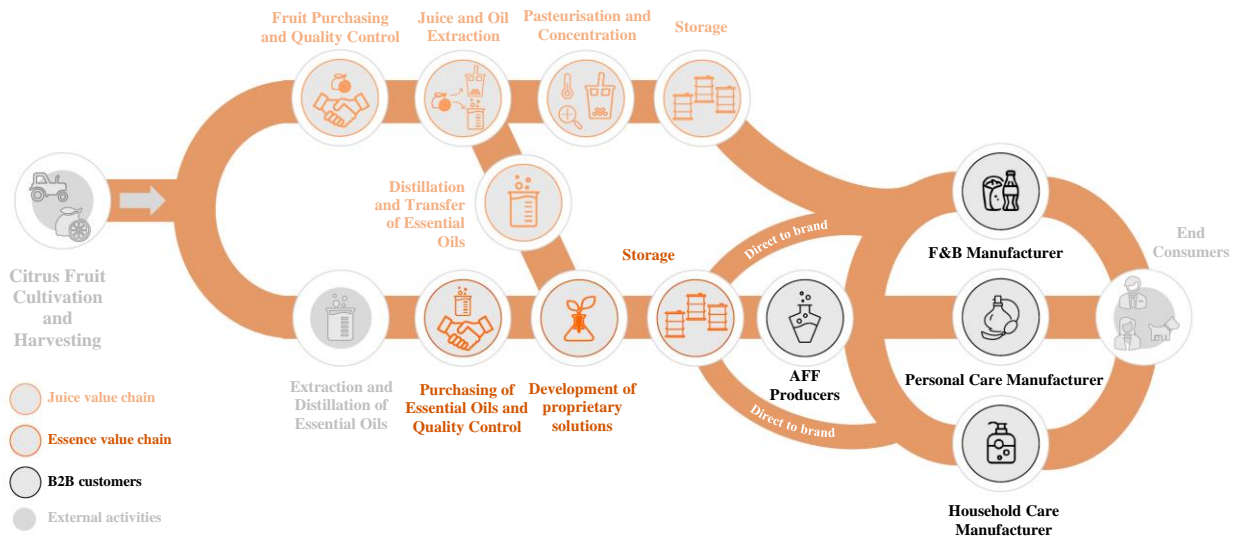
	Period ending 31 December 2023	
	EUR (millions)	% of costs on total supply costs
Top supplier	4.4	14.1%
Top five suppliers	12	38.2%
Top ten suppliers	16.2	51.6%

6.1.5 Business Model

The Issuer oversees the entire value chain, except for raw materials, which are purchased from third-party suppliers, both Italian and international. The Issuer focuses on the creation, transformation, production, and quality control of the offered products within its own facilities.

This allows the Company to: (i) concentrate on the production phases of proprietary solutions; (ii) monitor each stage of the production process, ensuring that every item produced meets the qualitative standards required by the customer; and (iii) strengthen its role as an active global operator, capable of providing support to its customers based on their specific needs.

The diagram below describes the main stages of the production cycle.



6.1.5.1 Citrus Essence Business Model

M&S Group’s know-how translates into the ability to produce citrus essences and aromatic solutions developed by the Issuer’s research and development department, while also meeting the required specifications and producing the requested product through a series of quality tests conducted before and after the processing of essential oils.

Below is a diagram that summarises the value chain of essence production.



Procurement of Raw Materials and Quality Control

The initial stage of the value chain focuses on the procurement of raw materials for the production of essences and aromatic solutions. In particular, raw materials (essential oils) are purchased from a diverse range of suppliers; M&S Group has more than one hundred suppliers located mainly in Italy, Europe, the United States and South America, thus having a high degree of diversification. Once the raw materials have been received, are submitted to the quality control process. It provides for a series of analytical and, where applicable, organoleptic checks to establish the conformity of the product received with the quality standards laid down for processing and thus the initiation of the *proprietary solution* procedure.

In this phase, the following are of significant importance: (i) the purchase of raw materials from reliable and qualified sources to ensure high-quality standards while controlling costs; (ii) inventory

management to ensure continuity in supply and distribution; (iii) stringent quality controls to ensure compliance with internal standards.

Proprietary Solution and production

For the production of citrus essences and aromatic solutions for the end customer, the Issuer first analyses the customer's requirements regarding the technical specifications that the final product must have and, at the same time, carefully selects the proprietary solution to produce.

In this phase, the Group's know-how is strategic. Indeed, through the numerous solutions available thanks to the activities of the Research and Development division, the Issuer can meet the technical and organoleptic requirements of the customer.

Once the most suitable solution has been identified (*i.e.*, the proprietary solution activity), the production process begins.

In particular, during the production process, the essential oil is mixed using electric pumps inside steel containers ranging from 1 to 20 tonnes, thus initiating the specific production process required.

Quality Control and Compliance

Once the final product is obtained, it undergoes further quality control to assess whether the result meets the type of product requested by the customer. This control process involves subjecting the obtained product to more than twenty laboratory tests to analytically examine the product and verify if it meets the customer's request.

Packaging and Distribution

After the production is completed, the final product is packaged using packaging materials that comply with food safety regulations as well as suitable to the type of product and that preserve its quality while also reducing the risk of damage during transport activities. The finished product is distributed to the customer.

6.1.5.2 Juice Business Model

M&S Group is characterised by know-how based on a century of experience in the citrus juice production sector, allowing the Group to have a processing capacity divided in various possible production steps. Another distinctive feature of juice production is the origin of the raw materials, mainly of sicilian origin. The raw materials used by M&S come from the best suppliers to guarantee high quality standards for the juices obtained after processing.

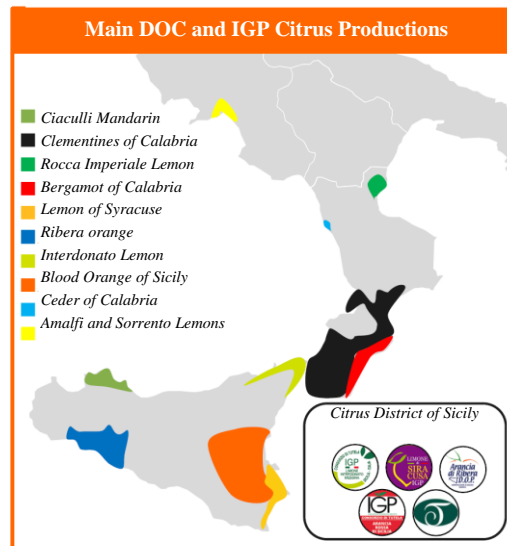
Below is a diagram summarising the juice production value chain.



Procurement of Raw Materials and Quality Control

The initial stage of the value chain focuses on the procurement of raw materials used by M&S Group. This phase represents an important part of the Group's production cycle, since a high quality of raw materials guarantees an equally high quality of the final product.

Regarding citrus fruits, it should be noted that 100 % of M&S Group's suppliers are of Italian origin and mainly of Sicilian origin.



The main raw materials procured are (i) lemon, (ii) blood orange, (iii) blond orange, and (iv) mandarin.

Procuring citrus fruits from Italian suppliers ensures customer loyalty, efficient relationship management, and 100% Made in Italy products while containing costs and supporting the local economy.

Once the raw materials are received and washed, they are transferred to the Furci Siculo facilities to begin the quality control process.

This process involves careful selection of the received products, which must meet the high-quality standards required by the Issuer. This procedure includes numerous and repeated inspections of the raw materials before moving on to the next production phase.

Juice Extraction, Pasteurisation, and Concentration

The next step is the extraction of juice from the citrus fruits by squeezing the pulp. This activity is carried out using the same machinery used for essential oil extraction described in the previous paragraph. By utilising the best machinery available on the market, the Group ensures the best possible yield in line with the product standards.

Once the extraction is completed, the juice obtained from the pulp can undergo pasteurisation and concentration activities based on the specific customer requests.

Packaging, Storage and Distribution

After production activities are completed, the juices undergo packaging procedures: products are packaged using materials that comply with food safety regulations as well as being suitable for their preservation, mainly preserving their quality and also reducing the risk of damage during transport. The final product, properly stored, is then marketed to the customer.

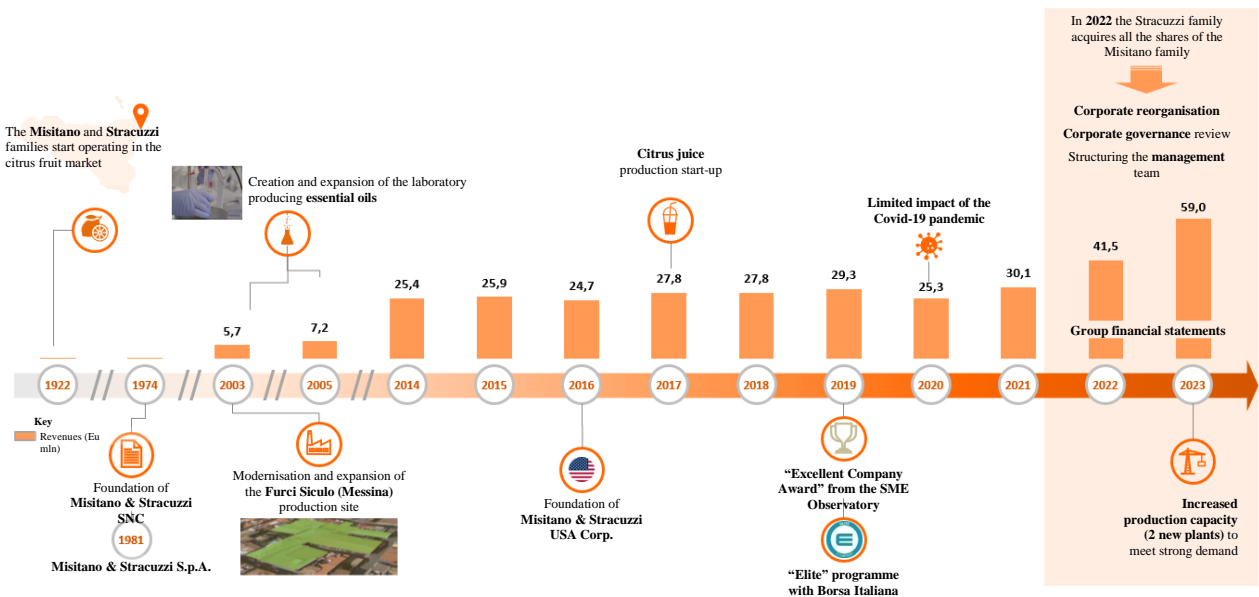
6.1.6 Distinctive Features Characterising the Issuer and the Group

In the Issuer's opinion, the main key factors distinguishing the Group as at the Admission Document Date are as follows.

- *Leadership in the niche of natural citrus essences for the food and beverage sector leveraging over a century of history*

Within the competitive Italian niche scenario of citrus extract producers, the Group is one of the leading business-to-business (B2B) players active internationally in the creation, production and marketing of citrus extracts mainly of natural origin and to a lesser extent in the production of citrus juices.

This position is the result of over a century of entrepreneurial history, deep sector knowledge, and consolidated know-how.



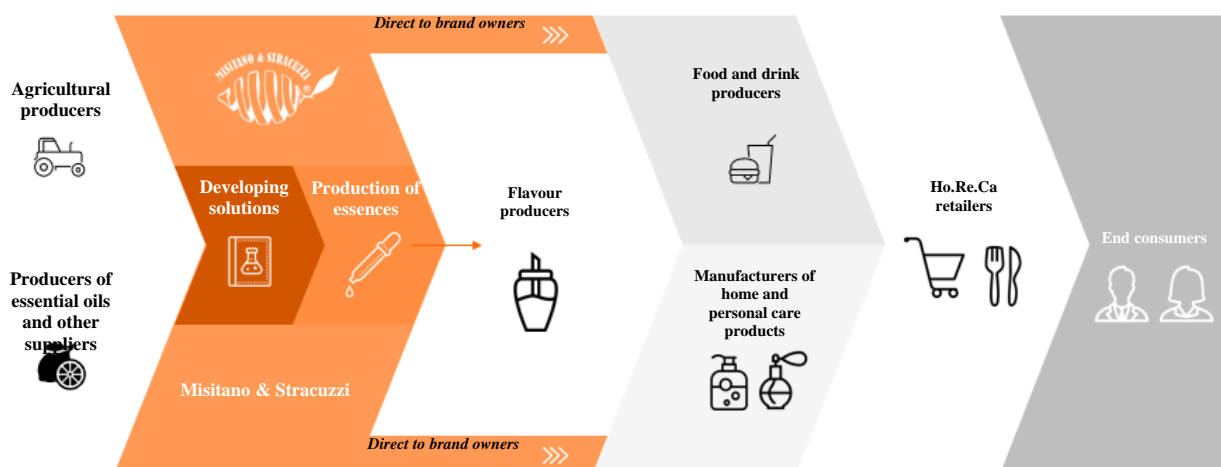
- *Key Position in the Value Chain Thanks to Strong Know-How Enabling the Creation of Proprietary Solutions that are Crucial in the Final Customer's Product Choice*

The Issuer is positioned in the value chain as a producer of essences and aroma solutions marketed in the food and beverage flavouring and fragrance market.

In particular, thanks to the century-long experience developed by M&S Group in the natural citrus essence production sector, the know-how achieved by the Company in this field is central

to producing products that meet the approval of customers and final consumers.

Misitano & Stracuzzi occupies a key position in the value chain, offering proprietary solutions that are crucial in the final consumer's choice of the finished product.



- *A Combination of High Growth, High Profitability, and Strong Cash Generation Combined with a Clear Growth Strategy*

In the 2023 financial year, the Group recorded revenues of EUR 59 million, an increase of 42% compared to the 2022 financial year.

The EBITDA margin in the financial year 2023 was about 22%, which is a strong increase from the figure of about 10% recorded in the financial year 2022.

The cash conversion¹ in the financial year 2023 is about 98%, up from about 93% in the financial year 2022.

The net financial position amounted to EUR 15.1 million in the financial year 2023, down from EUR 16.3 million in the financial year 2022.

The Issuer believes that the Group's ability to achieve its growth and development objectives and the estimated profitability levels primarily depends on the successful implementation of its strategy, aimed at consolidating the Group's competitive positioning as a strategic and preferred producer of essential oils for its international customers.

This strategy is based on three guidelines:

- (i) organic growth carried out on one hand by responding to customer demands for larger product volumes and on the other hand by entering into new markets such as perfumery, the personal care and/or operating in new countries like India or the Gulf countries;
- (ii) the production and logistical efficiency of the Company implemented through (a) the construction of new production facilities whose investments are currently underway (new plant in Pace del Mela for the production of essences and aromatic solutions, new plant

¹ Cash conversion is calculated as follows: (EBITDA – Maintenance CapEx) / EBITDA

in San Filippo del Mela for the production of juices) as well as (b) the continuous improvement of internal efficiency to guarantee a high quality service and to increase high quality service and to increase margins; and

- (iii) growth by external lines carried out through the implementation of possible extraordinary transactions functional to the acquisition of producers of non-citrus extracts (i.e., horizontal integration) or through the implementation of possible extraordinary transactions functional to the acquisition of players operating in the value chain of the M&S Group, such as, for example, producers of flavours or fragrances, etc. (i.e., vertical integration).

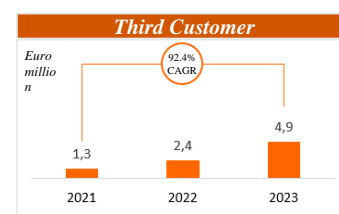
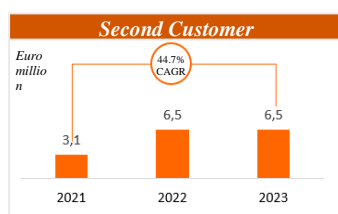
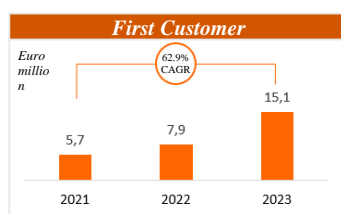
- *Extensive international presence and well-established relationships with a prestigious clientele*

Revenues as of 31 December 2023 show an increase coming from non-EU countries compared to 2022, attributable to increased product demand from both existing and new customers in established and emerging reference markets. More specifically, the Group's revenues derive from three geographical areas: Italy, the European Union and non-EU countries. Specifically, with reference to the financial year ending 31 December 2023, 5.8% of the M&S Group's revenues were generated in Italy, 31.3% in Europe and 62.9% in non-EU countries.

As of the Admission Document Date, the Group counts among its customers of citrus essences, aromatic solutions and juices the major national and international operators active mainly in the food and beverage, personal and home care, aromatherapy, perfumery and cosmetics markets.

The Issuer, thanks to its in-depth knowledge of the sector and consolidated know-how, is able to provide, on the one hand, a natural, high-quality product that caters to customers' demands, and, on the other hand, to establish a loyal relationship with them.

Over the years, the Group has been able to establish consolidated and long-lasting relationships with leading international customers. In fact, the partnership established with the Group's top 3 customers has lasted more than 25 years. Specifically, as depicted in the graphs below, in the financial year ended 31 December 2023 (i) the first customer generated revenues of EUR 15.1 million; (ii) the second customer generated revenues of EUR 6.5 million; (iii) the third customer generated revenues of EUR 4.9 million.



- *Attention to ESG factors is crucial in customer relations*

The activities of the production of proprietary solutions and juices are an example of a circular

economy. From the purchased citrus fruits, the pulp is used to produce juice (about 30%), while the essential oil is extracted from the peel. The waste is not considered as waste to be disposed of, but as a by-product and therefore placed on the market for the production of biofuel, for animal feed and for the extraction of *pectin* (i.e. a natural thickener widely used in cooking, especially in the preparation of jams, jellies and preserves).

In addition, the Group has launched a project with the University of Messina with the aim of deriving further value through the innovative use of waste from fruit processing, such as the potential use in the natural fibres market to flank or replace cotton and paper, or even more importantly plastic.

In addition, the Group pays special attention to reducing water consumption and CO₂ emissions associated with its current production cycles, which are critical aspects in our current times. In 2023, M&S started its journey towards *carbon neutrality*, with the calculation and analysis of direct and indirect CO₂ emissions (Scope1, Scope2 and Scope3 emissions). The new production centres will be equipped with solar panels, thus contributing to the reduction of emissions despite the planned increase in production.

The importance attached to these aspects, along with compliance with international standards for environmental and food safety and the quality of processes and work environments, has been acknowledged with the award of several international certifications.



