VAGNETTI & RAOLI

DOTTORI COMMERCIALISTI
REVISORI CONTABILI

**RIGSAVE S.p.A.**

**Consolidated Financial Statements as at 31 December 2023**

**Independent Auditor's Report**

05100 Terni - Corso Tacito, 111 - Tel. 744,462,306 - e-mail: info@vrassociati.it

V A G N E T T I & R A O L I

DOTTORI COMMERCIALISTI
REVISORI CONTABILI

**Independent Auditor's Report**

To the Board of Directors of the Rigsave S.p.A. Group

**Audit Report on the Consolidated Financial Statements**

**Opinion**

The undersigned auditor has performed an audit of the consolidated financial statements of the Rigsave S.p.A. Group (the "**Group**"), comprising the statements on Balance Sheet and financial situation as at 31 December 2023, profits and other components of the Profit & Loss Account, changes in net equity, cash flow and the corporate governance report for the financial year at such year-end date.

In the opinion of the author, the consolidated financial statements provide a true and fair view of the Company's assets and liabilities and financial standing of the Company as at 31 December 2023, of the operating result and of the cash flow as at such date, in accordance with Italian regulations governing the drafting criteria thereof.

**Evidence supporting my opinion**

I performed an audit in compliance with International Standards for Auditing (ISA Italy). The auditor's duties under such principles are further described in the section *The auditor's duties with respect to auditing financial statements* in this report.

I am independent vis-à-vis the Group in accordance with the rules and principles on ethics and independence applicable to audits of financial statements under Italian law.

I believe I have acquired sufficient and appropriate evidence upon which to base my opinion.

**Other aspects**

This report is not issued as required under the law, because in the financial year ended at 31 December 2023 the Rigsave S.p.A. Group is not required by law to prepare consolidated financial statements.

The Group's consolidated financial statements, for the financial year ended at 31 December 2023, were subject to auditing by the undersigned auditor, which on 10 July 2023 provided an opinion without remarks on such accounts.

**Duties of the directors and of the board of statutory auditors with regard to the financial statements**

The directors are responsible for drafting consolidated financial statements that provide a true and fair view in accordance with Italian regulations governing the drafting criteria thereof and, to the extent provided by law, for the portion of internal controls the latter deem necessary to enable the preparation of financial statements that do not contain significant errors due to fraud or to unintentional conducts or events.

The directors are responsible for the Group's assessment to continue operating as a going concern and, in preparing the financial statements, for an appropriate use of the going concern assumption, as well as for providing adequate information on the matter.

The directors use the going concern assumption in preparing the financial statements, unless they have assessed that the requirements are met to place the parent company in winding-up procedures, or to discontinue business operations, or that the directors have no realistic alternatives to such options.

The board of statutory auditors is responsible for oversight, as provided by law, over the process of preparing the Group's financial information.

**The auditor's duties with respect to auditing the financial statements**

The auditor's goal is to acquire reasonable certainty that the financial statements as a whole do not contain significant errors, due to fraud or unintentional conducts or events, and to issue the audit report that includes their professional opinion.

Reasonable certainty means a high degree of confidence, which, however, does not guarantee that an audit performed in compliance with the international standards of auditing (ISA Italy) may still find a significant error, if any.

Errors may result from fraud or from unintentional conducts or events and are considered significant if one can reasonably expect that either individually or as a whole, they are capable of affecting the economic decisions taken by users based on the financial statements.

As part of an audit performed in compliance with international standards of auditing (ISA Italy), I expressed my professional opinion while maintaining professional scepticism throughout the entire engagement.

Furthermore:

- I have identified and assessed the risk of significant errors in the financial statements, due to fraud or unintentional conducts or events; I have defined and deployed auditing procedures in response to such risks; I have acquired sufficient and appropriate evidence on which I based my opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error resulting from unintentional conducts or events, because fraud may imply the existence of collusions, forgeries, intentional omissions, misrepresentations or manipulations of internal controls;

- I have acquired an understanding of relevant internal controls for the purposes of an audit in order to define appropriate auditing procedures, and not to convey an opinion as to whether the Group's internal controls are effective;
- I have assessed the appropriateness of the accounting standards in use as well as the reasonableness of the accounting estimates made by the director and of the relevant disclosures;
- I have assessed the presentation, structure, and contents of the financial statements as a whole, including the disclosures, and whether the financial statements convey the underlying transactions and events in such a way to provide a true and fair view.

Finally, I conveyed to the persons in charge of Governance - identified