6.2 Main markets and competitive positioning

The Misitano & Stracuzzi Group is one of Italy’s leading business-to-business (B2B) players active internationally in the creation, production and marketing of citrus extracts and aromatic solutions mainly of natural origin and to a lesser extent in the production of citrus juices.

With regard to the production and marketing of citrus extracts and aromatic solutions, the Group’s main business, the Company buys citrus essential oils from around the world and produces proprietary solutions tailored to the needs of each individual customer.

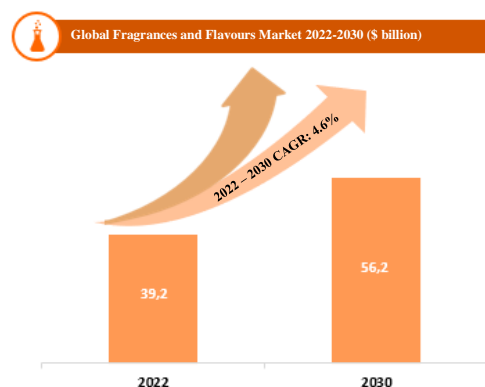
This section explains the trend and the main dynamics of the Company’s reference market.

The numerical data reported in this section, unless otherwise indicated, are taken from: (i) the report Flavors and Fragrances Market Size, Share, Trends and Growth – Global Opportunities & Forecast, 2023–2030 by GMI Research; (ii) the report Juices: market data & analysis, Henning Vuo, Market Insights by Statista of October 2023; (iii) the report Citrus Oil Market Size, Share & Trend Analysis to 2033 by Fact.MR; (iv) from Kerry’s “A fresh Look at the Future of Citrus” report; (v) from Wall Street Italia’s articles “Orange juice, hurricanes and bacteria send prices soaring” by Giorgio Pirani of 11 August 2023, and Reuters’ “Disease threatens years of orange output in top grower Brazil” by Roberto Samora of 6 September 2023 (vi) from the report Citrus: World Markets and Trade of the United States Department of Agriculture.

The information has been faithfully reproduced by the Issuer and, to the best of the Issuer’s knowledge, no facts have been omitted that would render the information inaccurate or misleading.

6.2.1 The global flavours and fragrances market

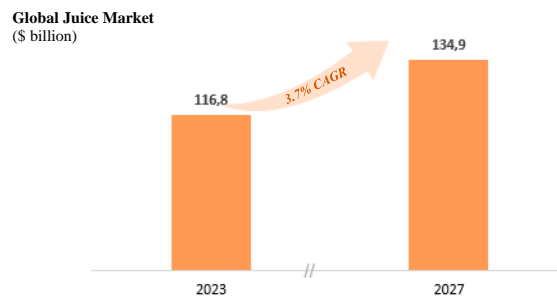
According to the GMI research report, the global flavours and fragrances market is worth USD 39.2 billion in 2022 and is estimated to reach a value of USD 56.2 billion in 2030, with an average annual growth rate from 2022 of 4.6%.



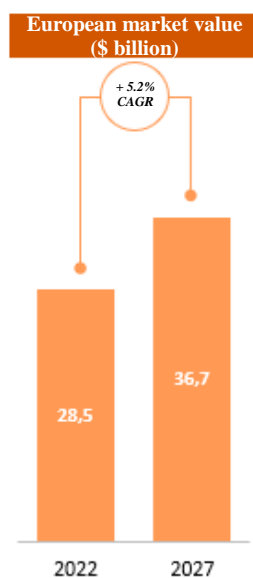
The global flavours and fragrances market is experiencing significant growth due to rapidly increasing demand for personal care products, a focus on health and wellness, rising disposable income and a focus on environmental sustainability.

6.2.2 The Global Juice Market

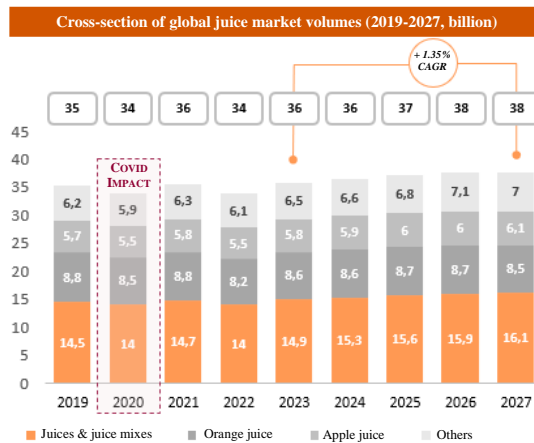
According to the Statista report, the global juice market is worth an estimated USD 116.8 billion in 2023 and is estimated to reach a value of USD 134.9 billion in 2027, with an average annual growth rate from 2023 of 3.7%.



Geographically, the main markets are represented by the Americas (USD 34.6 billion in 2022, USD 43.1 billion in 2027) and Asia (USD 28.8 billion in 2022, USD 37.3 billion in 2027). The European continent is the third largest market in terms of value; it is estimated to be worth USD 28.5 billion in 2022 and to reach a value of USD 36.7 billion in 2027, with an average annual growth rate from 2022 of 5.2%.



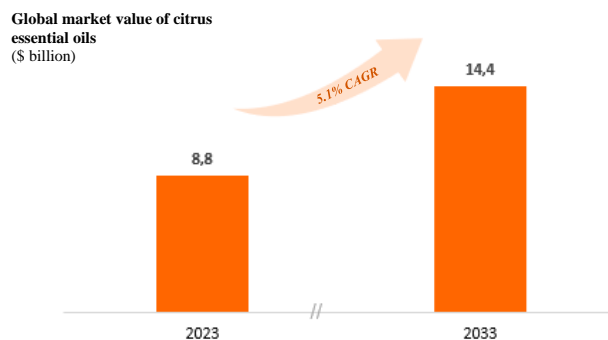
In terms of volumes, the global juice market in 2023 recorded total volumes of 36 billion litres and is expected to grow to 2027 with a CAGR of 1.3% to 38 billion litres.



The global juice market continues to expand, driven by growing awareness and attention to health issues, with a preference for natural, low-calorie products and by a demand for healthy products.

6.2.3 The global market for citrus essential oils

According to the Fact.MR report, the global market for citrus essential oils is worth an estimated USD 8.8 billion in 2023 and is estimated to reach a value of USD 14.4 billion in 2033, with an average annual growth rate from 2023 of 5.1%.



In 2033, the USA is expected to be the largest market in terms of value, with a market share of around 25% and a CAGR of 5.5% during the period 2022–2032. China is expected to follow, with a market share of around 15% and a CAGR of 6.6% during the period 2022–2032.

Due to the increase in consumer demand for essential oils, motivated by increased consumer awareness of the health benefits, Europe is expected to play a major role in the global citrus essence industry. In Europe, the UK market is expected to be worth USD 865.2 million by 2032. Sales of citrus essential oils are expected to grow at a CAGR of 5.1% during the period 2022–2032.

An important factor that is expected to support increasing sales of citrus oils is their adaptability to different applications: flavourings, fragrances and natural additives are some of the direct industrial uses of citrus essential oils. A further dynamic supporting the growing demand for essential oils is the increased focus on consumer health in the F&B market.

6.2.4 New trends in the citrus fruit flavour market

It is globally acknowledged that citrus fruits have positive effects on consumers' health. Among the new trends in personal health, interest in citrus fruit continues to increase, also driven by consumer preferences: according to the Kerry report, lemon and orange flavours are preferred by 53% and 45% of consumers, respectively, securing their positions in the top 10 favourite flavours.

Innovation in the food sector means that there is a greater discovery of new flavours. According to the Kerry report, 75% of consumers are interested in discovering new flavours and varieties, and there are more than 1,200 citrus varieties worldwide.

There is a growing trend in the attention that consumers are giving to the origin and sustainability of products. Today, in a global competitive market, responsible sourcing is crucial to avoid negative impacts on the brand and consumers are demanding transparency about sustainability and the origin of ingredients. In fact, about 72% of consumers consider the origin of food and ingredients to be an important element in sustainability and about 38% of consumers say they have paid greater attention to the country of origin of products over the last year.

A further trend is represented by the reduction in productivity of citrus plantations due to the greening disease (see the next section). In the coming years, investments in R&D are expected to increase in order to protect citrus cultivation. According to Wall Street Italia, in 2022–2023 the orange harvest in Florida contracted by 61% and, according to Reuters, about 38% of the citrus plantations in Brazil were affected by the greening disease.

6.2.5 Focus on the greening disease

According to the United States Department of Agriculture report, global orange production in 2023/2024 will amount to 48.8 million tonnes. Brazil will account for over 30% of global production, while China and the European Union will account for 15.6% and 11.2% respectively.

The “greening disease”, also called “yellow dragon disease”, is one of the most serious citrus fruit diseases in the world. This disease is spread by an insect, the Asian psyllid (*Diaphorina citri* Kuwayama or ACP). Infected trees produce green, deformed and bitter fruit, unsuitable for sale as fresh fruit or for juice. Most infected trees die within a few years.

According to Reuters, around 38% of Brazil's citrus cultivation area has been infected and affected crops may suffer a drop in harvest of around 60%. Brazil's citrus belt could even lose around 25% of its production by the end of a decade (production could fall to around 9.59 million tonnes), while a 12% drop in production is expected over the next five years.

According to the European Union's Pre-HLB project, a project started in 2019 that aims to develop a single strategy to protect Europe from the greening disease, Florida was one of the world's largest producers of orange juice. Then, 20 years ago, the greening disease struck the region's crops causing a drop in production of around 70%.

6.2.6 Overview of the competitive environment

Within the competitive Italian niche scenario of citrus extract producers, the Group is one of the leading business-to-business (B2B) players active internationally in the creation, production and marketing of citrus extracts mainly of natural origin and to a lesser extent in the production of citrus juices.

The Issuer considers itself to hold a leading position in this market niche at a national level in the Food & Beverage sector.

The main Italian players active in the production of citrus oils and extracts are concentrated in Sicily and Calabria.

In the Issuer's opinion, the main competing Italian players are described below:

- Capua 1880 S.r.l. is active in the sector of citrus essential oils used for the creation of fragrances and flavours and in the extraction of juices for the food market. Founded in 1880, the company has its registered office in Campo Calabro (Reggio Calabria) and employs around 110 people. In the 2022 financial year, the company posted revenues² of EUR 74.5 million and an EBITDA³ of EUR 11.2 million;
- Agrumaria Reggina S.r.l. produces citrus essential oils, aromatic preparations, concentrated fruit juices and plant extracts. Founded in 1985, the company is based in Gallico (Reggio Calabria) and employs around 90 people. In the 2022 financial year, the company reported revenues¹ of EUR 41.3 million and EBITDA² of EUR 2.8 million;
- F.lli Branca S.p.A. is active in the sector of essential oils, juices and citrus peel processing. Founded in 1892, the company is based in Terme Vigliatore (Messina) and employs around 70 people. In the 2022 financial year, the company reported revenues¹ of EUR 34.5 million and EBITDA² of EUR 2.8 million;
- Simone Gatto S.r.l. is active in the sector of essential oils, juices and freshly-squeezed juices. Founded in 1926, the company is based in San Pier Niceto (Messina) and employs around 60 people. In the 2022 financial year, the company reported revenues¹ of EUR 28.8 million and EBITDA² of EUR 0.9 million;
- Agrumaria Corleone S.p.A. produces essential oils, flavours, infusions, natural juices and concentrates for producers of soft drinks, flavours, cosmetics, aromatherapy, etc. Founded in 1890, the company is based in Palermo and employs around 50 people. In the 2022 financial year, the company reported revenues¹ of EUR 22.7 million and EBITDA² of EUR 2.1 million;
- Canditfrucht S.p.A. is active in the production of juices and concentrates, essential oils, citrus products for confectionery and private label products. Founded in 1959, the company has its registered office in Barcellona Pozzo di Gotto (Messina) and employs around 40 people. In the 2022 financial year, the company reported revenues¹ of EUR 16.0 million and an EBITDA² of EUR 0.5 million;

Sources: public information and Aida Bureau van Dijk for financial data

² Revenues from sales and services

³ Difference between value and cost of production + depreciation, amortisation and write-downs

- Ortogel S.r.l. produces freshly-squeezed juices and essential oils. Founded in 1978, the company is based in Caltagirone (Catania). In the 2022 financial year it reported revenues¹ of EUR 12.6 million and EBITDA² of EUR 0.9 million;
- Agrumi-Gel S.r.l. is active in natural and concentrated juices, cold-extracted essential oils and dried peels. Founded in 1988, the company is based in Barcellona Pozzo di Gotto (Messina) and employs around 10 people. In the 2022 financial year, the company reported revenues¹ of EUR 11.5 million and EBITDA² of EUR 1.2 million;
- Red Island S.r.l. is a company specialising in citrus fruit processing and the marketing of the related derivatives. In addition to citrus fruits, it also markets pomegranate and grape juices as well as prickly pear puree. Founded in 2006, the company is based in Caltagirone (Catania) and employs around 20 people. In the 2022 financial year, the company reported revenues¹ of EUR 9.8 million and an EBITDA² of EUR 0.9 million;
- Agr.e.s. S.r.l. produces organic citrus juices, food ingredients, and essential oils. Founded in 1989, the company is based in Carini (Palermo) and employs around 10 people. In the 2022 financial year, the company reported revenues¹ of EUR 3.6 million and an EBITDA² of EUR (1.6) million.

6.3 Important events in the Issuer's history

In 1922, the Misitano and Stracuzzi families started cooperating in the citrus fruit sector.

The Issuer was incorporated on 15 July 1974 in the form of a general partnership, which was subsequently converted into a joint-stock company on 1981.

As early as the 1980s, the Company could boast the first laboratory for quality testing the extracts produced, an operation that had previously been outsourced.

In the course of 2003, the Issuer modernised the production plant located in Furci Siculo (ME), also extending its size.

In 2005, the Company expanded its laboratories for the aromatic preparation of the extracts produced.

With reference to the expansion of the production plants, it should be noted that, in 2014, Misitano & Stracuzzi acquired and subsequently expanded the Santa Teresa di Riva (ME) plant for the production of essential oils.

In 2016, the Issuer incorporated the subsidiary Misitano & Stracuzzi USA Corp in the State of Delaware.

In 2017, the Issuer started the production of organic juices.

In 2022, the Stracuzzi family took over the Misitano family's shareholdings in the Issuer. In light of the foregoing, the Issuer is wholly owned by Stracuzzi Holding S.r.l.

On 5 July 2024, the Company submitted to Borsa Italiana the communication of pre-admission notice pursuant to Article 2 of the Euronext Growth Milan Issuers' Regulation requesting the admission of its Shares to trading on Euronext Growth Milan.

On 11 July 2024, the Issuer's Extraordinary Shareholders' Meeting resolved, among other things, to increase the share capital, for cash, in one or more tranches, up to a maximum amount of EUR 25,000,000 including any share premium, excluding option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, by issuing new ordinary shares, without express indication of nominal value, having the same characteristics as the ordinary shares already outstanding, regular dividend rights, to be offered as part of a placement for the listing project on Euronext Growth Milan, in such a manner, in terms of quality and/or quantity, as to allow the Company to fall within the cases of inapplicability of the provisions on offers to the public of financial instruments provided for by Article 1 of the Prospectus Regulation, to be executed by 31 December 2024.

The Company completed the listing procedure on 22 July 2024 by transmitting the application for admission and this Admission Document to Borsa Italiana.

The admission of the Issuer's Ordinary Shares on Euronext Growth Milan is scheduled for 25 July 2024. The Trading Start Date is scheduled for 29 July 2024.

6.4 Future programmes and strategies

The Issuer's main strategic lines of growth are outlined below:

- increase production efficiency by developing two new high-tech plants. In particular, the Company intends to build (i) a new plant for the production and marketing of essences and aromatic solutions of 8,675 square metres, located in Pace del Mela (Messina) and (ii) a new plant for the processing of citrus fruits and the production and marketing of juices of 17,328 square metres, located in S. Filippo del Mela (Messina). For more information in this regard, see Chapter 6.7.3 below;
- organic growth implemented through the entry into new markets and the strengthening of the offer to favour international expansion;
growth by external lines, through vertical integrations, i.e. consolidating small flavouring producers and through horizontal integrations, i.e. with the potential consolidation of other flavouring producers operating in sectors other than citrus fruit.

6.5 Issuer's dependence, if any, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes

As of the Admission Date, the Company's business was not materially dependent on trademarks, patents, licences or manufacturing processes of third parties, or on industrial, commercial or financial agreements, individually considered.

6.6 Sources of the Issuer's statements on its competitive position

The Issuer's statements regarding its competitive position are the result of internal estimates and calculations made by the Company, based on what emerges from the third-party sources listed in Paragraph 6.2 above in terms of the size and characteristics of the reference market.

6.7 Main investments

6.7.1 Investments made by the Group in each financial year for the period covered by the financial information

The investments made by the Group for the interim periods and financial years to which the financial information set out in this Admission Document relates are set out below.

<i>(Values in thousands of EUR)</i>	As at 31 December	
	2023	2022
2) Development costs	0	0
3) Industrial patent and intellectual property rights	149	0
4) Concessions, licences, trade marks and similar rights	0	42
5-bis) Consolidation difference	0	292
7) Other intangible assets	0	6
Total investments in intangible fixed assets	149	340
1) Land and buildings	4,700	0
2) Plant and machinery	199	436
3) Industrial and commercial equipment	3	7
4) Other tangible fixed assets	11	32
5) Tangible fixed assets under construction and advances	163	372
Total investments in tangible assets	5,076	847
Shareholdings in other companies	3	0
Total investments in financial fixed assets	3	0
Total investments	5,228	1,187

Investments made in the financial year as at 31 December 2023

Investments made by the Group in 2023 totalled EUR 5,228 thousand, of which EUR 149 thousand referred to intangible assets, EUR 5,076 thousand to tangible assets and EUR 3 thousand to financial assets.

More specifically, investments in intangible assets refer to the Parent Company's implementation of the CRM for EUR 78 thousand, the document storage platform for EUR 27 thousand, and the cloud server for EUR 44 thousand.

As for property, plant and equipment, the main investments made in 2023 mainly related to the item Land and Buildings (EUR 4,700 thousand) and referred to the costs incurred by the Parent Company for the purchase of 2 industrial buildings, located in the municipality of Pace del Mela (Me) and in the municipality of S. Filippo del Mela (Me), to be used for the production of essential oils and juices, respectively.

Investments in Plant and Machinery, totalling EUR 199 thousand, mainly relate to the purchase by the Parent Company of the new transformation line for the juice sector for EUR 68 thousand and the related electrical panel for automation and process management for EUR 65 thousand;

Investments in Tangible fixed assets under construction and advances consisted of EUR 85 thousand in costs for technical consultancy in connection with the refurbishment of the 2 industrial buildings mentioned above, and EUR 89 thousand in advances for the supply of an extractor for the juice sector.

Investments in financial fixed assets relate entirely to the Issuer's subscription of 250 shares of Banca Agricola Popolare di Ragusa.

Investments made in the financial year as at 31 December 2022

The Group's investments for the year ended 31 December 2022 totalled EUR 1,187,000, of which EUR 340,000 related to intangible fixed assets and EUR 847,000 to tangible fixed assets.

More specifically, investments in intangible assets refer to implementations made by the Issuer on the company's integrated management system (ERP) in the amount of EUR 42 thousand. For the sake of completeness, investments in intangible fixed assets include the registration of the consolidation difference, positive in the amount of EUR 292,000, relating to the cancellation of the shareholding held by the Issuer in Misitano & Stracuzzi USA Corp..

Capital expenditure in property, plant and equipment as at 31 December 2022 mainly related to the items Plant and machinery (EUR 436,000) and Fixed assets under construction and advances (EUR 372,000). With particular reference to plant and machinery, investments relate to plants located in the production establishments of Furci Siculo and Santa Teresa di Riva. Fixed assets under construction include planning costs (personnel and external consultants) incurred on a building owned by the Issuer located in the municipality of Barcellona Pozzo di Gotto.

6.7.2 Investments made up to the Admission Document Date

The investments made by the Group up to the Admission Document Date are set out below:

<i>(Values in thousands of EUR)</i>	As at 30 April
	2024
Intangible fixed assets	34
Tangible fixed assets	534
Total Investments in Fixed Assets	568

Investments made by the Group in 2024, up to the Admission Document Date, totalled EUR 568 thousand, of which EUR 34 thousand referred to intangible fixed assets, EUR 534 thousand to tangible fixed assets.

With regard to intangible fixed assets, investments relate entirely to the progress of the CRM implementation project.

Investments in tangible fixed assets consist of:

- EUR 310,000 for the purchase of an extractor to be used in the citrus fruit processing process at the Furci Siculo (ME) production site;
- EUR 100,000 for building works for the renovation of the Pace del Mela (ME) Plant purchased in 2023;
- EUR 68 thousand for construction, modification and assembly work on the fruit processing plants located in the Furci Siculo (ME) plant.
- EUR 18 thousand for the purchase of a chromatographic system located in the Santa Teresa di Riva (ME) plant;
- EUR 38,000 for other minor investments.

6.7.3 Investments in progress

As at the Admission Document Date, the Group has ongoing investments aimed at restructuring and preparing the new plants in Pace del Mela and San Filippo del Mela for operational activity for a total of EUR 20,318,000, of which EUR 4,873,000 had already been incurred as at the Admission Document Date. Of the investments in progress as at the Admission Document Date, the Issuer has only made formal commitments for the acquisition of 3 new plants, for a total of EUR 1,772,000.

6.7.4 Information concerning joint ventures and companies in which the Issuer holds a share of capital that may have a material effect on the valuation of the Issuer's assets and liabilities, financial position or profits and losses of the Issuer itself

As at the Admission Document Date, the Issuer holds 100% of the share capital of Misitano & Stracuzzi USA Corp.

For further information on the shareholdings held by the Issuer, see Section One, Chapter 7, Paragraph 7.2 of the Admission Document.

6.7.5 Environmental issues

As of the Admission Document Date, the Issuer is not aware of any environmental issues that could significantly affect the use of investments in tangible assets.

CHAPTER VII – ORGANISATIONAL STRUCTURE

7.1 Description of the group to which the Issuer belongs

As of the Admission Document Date, M&S is controlled pursuant to Article 2359, paragraph 1, of the Italian Civil Code by Stracuzzi Holding S.r.l., which holds a shareholding equal to 100% of the Issuer's share capital.

	Number of shares(*)	% of the Issuer's share capital
Stracuzzi Holding	24,000,000	100%
Total	24,000,000	100%

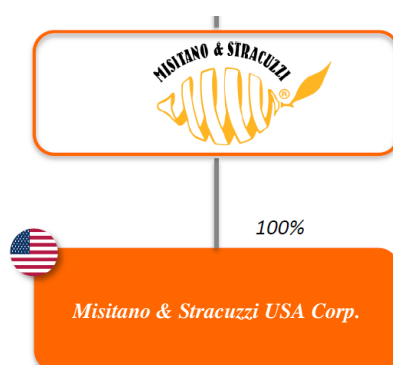
(*) Number of shares resulting after the split resolved by the Extraordinary Shareholders' Meeting of the Company on 11 July 2024

Stracuzzi Holding is a company incorporated under Italian law on 19 September 2022 in the form of a limited liability company with its registered office in Messina, Via Ghibellina 64, with resolved, subscribed and paid-up share capital of EUR 705,000.00.

As at the Admission Document Date, the share capital of Stracuzzi Holding is held by Diego Stracuzzi, Emanuela Stracuzzi and Antonio Stracuzzi.

7.2 Description of Group companies

Misitano & Stracuzzi owns 100% of the subsidiary Misitano & Stracuzzi Corp., a company incorporated under US law with its registered office in the state of New Jersey.



CHAPTER VIII – REGULATORY CONTEXT

8.1 Description of the Regulatory Context

In the conduct of its business, the Issuer believes that it operates in substantial compliance with the relevant regulations and, as at the Admission Document Date, is not aware of any changes to such regulations that may have a significant impact on its operations.

Listed below are the main laws and regulations most pertinent to the Issuer's business.

8.1.1. Environmental regulations

From an environmental point of view, the main applicable regulation is Legislative Decree No. 152/2006 containing the Environmental Code aimed at protecting environmental matrices (soil, water, air) and implementing the relevant EU regulations. Compliance with the rules contained in the Environmental Code is guaranteed by the possibility of applying both administrative and, in some cases, criminal sanctions.

The Environment Code, together with specific national and regional environmental and occupational safety legislation and municipal regulations, implement the fundamental principles of environmental protection listed in Article 191(2) of the Treaty on the Functioning of the European Union, according to which "Union policy on the environment shall aim at a high level of protection taking into account the diversity of situations in the various regions of the Union. It shall be based on the precautionary principle and on the principles that preventive action should be taken, that environmental damage should as a priority be rectified at source and that the polluter should pay.

In this context, we recall, in summary:

- precautionary principle: competent authorities must take appropriate measures and steps to prevent potential risks to public health, safety and the environment. Therefore, whenever the risks induced by a potentially dangerous activity are not known with certainty, the authorities intervene with preventative measures in advance of the consolidation of scientific knowledge;
- Polluter pays principle: a company that causes environmental damage is responsible for it and must take the necessary preventive or remedial action and bear all related costs;
- air: industrial plants must obtain an atmospheric emission permit, which is subject to compliance with certain qualitative and quantitative standards that differ from one Member State to another. Compliance with the standards defined in the permit must be periodically verified and updated, where necessary, in light of the "Best Available Techniques" (*i.e.*, plant, control and management techniques that – among those that are technically feasible and economically sustainable for each specific context – guarantee (i) low levels of pollutant emissions, (ii) optimisation of the consumption of raw materials, products, water and energy, and (iii) adequate accident prevention. These are specific reference documents for the various categories of activities, constantly updated by the European Commission);
- water: each establishment must obtain a permit for the discharge of industrial waste water. Authorisation is subject to compliance with qualitative and quantitative standards. These standards differ depending on the receptacle (surface water, groundwater, seawater, public sewage, etc.). Compliance with these standards must be periodically verified and updated, where necessary, in the light of "Best Available Techniques";

- soil, subsoil and groundwater protection: all stages of the production process that may have an impact on soil, subsoil and groundwater quality are regulated;
- waste: the waste produced must be managed in such a way as to ensure its traceability, classification, controlled collection, disposal and/or reutilisation in accordance with local laws; for these purposes, it is mandatory to record the handling of waste, declare its volume and type, and entrust its transport and disposal to authorised companies;
- noise to the outside: maximum noise emission levels are set according to the type of zone (industrial or residential) in which the establishment is located. These limits must be periodically monitored and reported;
- asbestos: since 1992, Italy has had a ban on the extraction, import, export, marketing and production of asbestos, asbestos products or materials containing asbestos. The owner of a building in which asbestos-containing materials are present must maintain these materials in a good state of preservation (in line with applicable technical parameters), as well as implement a series of measures to reduce and avoid risks to human health due to the dispersion of asbestos fibres;
- occupational health and safety: there are specific rules aimed at creating working conditions that respect the psycho-physical integrity of workers by means of the implementation of working conditions that minimise exposure to chemical and physical agents.

In addition to the Environmental Code, the following main regulations apply, among others, and non-compliance with them is punished with administrative sanctions and, in some cases, also with criminal sanctions:

- Law No. 257 of 27 March 1992, regulating the cessation of the use of asbestos, implemented by Ministerial Decree 6 September 1994 of implementation;
- Legislative Decree No. 81 of 9 April 2008, containing the implementation of Article 1 of Law No. 123 of 3 August 2007 on the protection of health and safety in the workplace;
- Legislative Decree No. 133 of 14 September 2009 containing the sanctioning rules for the violation of the provisions of Regulation (EC) No. 1907/2006 that establishes the principles and requirements for the registration, evaluation, authorisation and restriction of chemicals (the so-called REACH regulations);
- Presidential Decree No. 146/2018 on fluorinated gases (which replaced Presidential Decree No. 43/2012) as well as Legislative Decree No. 163/2019, which contains the relevant sanctioning rules;
- Legislative Decree No. 101/2020 issued in implementation of Directive 2013/59/Euratom establishing basic safety standards for protection against the dangers arising from exposure to ionising radiation.

8.1.2. Occupational safety regulations

The current regulations on the health and safety of male and female workers in the workplace are contained in Legislative Decree No. 81/2008 ("**Legislative Decree No. 81/2008**"), so-called "Consolidated Law on Health and Safety in the workplace", issued to reorganise and coordinate the relevant regulations.

In order to improve the safety and health of male and female workers, Legislative Decree No. 81 /2008 establishes the way in which a series of preventive actions, such as the assessment of risks in the company, must be compulsorily carried out and, consequently, the way in which a series of actions must be taken, including: (i) the adaptation of facilities, plants and equipment; (ii) health checks, (iii) training courses and all other compulsory aspects, the lack or absence of which could expose the company to significant sanctions. The assessment of the risks present in the company, functional to the adoption of prevention and protection measures to eliminate or contain the risks identified, must be carried out by the employer.

Legislative Decree No. 81 /2008 provides for the establishment and appointment within the company of specific figures such as, by way of example and not limited to, the person in charge of the prevention and protection service (the so-called R.S.P.P. "prevention and protection officer") and the workers' safety representative.

8.1.3. Product liability law

The seller's liability is determined by the general rules on defects in goods established in the Italian Civil Code. In matters of purchase and sale, the seller is obliged to guarantee to the buyer that the thing sold is free from defects.

Accordingly – pursuant to Article 1490 of the Italian Civil Code – a buyer who acquires a thing affected by defects that render it unfit for its intended use or that significantly diminish its value is entitled to obtain (i) termination of the agreement or (ii) a reduction of the price. The burden of proving the existence of the defect rests on the buyer invoking this contractual remedy.

Article 1495 of the Italian Civil Code provides for the forfeiture of the buyer's warranty right if the buyer does not notify the seller of the defects within 8 days of discovery of the defect, and the action is time-barred after one year from delivery. The buyer – pursuant to Article 1497 of the Italian Civil Code – is also entitled to have the agreement rescinded on the grounds of quality defects, *i.e.*, if the thing sold lacks the qualities essential for its intended use.

In addition to the types described, the buyer damaged by defective products also enjoys non-contractual protection under Article 2043 of the Italian Civil Code, *i.e.*, liability attributed to a person who – by wilful or negligent conduct – causes unjust damage to others. The action is time-barred in 5 years from the day the injured party had or should have had knowledge of the damage and entails the burden on the injured party to prove the existence of (i) the wrongful act that was committed wilfully or negligently, (ii) the damage suffered and (iii) the causal link between the two. The burden of proving the subjective element (whether the damaging conduct was wilful or negligent) is the main difference from product liability law.

8.2 Government, economic, fiscal, monetary or political policies or factors that have had, or could have, directly or indirectly, significant impact on the Issuer's business

As at the Admission Document Date, the Issuer is not aware of any governmental, economic, budgetary, monetary or political policies or factors that have had, or may have, directly or indirectly, a significant effect on the Issuer's business.

CHAPTER IX – INFORMATION ON EXPECTED TRENDS

9.1 Recent trends in the markets in which the group operates

In the Issuer's opinion, from 31 December 2023 until the Admission Date, there were no particularly significant trends in production trends, *i.e.*, in the development of costs and sales prices, or in sales trends.

As evidence of the Company's business and financial performance after 31 December 2023, it should be noted that the Issuer, in the period between 1 January and 31 May 2024, realised revenues of approximately EUR 28.6 million, an increase of approximately 13.9% compared to the same period in 2023 in which the Issuer realised revenues of approximately EUR 25.1 million.

The EBITDA realised as of 31 May 2024 amounted to approximately EUR 7.6 million, an increase of approximately 58.3% compared to the same period in 2023 in which the Company realised EBITDA of approximately EUR 4.8 million.

As of 31 May 2024, the EBITDA margin was approximately 26.7%, up from the same period in 2023 when it was 19.1%.

Please note that the above figures are of a management nature and, therefore, have not been and will not be subject to audit.

9.2 Information on known trends, uncertainties, demands, commitments or events that could reasonably be expected to have a significant effect on the Issuer's prospects at least for the current financial year

As of the Admission Date, based on the information available, the Issuer is not aware of any known trends, uncertainties, demands, commitments or facts that could reasonably be expected to have a significant effect on the Company's prospects at least for the current financial year.

CHAPTER X – PROFIT FORECASTS AND ESTIMATES

The Admission Document contains no profit forecasts or estimates.

CHAPTER XI – ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND TOP MANAGEMENT

11.1 Corporate bodies and top management

11.1.1 Board of Directors

As of the Admission Date, the Issuer’s Board of Directors (the “**Board of Directors**”) in office is composed of 5 members, who will remain in office until the Shareholders’ Meeting will have convened to approve the financial statements for the year ending 31 December 2026. The directors in office as at the Admission Date were appointed by the Shareholders’ Meeting of 1 July 2024. Furthermore, the Shareholders’ Meeting held on 11 July 2024 resolved to integrate the Board of Directors with the appointment, as at the Admission Date, of independent directors Antonio Riccio and Carlo Munafò, who will remain in office until the expiration of the Board of Directors’ term of office.

The following table shows the members of the Board of Directors in office on the Admission Date, specifying, in addition to their names, their position, place and date of birth.

Name and surname	Office	Place and date of birth
Antonio Stracuzzi	Chairperson of the Board of Directors and CEO	Catania (CT), 14 May 1973
Emanuela Stracuzzi	Managing Director	Catania (CT), 16 October 1971
Diego Stracuzzi	Managing Director	Messina (ME), 6 January 1980
Antonio Riccio (*)	Independent Director	Salerno (SA), 31 May 1968
Carlo Munafò (*)	Independent Director	Messina (ME), 12 May 1971

(*) *Independent Director pursuant to the combined provisions of Articles 147-ter and 148, paragraph 3 of the Italian Consolidated Law on Finance*

The members of the Board of Directors are domiciled for the office at the registered office of the Company.

On 11 July 2024, the Issuer’s Board of Directors verified that (i) all Directors meet the requirements of honourableness set forth in Article 147-*quinquies* of the Italian Consolidated Law on Finance; and (ii) Directors Antonio Riccio and Carlo Munafò also meet the requirements of independence set forth in Article 148, paragraph three, of the Italian Consolidated Law on Finance, as referred to in Article 147-*ter*, paragraph four, of the Italian Consolidated Law on Finance.

The following is a brief *curriculum vitae* of the members of the Board of Directors, showing their expertise and experience in corporate management.

Antonio Stracuzzi

He has considerable experience in the field of essential oils. He has been a director of the Issuer since 2001 where he currently also holds the position of responsible for health and safety at work

Emanuela Stracuzzi

She has significant experience in the sector of logistics administration management, with particular reference to the management of relations with forwarding agents, customs bodies and Italian and

foreign customers. He has been a director of the Issuer since 1998 where he also currently holds the position of head of juice logistics management.

Diego Stracuzzi

He has considerable experience in the field of juices. He has been a director of the Issuer since 2002 where he also currently holds the position of head of juice sales management.

Antonio Riccio

After graduating in Business Economics, he specialised in corporate finance at the Luigi Bocconi University of Milan. Since 2020, he has been in charge of “Fondo Cresci al Sud”, a fund managed by Invitalia S.p.A. and aimed at acquiring minority stakes in the risk capital of SMEs with registered offices and operations in Southern Italy. He is a board member of several private companies, including Frigomeccanica S.r.l., Tesi S.r.l., Lirsa S.p.A., Contrader S.r.l., as well as EGM-listed companies such as E-Globe S.p.A. and Simone S.p.A.. He was also Investment Director in the activities related to the management of the closed-end securities funds "Fondo di Promozione del Capitale di Rischio per il Mezzogiorno" and "Atlante Private Equity" of IMI Fondi Chiusi Sgr and Project Leader Basket Bond within the Corporate Finance Mediocredito Italiano (Intesa Sanpaolo) team. He is a chartered accountant, auditor, Certified Effas Financial Analyst and contract lecturer at the University of Salerno.

Carlo Munafò

He graduated in Law from the University of Messina in 1993, has been a Notary Public since 2001 and a member of the Milan Notary Council since 2012.

The following table shows the corporations or partnerships in which the members of the Board of Directors have been members of the administrative, management or supervisory bodies, or partners in the last five years, with an indication of their status, as at the Admission Date.

First and last name:	Company	Position in the company or shareholding held	Charge status	Shareholding status
Antonio Stracuzzi	Stracuzzi Holding S.r.l.	Shareholder (33.33%)	-	In place
Emanuela Stracuzzi	Stracuzzi Holding S.r.l.	Shareholder (33.33%)	-	In place
Diego Stracuzzi	Stracuzzi Holding S.r.l.	Shareholder (33.33%)	-	In place
Antonio Riccio	Rawit Studio S.r.l.	Director	In place	-
	Lirsa S.p.A.	Director	In place	-
	E-Globe S.p.A.	Director	In place	-
	Tesi S.r.l. - Tecnologie e servizi innovativi	CEO	In place	-
	Simone S.p.A.	Director	In place	-
	Contrader Engineering S.r.l.	Director	In place	-
	Contrader S.r.l.	Director	In place	-

	Ospedale Casa di Cura S.r.l.	Director	Ceased	-
	Casa di Cura Villa dei Fiori S.r.l.	Director	Ceased	-
	Contrader Basilicata S.r.l.	Director	In place	-
	Data Engine S.r.l.	Director	In place	-
	Sistemi S.r.l.	Director	In place	-
	Fare Spot S.p.A.	Director	In place	-
	Aurora Quattordici S.p.A.	Director	In place	-
	Arrilirsa S.p.A.	Director	Ceased	-
	Frigomeccanica S.r.l.	Director	In place	-
	Italian Cool Design S.r.l.	Director	In place	-
Carlo Munafò	-	-	-	-

As at the Admission Document Date, none of the members of the Board of Directors has any family relationship with the other members of the Issuer's Board of Directors or with the members of the Company's Board of Statutory Auditors, with the exception of the Chairperson of the Board of Directors Antonio Stracuzzi, the Managing Director Emanuela Stracuzzi and the Managing Director Diego Stracuzzi, who are siblings.

To the best of the Company's knowledge, none of the members of the Board of Directors has, in the last five years, been convicted of any offence of fraud or bankruptcy or been associated in the performance of their duties with any bankruptcy, receivership or involuntary liquidation proceedings, nor, finally has been the subject of official charges and/or sanctions by public or regulatory authorities (including designated professional associations) or disqualification by a court from acting as a director, manager or supervisor of the Issuer or from acting as a director or manager of any issuer.

Powers vested in the Directors and the Board of Directors

The Board of Directors is vested with the broadest powers for routine and non-routine management of the Company and, more specifically, has the power to take all actions it considers appropriate to implement and achieve the corporate purposes, excluding only the powers that the law or the Articles of Association reserve for Shareholders' Meeting.

The Board of Directors, with the exception of those that cannot be delegated by law, may delegate its attributions and powers to one or more managing directors, determining the limits of the delegation.

The Chairperson of the Board of Directors, Antonio Stracuzzi, is vested with the following delegated powers.

1. to exercise management of the company and the group (in coordination with the managing directors: Diego Stracuzzi and Emanuela Stracuzzi), more specifically by supervising:
 - the drawing up strategic plans, budgets and special projects with the contribution of the management structure and submitting to the board of directors the relevant proposals of strategic plans and budgets and, where appropriate, of special investment and

- development projects, verifying the relevant objectives and monitoring their achievement and guiding the structure, through the coordination of the activities of the commercial management, the plant management, the purchasing management, the research and development management, the quality control area, the personnel management and the administration, finance and control management, in the implementation of the
- strategic plans, budgets and special projects, for the company and for all group companies, ensuring the achievement of their objectives;
 - the definition of annual budgets (sales, purchasing, production) and the drafting of the “investment plan” to be submitted to board approval;
 - the development and management of the company’s commercial policy through the definition of prices, sales terms and conditions and customer relations.
2. the task of supervising, managing and reporting to the board on the performance of the “essential oils” strategic area, and more specifically, with exclusive reference thereto, the following powers are delegated to be exercised with single signature, without prejudice to the right to delegate other persons:
 - – to control and supervise the entire production and commercial process of the “extracts” sector and, in general, assume full responsibility for the relevant plant;
 - – to negotiate and sign each purchase order and/or agreement for raw materials, ancillary materials, goods, as well as the authorisation of the payment of the relevant amounts, all up to a maximum of EUR 2 million per individual deed;
 - – to sign agreements for the purchase of goods, also under lease, sign any order and/or agreement for the purchase of services, as well as authorise the payment of the relevant amounts, all up to a maximum of EUR 300,000 per individual deed;
 3. to negotiate and sign each order and/or agreement for the sale of finished products, semi-finished products, goods, and define the general offer clauses, and the collection of the relevant sums;
 4. to entrust specialised professionals/consultants with tasks relating to the company’s IT area, and also authorising the purchase of the necessary hardware and software, as well as authorising the payment of the relevant amounts, all up to a maximum of EUR 100,000 per individual deed;
 5. to confer and revoke professional consultancy and defence assignments, as well as authorise the payment of the relevant amounts, up to a maximum limit of EUR 100,000 per individual deed; to confer special powers of attorney; to enter into settlements and conciliations; to stipulate waivers and remittances, both in and out of court;
 6. to supervise the organisation and management of the worldwide sales network, as well as of the foreign subsidiaries and affiliated companies, conferring and revoking assignments to agents in Italy and abroad;
 7. to supervise the activities of the subsidiaries and affiliated companies. health and safety prevention at work, in consideration of his proven professionalism and experience, the director Antonio Stracuzzi is granted the following powers in the area of health and safety

at work: to carry out, without any cost limitation, any fulfilment and activity necessary or appropriate in order to ensure full compliance by the company with the regulations on hygiene, health and safety of workers and workplaces and accident prevention pursuant to and for the purposes of Legislative Decree No. 81 of 9 April 2008, (“Legislative Decree No. 81/2008”) and subsequent amendments and supplements, none excluded, in accordance with the provisions contained and set out below, by way of example only, in Legislative Decree No. 81/2008, in Presidential Decree No. 459/1996, in Legislative Decree No. 195/2006 and subsequent amendments and supplements, and in any case in accordance with the laws, regulations, orders or rules, including those to be issued in the future, on the aforesaid matters, assuming and holding the status of “employer” for the purposes of Article 2, letter b) of Legislative Decree No. 81 /2008, undertaking to fully and completely implement the aforesaid regulations, or any other mandatory provisions that may apply, conferring – also in addition to the powers already conferred or due to the office – all the necessary organisational, managerial, decision-making, control, spending and representation powers, without any limitation, and also having to provide, as necessary and appropriate, for the stipulation of agreements and insurance policies for the delegated subject matter. The director may delegate, where possible and if and insofar as permitted with exoneration of any and all liability, functions, duties and obligations incumbent upon him with regard to accident prevention and protection, safety, hygiene and workers’ health, to persons deemed suitable, having particular and specific technical expertise and personal skills, suitable classification, adequate decision-making autonomy and sufficient spending powers, granting the same suitable and valid powers of attorney. Each director, within the limits of the delegated powers attributed and within the maximum limit set forth therein for each individual deed, with single signature, has the right:

- to purchase, sell, exchange transport vehicles in general, inherent to the services needed by the company and enter into inherent deeds and agreements for amounts not exceeding EUR 300,000;
- to carry out enforcement and conservatory acts and have protests raised;
- to conclude private or compulsory insurance agreements and sign the relevant policies;
- to represent the company in relations of all kinds with administrative, tax and social security authorities and bodies, both central and local, and, in general, with any public office or body, including economic ones, both central and local, by signing statements, deeds, petitions, complaints and any other document, including VAT and intra-Community statements;
- to represent the company in any lawsuit as a claimant or defendant, brought or to be brought, before the Italian judicial authorities at any level, both civil and criminal, as well as in matters of voluntary or administrative jurisdiction and more specifically before justices of the peace, courts, courts of appeal, arbitrators and arbitration boards, administrative magistrates, tax commissions and in general before any judicial, administrative and tax authorities;
- to issue and sign any type of certification, none excluded, relating to all the entities mentioned in connection with the representation of the company, including the statements requiring agency representation pursuant to Article 1 of Presidential Decree No. 322 of 22 July 1998;

- to sign communications with the financial and tax administration, revenue agency, financial offices in general, taking care of compliance with all administrative and tax regulations and fulfilments of the company, with the power to sign – among other things – periodic and annual VAT statements, the single form, the 770 form, tax, withholding and contribution payment forms, as well as any attestation, certification or deed in relation to the above and make the relevant payments.
- to take care of the internal organisation of human resources, being able, in this sense: to promote, hire and dismiss both fixed-term and permanent personnel up to the level of employee and middle manager by setting the relevant salaries, incentive plans, bonuses and salary increases; to initiate disciplinary actions, up to the level of middle manager, without prejudice to the provisions of the applicable collective labour agreement.

In addition, each individual director is vested with the following powers to be exercised with individual signatures:

- a) to sign unsecured and/or mortgage facility agreements, also in foreign currency and related attached and preparatory documents, all up to a maximum amount of EUR 5 million per individual agreement and without any duration constraint, including any rate fluctuation hedging agreements having as notional amount the amount of the individual unsecured and/or mortgage facility agreement entered into; all this, both for entering into facility agreements with institutions with which the company already has business relations, and for entering into facility agreements with new partner institutions. In the latter case, the director who signs the agreement is entitled to finalise any documentation required to initiate the new business relationship;
- b) to sign new credit agreements for short-term financial lines (import, export, customer and supplier advances, hot money) up to a limit of EUR 7 million per individual credit institution;
- c) to proceed to enter into agreements and/or issue orders for foreign exchange and securities transactions, including sales/purchases in foreign currency with a fixed or flexible term, with the power to transfer securities and collect the proceeds, including through the use of online platforms;
- d) to sign leasing and factoring agreements, both with and without recourse, as well as other types of credit assignment agreements deemed advantageous to the company, including the signing of reverse factoring (confirming) agreements, both with and without recourse;
- e) to issue cheques on the company's current accounts, in compliance with the law, make transfers between the company's current accounts, arrange bank transfers or other means of payment to make payments to the company's creditors, all to honour agreements and/or orders and/or assignments, duly authorised, within the limit of EUR 1 million per individual transaction;
- f) to endorse, collect and receipt bills of exchange, endorse bank and postal cheques and other transferable documents issued and endorsed to the order of the company;
- g) to issue bank receipts to debtors, present to the banks for collection and discount bank receipts, drafts and bills of exchange payable to the company's debtors to be credited to the company's bank accounts;

- h) to negotiate credit facilities and enter into the opening and closing of bank current accounts, including correspondent accounts, other separate or special accounts and, where permitted, also foreign currency accounts, give instructions and make withdrawals from such accounts, including by means of bank and cashier's cheques to the order of third parties in respect of cash and credit facilities;
- i) to use the company's credit lines such as, by way of example but not limited to: advances on invoices, loans for payment of suppliers, both Italian and foreign, use of hot money, up to the amount of the relevant bank credit lines;
- j) to establish security deposits and issue sureties.

The Managing Director, Emanuela Stracuzzi, is vested with the following delegated powers.

- to supervise the company's operational function pertaining to logistics (import and export), and more specifically, with exclusive reference thereto, the following powers are delegated to be exercised with single signature, without prejudice to the right to delegate other persons:
 - to negotiate and sign any order and/or agreement for the purchase of incoming and outgoing transport services, as well as authorise the payment of the relevant amounts, and may also delegate the relevant function or part thereof, all up to a maximum of EUR 300,000 per individual deed;
 - to negotiate and sign each insurance agreement, as well as authorise the payment of the relevant amounts, all up to a maximum of EUR 300,000 per individual deed;
 - to determine and control the administrative processes related to import/export transactions of essential oils and juices, providing the necessary statements and other necessary paperwork;
 - to sign all the documentation to be sent to the Customs Agency, and may also delegate the relevant function or part thereof;
 - to sign invoices, certificates of origin, currency or customs documents or transport documents, and any other necessary documents, both for imports and exports, and may also delegate the relevant function or part thereof;
 - to confer and revoke professional consultancy and defence assignments, as well as authorise the payment of the relevant amounts, up to a maximum limit of EUR 100,000 per individual deed, to confer special powers of attorney, to enter into settlements and conciliations, to stipulate waivers and remittances, both in and out of court. Each director within the limits of the delegated powers granted and within the maximum limit set forth therein for each individual deed, with single signature, has the right:
 - to purchase, sell, exchange transport vehicles in general, inherent to the services needed by the company and enter into inherent deeds and agreements for amounts not exceeding EUR 300,000;
 - to carry out enforcement and conservatory acts and have protests raised;
 - to conclude private or compulsory insurance agreements and sign the relevant policies;

- to represent the company in relations of all kinds with administrative, tax and social security authorities and bodies, both central and local, and, in general, with any public office or body, including economic ones, both central and local, by signing statements, deeds, petitions, complaints and any other document, including VAT and intra-Community statements;
- to represent the company in any lawsuit as a claimant or defendant, brought or to be brought, before the Italian judicial authorities at any level, both civil and criminal, as well as in matters of voluntary or administrative jurisdiction and more specifically before justices of the peace, courts, courts of appeal, arbitrators and arbitration boards, administrative magistrates, tax commissions and in general before any judicial, administrative and tax authorities;
- to issue and sign any type of certification, none excluded, relating to all the entities mentioned in connection with the representation of the company, including the statements requiring agency representation pursuant to Article 1 of Presidential Decree No. 322 of 22 July 1998;
- to sign communications with the financial and tax administration, revenue agency, financial offices in general, taking care of compliance with all administrative and tax regulations and fulfilments of the company, with the power to sign – among other things – periodic and annual VAT statements, the single form, the 770 form, tax, withholding and contribution payment forms, as well as any attestation, certification or deed in relation to the above and make the relevant payments.
- to take care of the internal organisation of human resources, being able, in this sense: to promote, hire and dismiss both fixed-term and permanent personnel up to the level of employee and middle manager by setting the relevant salaries, incentive plans, bonuses and salary increases; to initiate disciplinary actions, up to the level of middle manager, without prejudice to the provisions of the applicable collective labour agreement.

In addition, each individual director is vested with the following powers to be exercised with individual signatures:

- a. to sign unsecured and/or mortgage facility agreements, also in foreign currency and related attached and preparatory documents, all up to a maximum amount of EUR 5 million per individual agreement and without any duration constraint, including any rate fluctuation hedging agreements having as notional amount the amount of the individual unsecured and/or mortgage facility agreement entered into; all this, both for entering into facility agreements with institutions with which the company already has business relations, and for entering into facility agreements with new partner institutions. In the latter case, the director who signs the agreement is entitled to finalise any documentation required to initiate the new business relationship;
- b. to sign new credit agreements for short-term financial lines (import, export, customer and supplier advances, hot money) up to a limit of EUR 7 million per individual credit institution;
- c. to proceed to enter into agreements and/or issue orders for foreign exchange and securities transactions, including sales/purchases in foreign currency with a fixed or flexible term, with the power to transfer securities and collect the proceeds, including through the use of online platforms;

- d. to sign leasing and factoring agreements, both with and without recourse, as well as other types of credit assignment agreements deemed advantageous to the company, including the signing of reverse factoring (confirming) agreements, both with and without recourse;
- e. to issue cheques on the company's current accounts, in compliance with the law, make transfers between the company's current accounts, arrange bank transfers or other means of payment to make payments to the company's creditors, all to honour agreements and/or orders and/or assignments, duly authorised, within the limit of EUR 1 million per individual transaction;
- f. to endorse, collect and receipt bills of exchange, endorse bank and postal cheques and other transferable documents issued and endorsed to the order of the company;
- g. to issue bank receipts to debtors, present to the banks for collection and discount bank receipts, drafts and bills of exchange payable to the company's debtors to be credited to the company's bank accounts;
- h. to negotiate credit facilities and enter into the opening and closing of bank current accounts, including correspondent accounts, other separate or special accounts and, where permitted, also foreign currency accounts, give instructions and make withdrawals from such accounts, including by means of bank and cashier's cheques to the order of third parties in respect of cash and credit facilities;
- i. to use the company's credit lines such as, by way of example but not limited to: advances on invoices, loans for payment of suppliers, both Italian and foreign, use of hot money, up to the amount of the relevant bank credit lines;
- j. to establish security deposits and issue sureties.

The Managing Director, Diego Stracuzzi, is vested with the following delegated powers.

- the corporate signature and the power to represent the company in both substantive and procedural matters.
- To supervise and report to the board on the performance of the "juices" strategic area, and more specifically, with exclusive reference thereto, the following powers are delegated to be exercised with single signature, without prejudice to the right to delegate other persons:
 - to oversee the negotiation and the signing of each purchase order and/or agreement for raw materials, ancillary materials, and goods, all up to a maximum of EUR 500 thousand per individual deed;
 - to sign agreements for the purchase of goods, also under lease, sign any order and/or agreement for the purchase of services, as well as authorise the payment of the relevant amounts, all up to a maximum of EUR 150,000 per individual deed;
 - to negotiate and sign each order and/or agreement for the sale of finished products, semi-finished products, goods, define the general offer clauses, and the collection of the relevant sums;
 - to confer and revoke professional consultancy and defence assignments, as well as authorise the payment of the relevant amounts, up to a maximum limit of EUR 100,000

per individual deed, to confer special powers of attorney; to enter into settlements and conciliations, to stipulate waivers and remittances, both in and out of court;

- to supervise the organisation and management of the worldwide sales network, as well as of the foreign subsidiaries and affiliated companies, conferring and revoking assignments to agents in Italy and abroad.

Each director within the limits of the delegated powers granted and within the maximum limit set forth therein for each individual deed, with single signature, has the right:

- to purchase, sell, exchange transport vehicles in general, inherent to the services needed by the company and enter into inherent deeds and agreements for amounts not exceeding EUR 300,000;
- to carry out enforcement and conservatory acts and have protests raised;
- to conclude private or compulsory insurance agreements and sign the relevant policies;
- to represent the company in relations of all kinds with administrative, tax and social security authorities and bodies, both central and local, and, in general, with any public office or body, including economic ones, both central and local, by signing statements, deeds, petitions, complaints and any other
- document, including VAT and intra-Community statements;
- to represent the company in any lawsuit as a claimant or defendant, brought or to be brought, before the Italian judicial authorities at any level, both civil and criminal, as well as in matters of voluntary or administrative jurisdiction and more specifically before justices of the peace, courts, courts of appeal, arbitrators and arbitration boards, administrative magistrates, tax commissions and in general before any judicial, administrative and tax authorities;
- to issue and sign any type of certification, none excluded, relating to all the entities mentioned in connection with the representation of the company, including the statements requiring agency representation pursuant to Article 1 of Presidential Decree No. 322 of 22 July 1998;
- to sign communications with the financial and tax administration, revenue agency, financial offices in general, taking care of compliance with all administrative and tax regulations and fulfilments of the company, with the power to sign – among other things – periodic and annual VAT statements, the single form, the 770 form, tax, withholding and contribution payment forms, as well as any attestation, certification or deed in relation to the above and make the relevant payments.
- to take care of the internal organisation of human resources, being able, in this sense: to promote, hire and dismiss both fixed-term and permanent personnel up to the level of employee and middle manager by setting the relevant salaries, incentive plans, bonuses and salary increases; to initiate disciplinary actions, up to the level of middle manager, without prejudice to the provisions of the applicable collective labour agreement.

In addition, each individual director is vested with the following powers to be exercised with individual signatures:

- a. to sign unsecured and/or mortgage facility agreements, also in foreign currency and related attached and preparatory documents, all up to a maximum amount of EUR 5 million per individual agreement and without any duration constraint, including any rate fluctuation hedging agreements having as notional amount the amount of the individual unsecured and/or mortgage facility agreement entered into; all this, both for entering into facility agreements with institutions with which the company already has business relations, and for entering into facility agreements with new partner institutions. In the latter case, the director who signs the agreement is entitled to finalise any documentation required to initiate the new business relationship;
- b. to sign new credit agreements for short-term financial lines (import, export, customer and supplier advances, hot money) up to a limit of EUR 7 million per individual credit institution;
- c. to proceed to enter into agreements and/or issue orders for foreign exchange and securities transactions, including sales/purchases in foreign currency with a fixed or flexible term, with the power to transfer securities and collect the proceeds, including through the use of online platforms;
- d. to sign leasing and factoring agreements, both with and without recourse, as well as other types of credit assignment agreements deemed advantageous to the company, including the signing of reverse factoring (confirming) agreements, both with and without recourse;
- e. to issue cheques on the company's current accounts, in compliance with the law, make transfers between the company's current accounts, arrange bank transfers or other means of payment to make payments to the company's creditors, all to honour agreements and/or orders and/or assignments, duly authorised, within the limit of EUR 1 million per individual transaction;
- f. to endorse, collect and receipt bills of exchange, endorse bank and postal cheques and other transferable documents issued and endorsed to the order of the company;
- g. to issue bank receipts to debtors, present to the banks for collection and discount bank receipts, drafts and bills of exchange payable to the company's debtors to be credited to the company's bank accounts;
- h. to negotiate credit facilities and enter into the opening and closing of bank current accounts, including correspondent accounts, other separate or special accounts and, where permitted, also foreign currency accounts, give instructions and make withdrawals from such accounts, including by means of bank and cashier's cheques to the order of third parties in respect of cash and credit facilities;
- i. to use the company's credit lines such as, by way of example but not limited to: advances on invoices, loans for payment of suppliers, both Italian and foreign, use of hot money, up to the amount of the relevant bank credit lines;
- j. to establish security deposits and issue sureties.

11.1.2 Board of Statutory Auditors

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting held on 11 July 2022 and will remain in office until the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2026.

As of the Admission Date, the Board of Statutory Auditors was composed as follows:

First name and surname	Office	Place and date of birth
Melo Martella	Chairman of the Board of Statutory Auditors	Patti (ME), 26 July 1967
Giulio Ciocchetti	Standing Auditor	Vercelli (VC), 11 March 1986
Barbara Ricciardi	Standing Auditor	Roma (RM), 1 September 1965
Giuseppe Bulotta	Alternate Auditor	Messina (ME), 28 February 1991
Antonina Molica	Alternate Auditor	Patti (ME), 22 January 1977

All the members of the Board of Statutory Auditors of the Company meet the requirements of honourableness and professionalism set forth in Article 148(4) of the Italian Consolidated Law on Finance.

The following is a brief *curriculum vitae* of the members of the Board of Statutory Auditors, which shows their expertise and experience gained in business management.

Melo Martella

He graduated in Economics and Commerce from the University of Messina in 1991, subsequently earning a doctorate in tax law from the Faculty of Law of the University of Catania, as well as, in 2029, a certificate from the MAP X advanced training course in "Management of Public Administrations" at SDA Bocconi. He is a member of the Order of Chartered Accountants (first of Messina, since 1994, now of Barcellona P.G.) He is in the Register of Legal Auditors held at the Ministry of Economy and Finance. He is currently an expert lecturer in Political Economy at the University of Messina. He has held numerous professorships at the same University, has spoken at numerous conferences and is the author of numerous publications on tax matters. He has held, and still holds, several positions of primary importance, including Member of the Supervisory Board of Caronte&Tourist S.p.A. and court-appointed technical expert, consultant to the Public Prosecutor and to the Preliminary Investigations Judge at the Courts of Patti, Barcellona P.G., Messina and Palermo in the field of accounting, financial, tax, corporate and bankruptcy offences.

Giulio Ciocchetti

He obtained a Bachelor's degree in Administration and Control at the University of Pavia in 2007 and a Master's degree in Economics and Business Law, at the same university, in 2010. He has been a member of the Vercelli Institute of Chartered Accountants since 2013 and is registered in the Register of Legal Auditors held at the Ministry of Economy and Finance. Since 2014, he has been practising the profession of chartered accountant and external auditor, carrying out consultancy activities and holding roles of primary importance, including, from 2015, the role of chartered accountant and external auditor at the auditing firm PWC S.p.A., as well as, between 2020 and 2022, the role of lecturer at COVERFOP – Consorzio Vercellese per la Formazione Professionale.

Barbara Ricciardi

She graduated in Economics from the University of Rome La Sapienza. She has qualified as a Chartered Accountant in 1994 and has been on the Register of Auditors since 1999. in the Register of Auditors. She carries out her professional activity on her own assisting clients in corporate and tax matters, is a Standing and Substitute Auditor at national companies and Auditor Legal Auditor of the Order of Architects of Rome. He is a member of the Assembly of Delegates of the Cassa di Previdenza ed Assistenza dei Dottori Commercialisti since 2016 and until 2024. She is an associate of Nedcommunity–Associazione italiana amministratori non esecutivi e indipendenti and has participated in the third refresher course The Effective Board (TEB) organised by AIDC

Giuseppe Bulotta

He obtained a Bachelor's Degree in Business Administration from the University of Messina in 2013 and a Master's Degree in Consulting and the Profession, from the same university, in 2015. He has held and still holds several positions of primary importance, including Member of the Supervisory Board of companies such as Consorzio A.P.A.M. Società Cooperativa, Maiorana Costruzioni S.r.l. and the position of Chairman of the Board of Auditors at the Public Body ITT–LSSA Copernico located in Barcellona Pozzo di Gott (ME).

Antonina Molica

She graduated in Economics and Commerce from the University of Messina. Since 2011, she has been practising as a chartered accountant and auditor, as well as a bankruptcy trustee, at the Molica Dr Antonina firm. Dr Molica is an experienced business crisis negotiator. She has held, and still holds, various positions of primary importance, including acting auditor at IRFIS – FinSicilia S.p.A., SRR Messina e Provincia Società Consortile P.A. and technical consultant of the court of Patti (ME) , consultant of the PM as well as judicial custodian and delegate to the sale.

The following table shows all the corporations or partnerships in which the members of the Board of Statutory Auditors have been members of the administrative, management or supervisory bodies, or partners in the last five years, with an indication of the status of the office or shareholding, as at the Admission Document Date.

Name and surname	Company	Position in the company or shareholding held	Charge status	Shareholding status
Melo Martella	Sipafer S.p.A.	Chairman of the Board of Directors	In place	-
Giulio Ciocchetti	Studio Ciocchetti Cafasso Ciocchetti	Shareholder (33.34%)	-	In place
	Orama Energy Service S.r.l.	Shareholder (5%)	-	In place
Barbara Ricciardi	Unidata S.p.A.	Independent Director	In place	-
	La Sia S.p.A.	Independent Director	In place	-
	Green Oleo S.p.A.	Director	In place	-
	4AIM Sicaf S.p.A.	Chairman of the Board of Statutory Auditors	In place	-
	Acea Molise S.r.l.	Chairman of the Board of Statutory Auditors	In place	-

	Lemon Sistemi S.p.A.	Chairman of the Board of Statutory Auditors	In place	-
	CDP Immobiliare S.r.l. in liquidazione	Standing Auditor	In place	-
	Orvieto Ambiente S.r.l.	Standing Auditor	In place	-
	Docebo S.p.A.	Standing Auditor	In place	-
	Bellini nautica	Standing Auditor	In place	-
	OAM–Organismo Agenti e Mediatori	Standing Auditor	In place	-
	SO.GES. S.p.A.	Standing Auditor	In place	-
	Canon Medical S.r.l.	Standing Auditor	In place	-
	GT50 S.r.l.	Sole Auditor	In place	-
	Valica S.p.A.	Alternate Auditor	In place	-
	Afes Italia S.r.l.	Alternate Auditor	Ceased	-
	Sourcesense S.p.A,	Independent Director	Ceased	-
	aCapo soc.coo.integrata	Standing Auditor	Ceased	-
	Lintel S.p.A.	Standing Auditor	Ceased	-
	Gallagher Re Italia S.p.A.	Alternate Auditor	Ceased	-
	Aequa Roma S.p.A.	Alternate Auditor	Ceased	-
	Con.Tab s.r.l. in liq.ne	Shareholder (20%)	-	Ceased
Giuseppe Bulotta	Ente Pubblico ITT–LSSA Copernico (Barcellona Pozzo di Gotto)	Chairman of the Board of Auditors	In place	-
	Maiorana Costruzioni S.r.l.	Member of the Supervisory Body	In place	-
	Consorzio A.P.A.M. Società Cooperativa	Member of the Supervisory Body	In place	-
	Ciraulo Trasporti S.r.l.	Member of the Supervisory Body	In place	-
	Sa Fire Protection S.r.l.	Sole Auditor	In place	-
	Internet Idee S.r.l.	Member of the Supervisory Body	In place	-
Antonina Molica	Irfis – FinSicilia S.p.a.	Standing Auditor	In place	-
	SRR Messina e provincia Società Consortile P.A.	Standing Auditor	In place	-

None of the members of the Board of Statutory Auditors has any family relationship with the other members of the Board of Statutory Auditors of the Issuer, with the members of the Board of Directors or managers of the Company.

To the best of the Company’s knowledge, none of the members of the Board of Statutory Auditors has, in the last five years, been convicted of any offence of fraud or bankruptcy or been associated

in the performance of their duties with any bankruptcy, receivership or involuntary liquidation proceedings, nor, finally has been the subject of official charges and/or sanctions by public or regulatory authorities (including designated professional associations) or disqualification by a court from acting as a director, manager or supervisor of the Issuer or from acting as a director or manager of any issuer.

11.1.3 Executives and *key managers*

The following table shows the information concerning the executives and key managers of the Issuer as at the Admission Date.

First name and surname	Function	Place and date of birth	Year of entry into service with the Issuer
Giuseppe Trusso	<i>Chief Financial Officer</i>	Messina, 14 November 1979	2020

The following is a brief *curriculum vitae* of the key managers, which shows their expertise and experience gained in business management.

Giuseppe Trusso

He graduated in Business Administration from the University of Palermo in 2004. He qualified as a Chartered Accountant in 2010 and has been on the Register of Auditors since 2011. He held the position of Senior Manager at KPMG Italy, as well as Director of Administration, Finance and Control at Sipafer S.p.A.

The following table shows the corporations or partnerships in which key managers have been members of the administrative, management or supervisory bodies, or partners in the last five years, indicating their status as at the Admission Date.

Name and surname	Company	Position in the company or shareholding held	Charge status	Shareholding status
Giuseppe Trusso	Davia S.r.l.	Sole Director	In place	-

As at the Admission Date, Giuseppe Trusso is related to the members of the Issuer's Board of Directors or members of the Company's Board of Statutory Auditors.

To the best of the Company's knowledge, Giuseppe Trusso has not, in the last five years, been convicted of any offence of fraud or bankruptcy or been associated in the performance of their duties with any bankruptcy, receivership or involuntary liquidation proceedings, nor, finally has been the subject of official charges and/or sanctions by public or regulatory authorities (including designated professional associations) or disqualification by a court from acting as a director, manager or supervisor of the Issuer or from acting as a director or manager of any issuer.

11.2 Conflicts of interest of the members of the Board of Directors and the members of the Board of Statutory Auditors

11.2.1 Potential conflicts of interest of the members of the Board of Directors

Except as indicated below, to the best of the Issuer's knowledge, as of the Date of Admission Document none of the members of the Board of Directors in office as of the Trading Start Date has any interest that conflicts with their obligations arising from the office or position held in the Company.

It should be noted that some of the Issuer's directors hold indirect shareholdings in the Company. More specifically:

- Antonio Stracuzzi holds a 33.3 % stake in Stracuzzi Holding;
- Emanuela Stracuzzi holds a 33.3% stake in Stracuzzi Holding; and
- Diego Stracuzzi holds a 33.3% stake in Stracuzzi Holding and serves as sole director in Stracuzzi Holding.

For further details on the composition of the Issuer's share capital, see Section One, Chapter XIV, Paragraph 14.1 of the Admission Document.

11.2.2 Potential conflicts of interest of the members of the Board of Statutory Auditors

As of the Admission Date, no member of the Board of Statutory Auditors has private interests in conflict with his or her obligations arising from the office or position held within the Company.

11.2.3 Potential conflicts of interest of executives and key managers

Except as indicated below, to the best of the Issuer's knowledge, as at the Date of Admission Document, none of the key managers in office as at the Trading Start Date has any interest that conflicts with their obligations arising from the office or position held in the Company.

11.2.4 Agreements, if any, with the Issuer's major shareholders, customers, suppliers or other persons as a result of which the members of the Board of Directors, Board of Statutory Auditors and senior management were appointed

As at the Admission Date, there are no agreements or understandings with major shareholders, customers, suppliers or other persons, pursuant to which the persons referred to in Chapter XI, Paragraph 11.1 of the Admission Document have been appointed as members of the management, administration and supervisory bodies or as executives of the Company.

11.2.5 Restrictions agreed upon by the members of the administration and control bodies regarding the transfer of the Issuer's shares held by them

As at the Admission Date, with the exception of the Lock-Up Agreement, to the best of the Issuer's knowledge, there are no restrictions on the assignment and transfer of the Shares in the Company

that may be held by the persons indicated in the tables in Section One, Chapter XI, Paragraph 11.1 of the Admission Document.

For further information on the Lock-Up Agreement, see Section Two, Chapter V, Paragraph 5.3 of the Admission Document.

CHAPTER XII – PRACTICES OF THE BOARD OF DIRECTORS

12.1 Term of office of members of the Board of Directors and members of the Board of Statutory Auditors

Pursuant to Article 18 of the Articles of Association, the Company is managed by a Board of Directors consisting of a minimum three to a maximum seven members.

As of the Admission Date, the Issuer's Board of Directors (the "**Board of Directors**") in office is composed of 5 members, who will remain in office until the Shareholders' Meeting will have convened to approve the financial statements for the year ending 31 December 2026. The directors in office as at the Admission Date were appointed by the Shareholders' Meeting of 1 July 2024. Furthermore, the Shareholders' Meeting held on 11 July 2024 resolved to integrate the Board of Directors with the appointment, as of the Admission Date, of independent directors Antonio Riccio and Carlo Munafò, who will remain in office until the expiration of the Board of Directors' term of office.

The following table shows, for each director in office as of the Date of Admission Document, the date of his first appointment as a member of the Issuer's Board of Directors.

First name and surname	Office	Date of first appointment
Antonio Stracuzzi	Chairman of the Board of Directors	24 September 2001
Emanuela Stracuzzi	Chief Executive Officer	9 March 1998
Diego Stracuzzi	Chief Executive Officer	6 November 2001
Antonio Riccio	Independent Director	11 July 2024
Carlo Munafò	Independent director	11 July 2024

The Board of Statutory Auditors in office as of the Date of Admission Document was appointed by the Issuer's Shareholders' Meeting on 11 July 2022, and is composed of 3 standing auditors and 2 alternate auditors and will remain in office until the approval of the financial statements as of 31 December 2026.

The following table shows, for each member of the Board of Statutory Auditors in office as of the Admission Date, the office held and the date of first appointment.

First name and surname	Office	Date of first appointment
Melo Martella	Chairman of the Board of Statutory Auditors	8 May 2020
Giulio Ciochetti	Standing Auditor	25 June 2019
Barbara Ricciardi	Standing Auditor	11 July 2024
Giuseppe Bulotta	Alternate Auditor	11 July 2024
Antonina Molica	Alternate Auditor	11 July 2024

12.2 Employment agreements entered into by the members of the Board of Directors and the members of the Board of Statutory Auditors with the Issuer that provide for severance payments

As at the Date of Admission Document, there is no employment agreement in force between the Issuer and the members of the Board of Directors and the Board of Statutory Auditors providing for severance pay.

12.3 Transposition of corporate governance rules

On 11 July 2024, the Issuer's Extraordinary Shareholders' Meeting approved the text of the Articles of Association, effective subject to Admission to Trading.

Although the Issuer is not obliged to implement the corporate governance provisions provided for companies listed on regulated markets, M&S applied, on a voluntary basis, to its corporate governance system, certain provisions aimed at favouring transparency and the protection of minority shareholders. In particular, the Issuer has:

- provided in the Articles of Association for list voting for the election of the Board of Directors and the Board of Statutory Auditors, limiting the possibility of presenting lists of candidates to only shareholders who, alone or together with other shareholders, are holders of a shareholding in the share capital equal to 5%;
- provided in the Articles of Association, starting from the Admission Date, that the provisions relating to listed companies set forth in the Italian Consolidated Law on Finance, are applicable by way of voluntary recall and only as far as they are referred to in the Euronext Growth Milan Issuers' Regulation;
- provided in the Articles of Association an obligation on the part of shareholders to notify when the applicable *pro tempore* thresholds dictated by the Euronext Growth Milan Issuers' Regulation⁴ are reached, exceeded or fallen below;
- provided in the Articles of Association, as of the Admission Date, for the competence of the Shareholders' Meeting for transactions such as reverse take-overs, substantial changes in business and withdrawal of shares from trading on Euronext Growth Milan;
- appointed Dr. Giuseppe Trusso as the Issuer's Investor Relation Manager.

In accordance with the provisions of the Bylaws, resolutions of the board of directors on the matters set forth below must be adopted without the contrary vote of the director meeting the independence requirements set forth by applicable laws and regulations or, if more than one independent director is appointed, without the contrary vote of even only one of the independent directors in office:

- (i) proposing to the shareholders' meeting a capital increase with the exclusion of pre-emptive rights for an amount, between nominal value and share premium, exceeding the greater of (i) €25 million and (ii) 20% of the Company's capitalisation recorded at the close of the last trading day included in the reference period of the most recently published periodic, annual or half-yearly financial report;

⁴ On the Admission Date, these thresholds are set at 5%, 10%, 15%, 20%, 25%, 30%, 50%, 66.6% and 90%.

- (ii) proposal to the Shareholders' Meeting of share capital increases in the amount, between nominal value and share premium, at a valuation that is more than 25% lower than that resulting from the weighted average market price recorded during the thirty days prior to the date of adoption of the Board of Directors' resolution, except in the cases set forth in Articles 2446 and 2447 of the Italian Civil Code;
- (iii) proposal to the Shareholders' Meeting of transformation, merger, demerger operations, provided that these are operations (a) not concluded with or between companies controlled by the Company and (b) that significantly and directly alter the Company's economic and equity conditions, meaning those that entail, compared to the data resulting from the last approved consolidated financial statements, (x) exceeding the value of 4.5x (four point five x) of the Net Financial Position/Ebitda ratio (both identified in accordance with the Bylaws) and/or (y) non-proportional demerger transactions; and/or (z) a reduction equal to at least 20% (twenty per cent) of the difference between the value and cost of production, with reference only to merger hypotheses with companies whose last two duly approved financial statements show a value of costs exceeding the value of revenues by more than 20% (twenty per cent);
- (iv) resolutions concerning the disposal of strategic assets, with strategic *assets* being those whose disposal entails a reduction greater than or equal to 20% (twenty per cent) (x) of the total assets and/or (y) of the difference between the value and cost of production, compared to the data resulting from the last approved consolidated financial statements (if prepared) or statutory financial statements
- (v) amendments to the Articles of Association that directly or indirectly increase the threshold for shareholders to submit lists for the appointment of the board of directors;
- (vi) the decision to put the company into liquidation, the appointment of liquidators and the conferral of related powers
- (vii) the introduction of multiple voting shares (in the absence of the recognition of the right of withdrawal to shareholders)
- (viii) resolutions (a) expressing the right to vote in the shareholders' meetings of subsidiaries (if any), for resolutions falling within the competence of the shareholders' meetings of subsidiaries referred to in items (i), (ii), (iii), (iv) and (vi) above and (b) falling within the competence of the board of directors of subsidiaries (if any), if such resolutions would result in exceeding the thresholds referred to in items (i), (ii), (iii) and (iv) above
- (ix) proposal to transfer the registered office of the Company, unless such transfer takes place in a municipality located in one of the following regions: Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia and Sicily;
- (x) proposals to the Shareholders' Meeting relating to the authorisation of acquisitions of shareholdings or companies or other assets that realise a "*reverse take-over*" within the meaning of the *Euronext Growth Milan* Issuers' Regulations
- (xi) amendments to the Bylaws that directly or indirectly entail the amendment or removal of the foregoing provisions.

The rules relating to the adoption of the aforesaid board resolutions shall apply provided that and until (i) at least one shareholder of the Company holding a stake of at least 3% (three per cent.) of the share capital is a person, entity or company controlled, pursuant to Article 2359, paragraph 1 and paragraph 2, of the Italian Civil Code, by one or more public administrations as defined by Article 2 of Legislative Decree No. 175 ("**Public Investor**") and, with effect from the first renewal of the administrative body in accordance with the provisions of these Articles of Association, in addition to the provisions of the previous point, (ii) at least one of the independent directors in office has been indicated by a shareholder who is a Public Investor, including through the submission of a special list presented individually or jointly with one or more other shareholders of the Company.

The Company has also approved: (i) a procedure on Related Party transactions, in accordance with the provisions of Article 13 of the Euronext Growth Milan Issuers' Regulation; (ii) a code of conduct on internal dealing; (iii) rules for the purposes of complying with the obligations imposed by European legislation on inside information; and (iv) a procedure on communication obligations with the Euronext Growth Advisor.

12.4 Any significant impacts on corporate governance and future changes in the composition of the Board of Directors

As at the Admission Date, the Issuer is not aware of any potential significant impacts on corporate governance, including future changes in the composition of the board and committees, nor have any such decisions been taken by the Board of Directors and/or the Shareholders' Meeting of the Company.

CHAPTER XIII – EMPLOYEES

13.1 Number of employees

The following table shows the change in the number of total employees employed by the Group as of 31 December 2023 and at the Admission Date, broken down by main categories.

Employees	Admission Date	31 December 2023
Managers	5	6
Middle Managers	3	1
Employees	39	37
Workers	34	25
Total	81	69

13.2 Shareholdings and stock option plans

As of the Admission Date, no stock option plans have been resolved for, *inter alia*, the Issuer's statutory auditors or directors, nor are there any contractual agreements that provide for forms of shareholding by members of the Board of Directors or the Board of Statutory Auditors in the Company's share capital.

13.3 Description of any employee shareholding agreements in the capital of the Issuer

As of the Admission Date, there are no employee shareholding agreements in the capital of the Issuer.

CHAPTER XIV – MAJOR SHAREHOLDERS

14.1 Major shareholders

According to the results of the shareholders' register, as well as on the basis of other information available to the Company, as at the Date of Admission Document, the Issuer's share capital is held by the persons and in the proportions set out in the table below.

Shareholder	Number of shares held (*)	% of share capital
Stracuzzi Holding	24,000,000	100%
Total:	24,000,000	100%

(*) Number of shares resulting after the split resolved by the Extraordinary Shareholders' Meeting of the Company on 11 July 2024

As at the Trading Starting Date, if the 6,060,000 shares resulting from the Capital Increase are fully subscribed for, the Issuer's share capital will be allocated as follows:

Shareholder	Number of ordinary shares	% of ordinary share capital	n. PAS actions	total no. of shares	% of total share capital
Stracuzzi Holding S.r.l.	20,400,000	77.10%	3,600,000	24,000,000	79.84%
Invitalia S.p.A. (through Fondo Cresci al Sud)	2,121,000	8.02%	-	2,121,000	7.06%
Market	3,939,000	14.89%	-	3,939,000	13.10%
TOTAL	26,460,000	100.00%	3,600,000	30,060,000	100.00%

As of the Trading Starting Date, in the event of the full subscription of the 6,060,000 shares deriving from the Capital Increase and the full exercise of the *greenshoe* option through the sale of the 606,000 shares, the Issuer's share capital will be divided as follows:

Shareholder	Number of ordinary shares	% of ordinary share capital	n. PAS actions	total no. of shares	% of total share capital
Stracuzzi Holding S.r.l.	19,794,000	74.81%	3,600,000	23,394,000	77.82%
Invitalia S.p.A. (through Fondo Cresci al Sud)	2,121,000	8.02%	-	2,121,000	7.06%

Market	4,545,000	17.18%	-	4,545,000	15.12%
TOTAL	26,460,000	100.00%	3,600,000	30,060,000	100.00%

The following table shows the composition of the Issuer's share capital in the event of the full subscription of the 6,060,000 shares resulting from the Capital Increase, the full exercise of the *greenshoe* option through the sale of the 606,000 and the conversion into ordinary shares of all 3,600,000 PAS:

Shareholder	Number of ordinary shares	% of ordinary share capital	n. PAS actions	total no. of shares	% of total share capital
Stracuzzi Holding S.r.l.	23,394,000	77.82%		23,394,000	77.82%
Invitalia S.p.A. (through Fondo Cresci al Sud)	2,121,000	7.06%		2,121,000	7.06%
Market	4,545,000	15.12%		4,545,000	15.12%
TOTAL	30,060,000	100.00%	-	30,060,000	100.00%

The following table shows the composition of the Issuer's share capital in the event of the full subscription of the 6,060,000 shares resulting from the Capital Increase, the full exercise of the *greenshoe* option through the sale of the 606,000 and the cancellation of all 3,600,000 PAS:

Shareholder	Number of ordinary shares	% of ordinary share capital	n. PAS actions	total no. of shares	% of total share capital
Stracuzzi Holding S.r.l.	19,794,000	74.81%		19,794,000	74.81%
Invitalia S.p.A. (through Fondo Cresci al Sud)	2,121,000	8.02%		2,121,000	8.02%

Market	4,545,000	17.18%		4,545,000	17.18%
TOTAL	26.460.000	100.00%	-	26,460,000	100.00%

14.2 Different voting rights of major shareholders

As at the Date of Admission Document, the Company has issued only ordinary shares and no shares carrying voting or other rights other than ordinary shares have been issued.

14.3 Issuer's parent entity

As of the Date of Admission Document, the Company is a legal subsidiary of Stracuzzi Holding pursuant to Article 2359(1)(1) of the Italian Civil Code which does not carry out management and coordination on the Company. For further information on Stracuzzi Holding, see Section One, Chapter VII, Paragraph 7.1 of the Admission Document.

14.4 Agreements that may lead to a change in the Issuer's control structure

To the best of the Issuer's knowledge, as at the Admission Date, there are no agreements in place that could lead to a change in the control structure of M&S at a later date.

CHAPTER XV – RELATED PARTY TRANSACTIONS

15.1 Introduction

As at the Admission Date, the Company is controlled by Stracuzzi Holding, which holds 100% of the Issuer's share capital.

It should be noted that on 3 May 2024, the Issuer's Board of Directors approved – effective as of the Admission Date – the procedure identifying, approval and execution of Related Party transactions on the basis of the provisions of Article 13 of the Euronext Growth Milan Issuers' Regulation, Article 10 of the Regulation adopted by Consob with resolution No. 17221 of 12 March 2010, as subsequently amended, and by the Provisions on Related Parties issued by Borsa Italiana in May 2012, as subsequently amended, applicable to companies issuing financial instruments traded on Euronext Growth Milan.

15.2 Related party transactions for the year ended 31 December 2023

Transactions with Directors and Shareholders of the Parent Company

The following table shows the economic balances of the transactions with Directors as of 31 December 2023 and 2022:

<i>(Values in thousands of EUR)</i>	As of 31 December	
	2023	2022
Benefits due on termination of employment	139	66
Lease of the Furci Siculo plant	279	264

In addition to remuneration, the Group also offers the Issuer's directors a severance payment.

In addition, the Parent Company has historically carried out its juice production activities at a building located at Via Milano in the municipality of Furci Siculo (Me), owned by the directors and shareholders of the parent company Antonio Stracuzzi, Diego Stracuzzi and Emanuela Stracuzzi, with whom a lease agreement was signed, duly registered and subject to annual ISTAT adjustment. In the Issuer's opinion, this transaction falls within the scope of ordinary business activity and was concluded at normal market conditions.

Transactions with the Parent Company

The only transactions with the Parent Company Stracuzzi Holding S.r.l. relate to the distribution of the Issuer's dividends. The table below shows the dividends distributed by the Issuer in the financial years ended 31 December 2023 and 2022.

<i>(Values in thousands of EUR)</i>	As of 31 December	
	2023	2022
Dividend distribution	1,900	0

15.3 Related party transactions concluded up to the Date of Admission Document

Transactions with Directors and Shareholders of the Parent Company

The following table shows the economic balances of the transactions with Directors as of 30 April 2024:

<i>(Values in thousands of EUR)</i>	As at 30 April 2024
Lease of the Furci Siculo plant	95

During 2024, the Issuer paid rental fees to the Directors in the amount of EUR 95,000.

Transactions with the Parent Company

The following table shows the economic balances of the transactions with the Parent Company, Stracuzzi Holding S.r.l., concluded up to the Date of Admission Document:

<i>(Values in thousands of EUR)</i>	As at 30 April 2024
Dividend distribution	5,102

In March 2024, the Issuer, in accordance with the resolution of the Shareholders' Meeting at the time of approval of the financial statements as at 31 December 2023, paid dividends to the sole shareholder Stracuzzi Holding S.r.l. in the amount of EUR 5,102,000.

CHAPTER XVI – ADDITIONAL INFORMATION

16.1 Share capital

16.1.1 Subscribed and paid-up share capital

As at the Admission Date, the Issuer's subscribed and paid-up share capital amounted to EUR 1,020,000.00, divided into 60,000 ordinary shares, with no nominal value.

As of the Trading Starting Date, due to the effectiveness of the resolutions resolved by the extraordinary shareholders' meeting of the Company held on 11 July 2024, the share capital subscribed and paid-up share capital of the Issuer will be Euro 1,020,000.00, divided into 24,000,000 shares with no par value, of which 3,600,000 PAS Shares and 20,400,000 ordinary shares.

16.1.2 Existence of shares not representing the capital, specification of their number and main characteristics

As at the Admission Date, the Issuer has not issued any shares not representing capital.

16.1.3 Own shares

As at the Admission Date, the Issuer does not hold any treasury shares.

16.1.4 Amount of convertible bonds, exchangeable bonds or bonds with warrants, with an indication of the method of conversion, exchange or subscription

As at the Admission Date, the Issuer has no convertible bonds, exchangeable bonds or bonds with warrants outstanding.

16.1.5 Existence of rights and/or obligations to purchase authorised but unissued capital or a commitment to increase capital

At the Admission Date, there are no rights and/or obligations to purchase capital authorised but not issued by the Issuer, nor are there any commitments for capital increases, nor have any proxies been granted to the directors conferring the power to resolve capital increases of the Issuer.

16.1.6 Existence of offers under option for the capital of any members of the Group

As at the Date of Admission Document, the Issuer is not aware of any transactions, concerning the capital of any members of the Group to which it is a party, offered under option or which it has been decided to offer under option.

16.1.7 Changes in share capital over the last three financial years

As at the Admission Date, the Company's fully subscribed and paid-up share capital amounted to EUR 1,020,000.00, divided into 60,000 ordinary shares, with no nominal value.

As of the Trading Starting Date, due to the effectiveness of the resolutions passed by the Company's extraordinary shareholders' meeting on 11 July 2024, the share capital subscribed and paid-up share capital of the Issuer will be Euro 1,020,000.00, divided into 24,000,000 shares with no par value, of which 3,600,000 PAS Shares and 20,400,000 ordinary shares.

On 11 July 2024, the Extraordinary Shareholders' Meeting resolved to increase the share capital for cash on a divisible basis and with the exclusion of the option right pursuant to Article 2441(5) of the Italian Civil Code, for a maximum amount of EUR 25,000,000, any share premium included, through the issue of ordinary shares, with regular dividend rights and characteristics identical to those of the other outstanding shares of the Company, to be fully paid up and to be offered for subscription in order to create the free float necessary for the Listing, to be executed by 31 December 2024, also granting the Board of Directors the power to determine the exact number of shares to be offered for subscription in the context of the capital increase and the relative subscription price in the imminence of the offer upon completion of the bookbuilding activities, without prejudice to compliance with the minimum issue price determined on the basis of the shareholders' equity in accordance with Article 2441(6) of the Italian Civil Code.

16.2 Memorandum of Association and Articles of Association

The information contained in the following Paragraphs refers to the Articles of Association.

16.2.1 Corporate Purpose and aims of the Issuer

The Company's corporate purpose is the production, processing, sale on national markets, exporting and importing of citrus fruits and citrus derivatives, essences, juices, pickles, flower and leaf essences, chilled or frozen and freeze-dried products of any kind, bases for perfumery, cosmetics, soap, products of any kind for the pharmaceutical and food industry, chemical products in general, national and foreign representations, as well as any other similar and complementary activities.

To achieve its corporate purpose, the Company may carry out all transactions of an industrial, financial (not vis-à-vis the public), commercial, securities and real estate nature, which the management body deems necessary or useful, also with the aid of electronic network (e.g. the Internet), as well as provide security interests and personal guarantees.

However, all the above activities whose performance requires registration in a specific register or satisfying certain requirements, may only be performed by professionals duly registered in the relevant registers or by the company, once the necessary registrations, qualifications or requirements have been obtained, if the legal requirements are met.

16.2.2 Rights and privileges attached to shares

As at the Date of Admission Document, pursuant to Article 5 of the Articles of Association, the Issuer's share capital is divided into 60,000 Ordinary Shares and, effective as of the Trading Start Date, the Issuer's share capital will be represented by 20,400,000 ordinary Shares and 3,600,000 Special Shares (the "PAS Shares"), with no nominal value.

Pursuant to Article 6 of the Articles of Association, the Ordinary Shares and the PAS Shares are issued in dematerialised form pursuant to Article *83-bis et seq.* of FCA and grant equal rights to their holders.

The PAS Shares have the same characteristics and confer the same rights as the Ordinary Shares (including the right to vote in shareholders' meetings, both ordinary and extraordinary, the right to receive profits and the right to the distribution of available reserves that the Company resolves to distribute), with the sole exception of the following:

- a) they are non-transferable until the date provided for their automatic conversion into Ordinary Shares (the "**Conversion**") on the terms and conditions set out below. Notwithstanding the foregoing, the PAS Shares are treated in the same way as Ordinary Shares in the event of a public tender offer and the squeeze-out commitment and the sell-out right pursuant to Article 10 of the Articles of Association, and are therefore transferable;
- b) they will be converted into Ordinary Shares in a ratio of 1:1, under the following terms and conditions:
 - (i) the PAS Shares will be fully converted into Ordinary Shares if, based on the results of the Company's Group financial statements as at 31 December 2024 approved by the Board of Directors, the Company has achieved an EBITDA (as defined below) of at least EUR 15.1 million ("**2024 Target EBITDA**"). If the 2024 Target EBITDA is not reached, the PAS Shares will be cancelled in proportion to the lower EBITDA achieved, until an EBITDA of EUR 13.5 million is reached, which will result in the cancellation of all of the PAS Shares.
 - (ii) the PAS Shares to be converted or cancelled are proportionally converted or cancelled among the shareholders holding them, with rounding down upon conversion and rounding up upon cancellation. If, upon completion of the Conversion, also as a result of any rounding operations, any unconverted PAS Shares (or fractions thereof) remain, such PAS Shares (or fractions thereof) are cancelled without any change in the share capital;
- c) The precise number of PAS Shares convertible into Ordinary Shares on the terms set out in point (b) above will be determined by the Board of Directors, within 10 (ten) business days of the approval by the Ordinary Shareholders' Meeting of the financial statements for the year ending 31 December 2024;
- d) the cancellation and/or conversion of the PAS Shares into Ordinary Shares shall take place automatically, without the need for any expression of will by their holders and without any change in the amount of the share capital, but with a consequent change, in the event of cancellation, of the accounting par value of the remaining Ordinary Shares, and shall take place on the "Conversion Date", to be understood as the date of the resolution of the Board of Directors under point (c) above
- e) as a consequence of the Conversion of the PAS Shares, the board of directors shall record in the shareholders' register any cancellation and/or conversion of the PAS Shares on said date and file with the Companies Register, pursuant to Article 2436, paragraph 6 of the Italian Civil Code, (i) the modification to the total number of Ordinary Shares into which the share capital is divided and/or (ii) the elimination of the clauses and/or sections of clauses of these Articles of Association that have lapsed as a consequence of the conversion and/or

cancellation of the PAS Shares. The conversion and/or cancellation of PAS Shares will be disclosed to the market in accordance with the legal or regulatory provisions in force from time to time.

The term “EBITDA” means the algebraic sum of the following items, as indicated in the official Group financial statements at each reporting date of Misitano & Stracuzzi S.p.A. approved and certified by a leading auditing firm, prepared in accordance with the Italian Civil Code, supplemented and interpreted by the accounting standards published by the Organismo Italiano di Contabilità and, where lacking, by the I.A.S.B. (International Accounting Standard Board), to be used correctly and applied continuously with those applied in the preparation of the financial statements for the reference year.

EBITDA is the algebraic sum of the components indicated below and which can be found in the income statement schedules required by Article 2425 of the Italian Civil Code (i) Difference between value and cost of production (A – B); (ii) Amortisation of intangible fixed assets (item 10.a); (iii) Depreciation of tangible fixed assets (item 10.b); (iv) Other write-downs of fixed assets (item 10.c) the following terms are given the meaning indicated below.

In the event of a share capital increase, the following provisions shall apply:

- (i) in the event of a free increase of the share capital by the issue of new shares, new Ordinary Shares and new PAS Shares must be issued in proportion to the number of shares of the two classes into which the share capital is divided on the effective date of the relevant resolution;
- (ii) in the event of a share capital increase to be carried out by the issue of Ordinary Shares only, the right to subscribe for the Ordinary Shares to be issued shall be granted to all shareholders (unless the relevant option right is excluded by law or is not vested) in proportion and in relation to the shares – whether Ordinary Shares or PAS Shares – held by each of them at the time of carrying out the share capital increase. In this case, the need for approval of the relevant resolution by the special meetings of holders of any classes of shares pursuant to Article 2376 of the Italian Civil Code is excluded;
- (iii) in the event of a share capital increase to be carried out by the issue of Ordinary Shares and PAS Shares (a) the number of Ordinary Shares and PAS Shares to be issued must be proportional to the number of Ordinary Shares and PAS Shares into which the share capital is divided on the effective date of the relevant resolution, and (b) the newly issued Ordinary Shares and PAS Shares must be offered for subscription to the individual shareholder in relation and in proportion, respectively, to the Ordinary Shares and PAS Shares held by them at the time of implementation of the share capital increase, it being further specified that: (I) the PAS Shares may be subscribed only by shareholders who are already owners of PAS Shares; (II) in the total or partial absence of subscription of the newly issued PAS Shares by shareholders that are already owners of PAS Shares, the PAS Shares will automatically convert into Ordinary Shares at a ratio of one Ordinary Share for each PAS Share and will be offered in accordance with option rights to other shareholders, as provided by law;
- (iv) in the event of a paid increase of the share capital, with the exclusion of option rights in accordance with the law, the approval of the special meetings of the owners of any class of Shares pursuant to Article 2376 of the Italian Civil Code is not required.

16.2.3 Provisions in the Articles of Association that could have the effect of delaying, postponing or preventing the change of control structure of the Issuer

The Articles of Association do not contain any provisions that could have the effect of delaying, postponing or preventing a change in the control structure of the Company.

CHAPTER XVII – MATERIAL AGREEMENTS

The following table shows the most significant facility agreements in force entered into by the Issuer in the two years preceding the Date of Admission Document, other than those concluded in the ordinary course of business.

Bank	Execution date	Facility Amount (EUR)	Remaining amount as at 31 March 2024 ⁽⁵⁾ (EUR)	Frequency of instalments	Maturity Date
Intesa Sanpaolo S.p.A.	29.11.2023	EUR 1,000,000.00	EUR 888,889.00	Monthly	29.11.2024
ICCREA Banca S.p.A. and Banca di Credito Cooperativo di Pachino Società Cooperativa	10.08.2023	EUR 1,000,000.00	EUR 714,286.00	Quarterly	30.06.2025
CREDEM – Credito Emiliano S.p.A.	24.07.2023	EUR 1,000,000.00	673,928.00	Quarterly	31.03.2025
BPER Banca S.p.A.	06.12.2023	EUR 500,000.00	377,560.00	Monthly	06.12.2024
Banco BPM S.p.A.	16.06.2023	EUR 1,000,000.00	506,140.00 (as at 31.12.2023)	Monthly	30.06.2024

Below is a description of the most significant agreements outstanding as at the Date of Admission Document, other than those concluded in the ordinary course of business.

17.1 Facility agreements

Below is a description of the main facility agreements in effect as at the Date of Admission Document.

1. Banco BPM S.p.A. facility agreement

On 11 January 2024, the Company signed a facility agreement with Banco BPM for an amount of EUR 3,000,000.00.

This facility agreement provides for a term of 13 monthly instalments, with maturity date on 28 February 2025, to be repaid in 13 monthly amortisation instalments, plus a pre-amortisation instalment only in relation to the interest portion.

The facility agreement provides for the application of a variable interest rate calculated according to the 3-month Euribor parameter, increased by a spread of +1.65 percentage points per year.

The agreement provides for, *inter alia*:

- information obligations for the Company, in line with practice:

⁽⁵⁾ Unless otherwise specified.

- obligations for the borrower in line with practice, including:
 - i. not to make changes to its articles of association unless a waiver is obtained from the bank;
 - ii. not to change and/or suspend its business activities and not approve the reduction of its share capital, except as required by law; and
 - iii. not to constitute assets earmarked for a specific business.

In the event of breach of any obligation, including but not limited to those set out above, as well as in the event of non-payment in full of any amount due to the bank and use of the facility for purposes other than those stated, the agreement is terminated by operation of the law and the borrower must repay to the bank the amounts of the facility not yet repaid, together with accrued interest and default interest, until the day of repayment.

As at 31 March 2024, the outstanding balance of the facility is EUR 2,550,181.00.

2. Banca Monte dei Paschi di Siena S.p.A. facility agreement

On 20 February 2024, the Company signed a facility agreement with Banca Monte dei Paschi di Siena S.p.A. for an amount of EUR 1,500,000.00.

This facility agreement provides for a term of 12 monthly instalments, with maturity date on 28 February 2025, to be repaid in 9 monthly amortisation instalments, plus 4 pre-amortisation instalments only in relation to the interest portion.

The facility agreement provides for the application of a variable interest rate calculated according to the 1-month Euribor parameter, increased by a spread of +1.10 percentage points per year.

The agreement provides for, *inter alia*:

- information obligations for the borrower in line with practice, including:
- obligation to channel flows: the borrower must channel incoming financial flows to the bank which are related to sales activities and/or collection of trade and other receivables (e.g. Italy/foreign invoices with pre-channelled collection, receipts subject to collection, bills of exchange, etc.). The total amount of these cash flows, which can be verified from movements in the borrower's current account, must be at least 110% of the amount of the facility.

The bank has the right to terminate the facility agreement, pursuant to Article 1456 of the Italian Civil Code, if the Company does not precisely comply with the commitments provided for therein (including, by way of example and not limited to, those set out above) and in such case it will have the right to demand immediate repayment of the facility for principal, interest, including default interest, and all accessory charges, and to take action, without the need for any prior formality, vis-à-vis the borrower.

As at 31 March 2024, the outstanding balance of the facility is equal to the full amount of the facility agreement.

3. Intesa Sanpaolo S.p.A. facility agreement

On 29 February 2024, the Company signed a facility agreement with Intesa Sanpaolo S.p.A. for an amount of EUR 3,000,000.00.

This facility agreement, with maturity date on 31 December 2034, provides for repayment in 40 quarterly instalments, plus 4 quarterly pre-amortisation instalments only in relation to the interest portion.

The facility agreement provides for the application of a variable interest rate calculated according to the 3-month Euribor parameter, increased by a spread of +2.70 percentage points per year.

The contract provides, among other things, for information obligations for the borrower, in line with practice.

The facility agreement may be terminated by the bank, pursuant to Article 1456 of the Italian Civil Code, *inter alia*, in the event of breach of the repayment obligation and in the event of breach of even one of the obligations under the agreement (including, without limitation, those set forth above).

The agreement provides that the bank has the right to withdraw from the facility agreement, in accordance with Article 1373 of the Italian Civil Code, upon the occurrence, in addition to any cause of dissolution of the company, *inter alia*, of any of the following events concerning the borrower without the bank's prior authorisation:

- merger, demerger, sale or transfer of a company or going concern to which the Bank has not given its prior written consent (extraordinary transactions);
- breach of credit, financial and guarantee obligations undertaken towards any person and loss of benefit of the time limit, termination or withdrawal due to an act attributable to the borrower with respect to any third-party lender and with respect to any contract entered into by the borrower and any group company (internal cross default).

In the event of total or partial early repayment of the facility, loss of benefit of the time limit, termination, or withdrawal, pursuant to law or contract, the bank will only be entitled to a percentage fee of 1% of the principal amount repaid in advance; no other fee is charged to the borrower in this respect.

The facility is secured by the Garanzia SACE Futuro security. It should be noted that the facility agreement may be terminated pursuant to Article 1456 of the Italian Civil Code in the event of breach of even one of the obligations under the annex to the specific contractual terms and conditions arising from the security provided by SACE S.p.A.

As at 31 March 2024, the outstanding balance of the facility is EUR 3,000,000.00.

4. Banca Nazionale del Lavoro S.p.A. facility agreement

Facility agreement for EUR 3,500,000.00 (fully outstanding as at 31 March 2024) between the Company, as borrower, and Banca Nazionale del Lavoro S.p.A., as lender, signed on 12 March 2024 with maturity on 30 June 2025 and to be repaid in 12 monthly amortisation instalments.

The facility agreement provides for the application of a variable interest rate calculated according to the 1-month Euribor parameter, increased by a spread of +1.30 percentage points per year.

The contract provides, *inter alia*, for the obligation to channel foreign trade receipts and payments in an amount of EUR 7,000,000.00, until the maturity of the facility.

Under the facility agreement, the bank may terminate the agreement, *inter alia*, unless a specific waiver is obtained from the bank:

- in the event of changes in the form or corporate structure of the borrower, or if the borrower ceases to carry on its business or changes its business in such a way that the purpose of the facility can no longer be achieved;
- in cases of: failure to complete any supplementary or amending deeds to the facility agreement deemed necessary by the bank, for reasons attributable to the borrower;

- in the event of failure by the borrower to perform in full and on time any of its obligations under the agreement, unless the borrower has remedied such breach within 15 days after receipt of the bank's request to perform.

Furthermore, also the following are conditions for termination of the agreement: termination of other facility agreements granted by the bank to the Company (cross default), or the revocation of any overdrafts granted by the bank to the Company with default notice, as a result of non-performance or material changes in the Company's asset or financial condition or factual circumstances, which, in the opinion of the bank, have a substantially detrimental effect on the Company's ability to perform its obligations.

5. Banca Agricola Popolare di Ragusa – Società cooperativa per azioni facility agreement

Facility agreement for EUR 3,000,000.00 between the Company, as borrower, and Banca Agricola Popolare di Ragusa – Società cooperativa per azioni, as lender, signed on 5 August 2020, with maturity date on 5 August 2028, to be repaid in 48 monthly amortisation instalments, plus 24 monthly pre-amortisation instalments only in relation to the interest portion.

The facility is backed by an MCC Security, where the maximum amount secured by the Fund is EUR 2,700,000.00; insolvency coverage of 90% is provided and the maturity date of the security is 5 August 2028.

The facility agreement provides for the application of a variable interest rate calculated according to the 3-month Euribor parameter, increased by a spread of +1.30 percentage points per year.

As at 31 March 2024, the outstanding balance of the facility is EUR 2,276,799.00.

6. Banca Nazionale del Lavoro S.p.A. – BNP Paribas Group facility agreement

Facility agreement for EUR 2,850,000.00, between the Company, as borrower, and Banca Nazionale del Lavoro S.p.A. – BNP Paribas Group, as lender, signed on 9 September 2020, with maturity date on 9 September 2026 and to be repaid in 20 quarterly amortisation instalments, plus 4 quarterly pre-amortisation instalments relating only to the interest portion.

The facility agreement provides for a fixed interest rate of 0.55%.

The agreement provides for, *inter alia*:

- Termination by operation of the law, at the bank's initiative and discretion, pursuant to Articles 1454 and/or 1456 of the Italian Civil Code, in line with practice
- The bank may terminate the agreement upon the occurrence, *inter alia*, of the following circumstances:
 - (a) occurrence of an event as a result of which the current controlling shareholders reduce their participation in the share capital of the borrower or cease to control the borrower (change of control);
 - (b) breach by the Company and/or Group companies of one or more payment obligations or financial or other obligations to third parties, which, in the opinion of the bank, has a detrimental effect on the borrower's ability to perform its obligations (internal cross default);
 - (c) the occurrence, in the reasonable opinion of the Bank, of a Significant Adverse Event, as defined in the agreement, i.e. any event or circumstance which (i) may cause, by its size and nature, a material adverse change in the Company's economic, financial,

balance sheet or income situation and/or may materially affect the Company's business in such a manner as to impair its ability to fulfil in a timely manner one or more of its obligations resulting from the facility or (ii) affects, or may affect, the validity, legality or effectiveness of the contractual documentation in a manner that is substantially prejudicial to the bank's rights, actions and remedies.

The facility is backed by an MCC Security, where the maximum amount guaranteed by the Fund is EUR 2,280,000.00 (with insolvency coverage of 80%).

As at 31 March 2024, the outstanding balance of the facility is EUR 1,995,000.00.

7. Facility agreement with Banca Agricola Popolare di Ragusa – Società cooperativa per azioni, as lender

Facility agreement for EUR 2,000,000.00 between the Company, as borrower, and Banca Agricola Popolare di Ragusa – Società cooperativa per azioni, as lender, signed on 26 May 2023, with maturity date on 26 May 2025, to be repaid in 24 monthly amortisation instalments.

The facility agreement provides for the application of a variable interest rate calculated according to the 3-month Euribor parameter, increased by a spread of +1.50 percentage points per year.

The contract provides for obligations on the borrower, in line with practice, including not to carry out, except with the bank's prior written consent, any transaction of an extraordinary nature (including, but not limited to, the purchase/sale of a business, merger, demerger or other transactions with equivalent economic effects).

The facility is secured by an EIF Guarantee: the transaction falls within the scope of the agreement signed on 16 June 2020 between the lender and the European Investment Fund in relation to the SME Initiative (SMEI) Italy project (facility of EUR 19,028.30).

As at 31 March 2024, the outstanding balance of the facility is EUR 1,191,881.00.

8. Facility agreement between the Company, as borrower, and Monte dei Paschi di Siena S.p.A., as lender

Facility agreement for EUR 2,000,000.00 between the Company, as borrower, and Monte dei Paschi di Siena S.p.A., as lender, signed on 30 June 2023, with a term of 17 months and maturity on 30 November 2024, to be repaid in 14 monthly amortisation instalments plus 3 monthly pre-amortisation instalments relating only to the interest portion.

The facility agreement provides for the application of a variable interest rate calculated according to the 1-month Euribor parameter, increased by a spread of +0.95 percentage points per year.

The agreement provides for information obligations on the borrower in line with practice, including the obligation to notify the bank immediately of any change or event of a technical, administrative or legal nature that might substantially and adversely alter the borrower's equity, legal, economic or financial situation with respect to that of the latest approved financial statements at the date of disbursement or that might affect its production capacity.

The bank has the right to terminate the agreement pursuant to Article 1456 of the Italian Civil Code, *inter alia*, if:

- the borrower fails to pay even a single repayment instalment;
- the borrower is in breach of its obligations under the agreement, including the obligations (a) to notify the lender of any adverse material or legal change in the borrower's balance

sheet, financial and economic position, (b) not to grant collateral for loans and credit facilities in general granted by banks and/or other lenders without the bank’s prior consent.

As at 31 March 2024, the outstanding balance of the facility is EUR 1,142,857.00.

9. Unicredit S.p.A. facility agreement

Facility agreement for EUR 1,400,000.00, between the Company, as borrower, and Unicredit S.p.A., as lender, signed on 28 March 2024 with maturity at 31 March 2036, to be repaid in 40 quarterly instalments.

The facility agreement provides for the application of a variable interest rate calculated according to the 3-month Euribor parameter, increased by a spread of +2.95 percentage points per year.

The agreement provides for an obligation of early repayment, without the application of any fee, within 15 days from the occurrence of the event, in the event of a change of control within Stracuzzi Holding S.r.l., without prejudice to the right of the bank to allow, at its own discretion and by written notice, even under new conditions to be agreed upon with the borrower, the continuation of the facility. In any event, where the aforementioned change of control occurs as a result of the admission of the borrower’s shares to listing on regulated markets, this does not constitute grounds for compulsory early repayment of the facility.

Failure on the part of the borrower to fulfil its obligations of compulsory early repayment under this article shall entitle the bank to deem this agreement to be terminated by operation of law pursuant to and for the purposes of article 1456 of the Italian Civil Code, by simply notifying the borrower by registered letter.

The agreement provides that the borrower must comply with the following financial covenants (the “**Financial Covenants**”):

	31 December 2024	31 December 2025	31 December 2026	31 December 2027 (e per tutta la durata del finanziamento)
DEBT COVER(*)	≤4.3x	≤3.6x	≤2.7x	≤2.5
LEVERAGE(**)	≤2.5x	≤2.0x	≤1.5x	≤1.0x

(*) Understood as the ratio of net financial debt to EBITDA

(**) Understood as the ratio of net financial debt to shareholders’ equity

Compliance with the aforementioned financial covenants will be verified on an annual basis as from 31 December 2024 on the basis of the borrower’s annual financial statements and the relevant half-yearly report.

The Company also undertook, for the entire duration of the facility, to maintain the ratio (expressed as a percentage) between the amount of the outstanding debt of the facility and the security value of the mortgaged property, (normally indicated as the “Loan to Value Ratio” – LTV) at no more than 70% (seventy per cent); in the event of a breach of the ratio, the borrower must repay as much of the facility as necessary to restore the ratio or must provide the bank with additional securities deemed suitable by the bank. The Loan To Value Ratio shall be verified every three years starting from and including the year 2027, on the basis of a specific appraisal by a technician approved by the bank, drawn up at the expense of the borrower on the basis of an inspection to be carried out in the first half of the year in which the verification is to be carried out and to be delivered – by the borrower to the bank – by 30- thirty – June of the same year.

In the event that even one of the above financial covenants is not met, the borrower shall have the right to remedy the situation within 30 days of the notification to the Bank of the failure to meet the financial covenants.

The bank may exercise its right to terminate the facility agreement, *inter alia*, if the Company, in the absence of a waiver from the bank, resolves to:

- distribute reserves until the facility is fully repaid and not to distribute profits/dividends until the Facility is fully repaid, unless the Financial Covenants set forth in the facility agreement are met;
- dispose of company assets and to ensure that other group companies do not dispose of company assets – without the prior consent of the bank – except for transactions not exceeding a total amount of i) EUR 1,000,000 in any single financial year and ii) EUR 3,000,000 in the aggregate over the term of the facility. Disposal of assets relating to the ordinary course of business of the company and/or group companies remains in any event permitted;
- carry out – without the prior consent of the Bank – acquisitions of shareholdings, businesses or business units if the value thereof is equal to or greater than (i) EUR 3,000,000 for each financial year and (ii) up to a maximum limit of EUR 10,000,000 for the entire duration of the facility;
- establish or allow the establishment of liens, pledges or mortgages on the mortgaged assets under the facility agreement and not to assign or pledge in favour of third parties the proceeds or any other rights relating to the aforesaid real estate and in particular not to assign any rents and/or sums deriving from preliminary sale contracts (with the exception of guarantees given to secure the facility agreement or those deriving from legal provisions);
- take on new medium- and/or long-term financial indebtedness by the company for annual amounts exceeding EUR 3,000,000 for each financial year and up to EUR 15,000,000 for the entire duration of the facility and, in the latter case, inform the bank of the taking on of new financial indebtedness.

The facility is secured and assisted by:

- mortgage on the real estate complex located in the municipality of Pace del Mela, contrada Gabbia, ex Zona Industriale ASI di Giammoro, Diramazione Viaria E, as better described in the facility agreement, for the total amount of EUR 2,800,000.00.
- side letter to the facility agreement, signed on 28 March 2024 by Stracuzzi Holding S.r.l. with commitments and waivers vis-à-vis the bank.

As at 31 March 2024, the outstanding balance of the facility is equal to the total amount disbursed.

10. Facility agreement Unicredit S.p.A.

Facility agreement for EUR 3,600,000.00, between the Company, as borrower, and Unicredit S.p.A., as lender, signed on 5 April 2024, with a term of 87 months (expiry data 30 June 2031) and to be repaid in 29 quarterly instalments.

The facility agreement provides for the application of a variable interest rate calculated according to the 3-month Euribor parameter, increased by a spread of +2.20 percentage points per year.

The agreement provides for an obligation of early repayment of the facility, without the application of any fee, within 15 days from the occurrence of the event, in the event of a change of control

within Stracuzzi Holding S.r.l., without prejudice to the right of the bank to allow, at its own discretion and by written notice, even under new conditions to be agreed upon with the borrower, the continuation of the facility.

Failure on the part of the borrower to fulfil its obligations of compulsory early repayment under this article shall entitle the bank to deem this agreement to be terminated by operation of law pursuant to and for the purposes of article 1456 of the Italian Civil Code, by simply notifying the borrower by registered letter.

The contract provides for the borrower's obligation to comply with the following financial covenants (hereinafter the "**Financial Covenants**"):

	31 December 2024	31 December 2025	31 December 2026	31 December 2027 (e per tutta la durata del finanziamento)
DEBT COVER(*)	≤4.3x	≤3.6x	≤2.7x	≤2.5
LEVERAGE(**)	≤2.5x	≤2.0x	≤1.5x	≤1.0x

(*) Understood as the ratio of net financial debt to EBITDA

(**) Understood as the ratio of net financial debt to shareholders' equity

compliance with the aforementioned financial covenants will be verified annually starting on 31 December 2024 on the basis of the financial statements of the borrower, delivered by the borrower to the bank together with a compliance declaration made by the legal representative and certifying compliance with the Financial Covenants.

In the event that even one of the above financial covenants is not met, the borrower shall have the right to remedy the situation within 30 days of the notification to the bank of the failure to meet the financial covenants.

The agreement provides, *inter alia*, for the following information obligations:

- inform in advance the bank of any changes in its legal or corporate structure (for example, legal form, corporate capital, directors, statutory auditors and shareholders, as well as mergers, including by incorporation, demergers, spin-offs, contributions), as well as in its management, equity and financial situation (for example, bond issues), as well as the economic and technical situation as well as any events that may modify the current structure and organisation of the borrower;
- notify the bank without delay of its intention to apply for other medium- to long-term facilities.

The agreement provides for the bank's right to trigger acceleration in the event of the cases referred to in Article 1186 of the Italian Civil Code and to terminate the agreement pursuant to Article 1456 of the Italian Civil Code or pursuant to Article 1353 if, *inter alia*:

- the Company has used the loan for purposes other than those for which it was granted;
- the Company or other companies of its group fail to pay, on the due date, any financial debt or any cause for acceleration of payment obligations of the Company or other companies of its group in relation to the bank or third-party lenders has occurred, or a third-party lender requests the early repayment of any financial debt, or if a guarantee granted by any company of the group to which the Company belongs is enforced, if the bank considers that the

abovementioned defaults affect the ability of the Company to repay the facility or the value of the guarantees (internal cross default);

- the Company has not fulfilled its obligations under the loan agreement (set out in part above by way of example only).

The facility is secured by

- (a) SACE Green Guarantee, issued on 25.03.2024;
- (b) side letter to the facility agreement, signed on 5 April 2024 by Stracuzzi Holding S.r.l. with commitments and waivers vis-à-vis the bank.

As at 31 March 2024, the outstanding balance of the facility is equal to the total amount disbursed.

SECTION II

CHAPTER I RESPONSIBLE PERSONS

1.1 Persons responsible for the Admission Document

For information on responsible persons, see Section One, Chapter I, Paragraph 1.1 of the Admission Document.

1.2 Statement of responsibility

For information on statements of responsibility, see Section One, Chapter I, Paragraph 1.2 of the Admission Document.

1.3 Expert report

For information on expert reports, see Section One, Chapter I, Paragraph 1.3 of the Admission Document.

1.4 Information from third parties

For information on information from third parties, see Section One, Chapter I, Paragraph 1.4 of the Admission Document.

CHAPTER II – RISK FACTORS

For a detailed description of the Risk Factors relating to the Issuer, the sector in which it operates and the Admission to Trading of the Shares, please refer to Section One, Chapter IV of the Admission Document.

CHAPTER III – ESSENTIAL INFORMATION

3.1 Reasons for the Capital Increase and use of proceeds

The Capital Increase is aimed at the Admission to Trading, with consequent advantages in terms of image and visibility as well as to provide the Company with financial resources to pursue the strategic objectives outlined in Section One, Chapter VI, Paragraph 6.4 of the Admission Document. Moreover, the visibility resulting from the listing on the Euronext Growth Milan market will also allow the Company to evaluate growth options through extraordinary transactions.

3.2 Statement relating to working capital

The Directors, having made all necessary and thorough investigations, consider, in their opinion, that the working capital available to the Group is sufficient to meet the Group's current needs, meaning the needs relating to the 12 months following the Admission Date.

CHAPTER IV – INFORMATION CONCERNING FINANCIAL INSTRUMENTS TO BE ADMITTED TO TRADING

4.1 Description of financial instruments

Description of Actions

For the purposes of constituting the minimum free float required for Admission to Trading, the Placement relates to no. 6,060,000 Misitano & Stracuzzi shares deriving from the Capital Increase and 606,000 shares from the exercise of the greenshoe option granted by Stracuzzi Holding.

The Shares will have no par value, regular dividend entitlement and ISIN IT0005603078.

4.2 Legislation under which the Shares were issued

The Shares were issued on the basis of Italian law.

4.3 Characteristics of financial instruments

The Shares will be registered, indivisible, freely transferable and without any indication of par value.

The Shares will be subject to the dematerialisation regime and will be entered into the centralised management system managed by Monte Titoli.

4.4 Currency of financial instruments

The Shares will be denominated in Euro.

4.5 Description of rights attached to the Shares

Shares

All Shares have the same characteristics and confer the same rights. Each Share confers the right to one vote at all ordinary and extraordinary shareholders' meetings of the Company, as well as the other administrative rights provided by applicable provisions of the law and the Articles of Association.

For further information, see Section One, Chapter XVI of the Admission Document.

4.6 Resolutions, authorisations and approvals pursuant to which financial instruments have been or will be issued

The Shares offered within the framework of the Placement were issued pursuant to the resolution of the Issuer's Shareholders' Meeting held on 11 July 2024, which resolved, *inter alia*, to increase the share capital for cash on a divisible basis and with the exclusion of the option right rights pursuant to Article 2441(5) of the Italian Civil Code, for a maximum amount of EUR 25,000,000, any share premium included, through the issue of ordinary shares, with regular dividend rights and characteristics identical to those of the other outstanding shares of the Company, to be fully paid up and to be offered for subscription in order to create the free float necessary for the Listing, to be executed within 31 December 2024, also granting the board of directors the power to determine the exact number of shares to be offered for subscription in the context of the capital increase and the relative subscription price in the imminence of the offer upon completion of the bookbuilding activities, without prejudice, in any case, to compliance with the minimum issue price determined on the basis of the shareholders' equity in accordance with Article 2441(6) of the Italian Civil Code.

For further information on this resolution and details on the development of the Issuer's share capital, see Section One, Chapter XIV, Paragraph 16.1.7 of the Admission Document.

4.7 Date of issue and making available of financial instruments

At the same time with the payment of the price, the Shares allotted under the Placement will be made available to those entitled to them, in dematerialised form, by entering them in deposit accounts held with Monte Titoli.

4.8 Restrictions on the free transferability of Shares

There are no restrictions on the free transferability of the Shares under the law or the Articles of Association.

For the sake of completeness, it should be noted that the Company and Stracuzzi Holding have assumed lock-up undertakings vis-à-vis the Euronext Growth Advisor and Global Coordinator containing limitations on disposal of the Misitano & Stracuzzi shares for a period of 18 months commencing on the Trading Start Date.

For further information in this regard, please refer to Chapter V, Paragraph 5.3 of the Admission Document.

4.9 Indication of existence of any rules on mandatory tender offers and/or tender offers to purchase remaining shares in relation to Shares

In accordance with the Euronext Growth Milan Issuers' Regulations, Misitano & Stracuzzi has provided in its articles of association that starting from the Admission to Trading and until such time as similar rules, if any, are made compulsorily applicable, the provisions relating to listed companies set out in the Italian Consolidated Law on Finance and Consob's implementing regulations on compulsory tender offers and exchange offers are applicable by voluntary reference and to the extent compatible

The rules of the Italian Consolidated Law on Finance and the Issuers' Regulations apply with regard to the holding of a shareholding exceeding the threshold of 30% of the share capital, where a shareholding is defined as a portion, which may be held even indirectly through trustees or intermediaries, of the securities issued by the Company that grant voting rights in shareholders' meeting resolutions concerning the appointment or removal of directors. Therefore, in such case the obligation to launch a tender offer for all of the shares with voting rights applies.

4.10 Tender offers made on the Issuer's shares during the last financial year and the current financial year

During the last financial year and the current financial year, the Issuer's shares were not subject to any tender and/or exchange offers.

CHAPTER V – HOLDERS OF FINANCIAL INSTRUMENTS WHO ARE SELLING

5.1 Selling shareholder

The Placement will concern both the Shares arising from the Capital Increase and number of 606,000 shares referring to the greenshoe option for sale by Stracuzzi Holding.

5.2 Financial instruments offered for sale

In the Placement 606,000 Issuer Shares will be offered for sale under the greenshoe option.

5.3 Lock-up agreements

Subject to the limitations specified below, there are no limitations on the transferability and availability of the Shares.

On 24 July 2024, the Company and Stracuzzi Holding entered into a lock-up agreement with the Company and the Euronext Growth Advisor and Global Coordinator (the “**Lock-Up Agreement**”). Pursuant to the Lock-Up Agreement, the Issuer irrevocably undertakes for a period of 18 months following the Trading Start Date (the “**Lock-Up Period**”), *inter alia*:

- a. not to engage, directly or indirectly, in sales transactions, transfers, acts of disposition and/or otherwise transactions that have as their object and/or effect, directly or indirectly, the attribution and/or transfer to third parties (including the granting of option rights, establishment of pledges or other encumbrances, securities lending), for any capacity and in any form, directly or indirectly, of the Shares (or of other financial instruments, including participatory instruments, that grant the right to purchase, subscribe to, convert into, or exchange for, Shares or other financial instruments, including those participatory, which grant rights inherent in or similar to such Shares or financial instruments);
- b. not to issue or place (including through third parties) on the market equity securities either directly or in the context of the issuance of bonds convertible into shares by the Company or third parties or in the context of the issuance of warrants by the Company or third parties or in any other manner, except for capital increases carried out pursuant to Articles 2446 and 2447 of the Civil Code, up to the threshold necessary to comply with the legal limit;
- c. not to issue and/or place on the market bonds convertible into or exchangeable for, shares of the Company or into vouchers to purchase or subscribe for shares of the Company, or other financial instruments, including participatory ones, which grant rights inherent in or similar to such shares or financial instruments;
- d. not to approve and/or carry out, directly or indirectly, transactions in derivative instruments, which have the same effects, even if only economic, as the transactions referred to above.

Pursuant to the Lock-Up Agreement Stracuzzi Holding irrevocably undertakes for the same Lock-Up Period *inter alia* to:

- a. not to engage, directly or indirectly, in sales, transfers, acts of disposition and/or in any case transactions whose object or effect is, directly or indirectly, the attribution and/or transfer to third parties, for any reason and in any form whatsoever of the shares subject to lock-up (or of other

financial instruments, including, inter alia, participatory ones, that attribute the right to purchase, subscribe, convert into, or exchange with, shares subject to lock-up or other financial instruments, including participatory ones, which grant rights inherent in or similar to such shares subject to lock-up or financial instruments), including transactions as a result of which option and/or transferred option rights or security interest in the shares subject to lock-up;

b. not to approve and/or carry out, directly or indirectly, transactions on derivative instruments, which have the same effects, even if only economic, as the transactions referred to in paragraph a) above;

c. not to promote and/or approve operations to increase capital or issue bonds convertible into (or exchangeable for) Shares or purchase/subscription vouchers in Shares or in other financial instruments, including equity instruments, which grant rights inherent in or similar to such Shares or financial instruments, except for capital increases made pursuant to Articles 2446 and 2447 of the Italian Civil Code, up to the threshold necessary to comply with of the legal limit, including through contributions in kind.

The lock-up commitments undertaken by the Issuer and Stracuzzi Holding may only be waived (i) with the prior written consent of Intermonte, which consent may not be unreasonably withheld or delayed or (ii) in compliance with legal or regulatory obligations or measures or requests of competent Authorities.

In any case, transactions relating to the issuance or transfer of Company Shares to service incentive plans aimed at directors and/or management and/or employees, including any stock option plans and/or stock granting of the Company shall remain excluded from the Issuer's undertakings.

In addition, excluded from the commitments undertaken by Stracuzzi Holding are: (i) disposition transactions performed in compliance with legal or regulatory obligations, including transactions with the Specialist; (ii) transfers in adherence to a public offer to purchase or exchange Shares and addressed to all holders of financial instruments of the Company, it being understood that if the offer public offer to purchase or exchange the Shares is unsuccessful, the restrictions contained in the Lock-up Agreement will become effective until their natural expiration; and (iii) any transfers by Stracuzzi Holding to one or more companies directly and/or indirectly controlled by, or controlling, the same, pursuant to Article 2359, paragraph 1, of the Civil Code Civil Code, provided that (a) Stracuzzi Holding maintains control pursuant to Article 2359, Paragraph 1, of the Civil Code of the transferee company and (b) the person who becomes in any capacity owner of the shares subject to Lock-Up subscribes, adhering to it to the extent of its competence and without exceptions, the Lock-Up Agreement for the remaining effective period thereof.

CHAPTER VI – EXPENSES RELATED TO ADMISSION

6.1 Total net proceeds and estimated total expenses related to Admission to Trading

The proceeds from the Capital Increase, net of placement fees and expenses, are estimated at approximately EUR 16.7 million.

In this respect, it is estimated that the expenses relating to the Admission to Trading and the Offer, including the fees payable to Intermonte – as Global Coordinator of the Offer – amount to approximately EUR 1.5 million and will be borne directly by the Issuer.

For information on the allocation of the proceeds of the Offer, please refer to Section Two, Chapter III, Paragraph 3.1 of the Admission Document.

CHAPTER VII – DILUTION

7.1 Amount and percentage of immediate dilution resulting from the Capital Increase

The Shares from the Capital Increase are offered for subscription to third parties at a price of EUR 2.92 per Share (the “**Subscription Price**”).

The number of Shares under the Offer is equal to no. 6,060,000 Shares from the Capital Increase and no. 606,000 Shares from the exercise of greenshoe option.

The following table shows the comparison between the value of the Company’s shareholders’ equity as of 31 December 2023 per share and the Subscription Price.

Shareholders’ equity per share (*)	Subscription Price
0.574	2.92

(*) Based on the number of shares resulting after the split resolved by the Extraordinary Shareholders’ Meeting of the Company on 11 July 2024.

Considering the subscription of the Shares from the Capital Increase and the full exercise of the greenshoe option, the controlling shareholder Stracuzzi Holding will see its shareholding diluted by 22.2%.

For further information, see Section One, Chapter XIV, Paragraph 14.1 of the Admission Document.

7.2 Dilutive effects in the event of non-subscription of the offer

Not applicable as in the context of the Admission to Trading no subscription offer will be made to those who are already Misitano & Stracuzzi shareholders on the Admission Date.

CHAPTER VIII – ADDITIONAL INFORMATION

8.1 Participants to the transaction

Person	Role
Misitano & Stracuzzi S.p.A.	Issuer
Intermonte SIM S.p.A.	Euronext Growth Advisor, Global Coordinator and Specialist
KPMG S.p.A.	Auditing Firm

8.2 Other audited information

Section Two of the Admission Document does not contain any information in addition to that contained in Section One that has been subject to a full or limited audit.

8.3 Places where the Admission Document is available

This Admission Document is available in the Investor Relations section of the Company's website.

8.4 Appendix

The following documents are attached to the Admission Document:

- Consolidated Financial Statements as of 31 December 2023, including the Auditing Firm's Report.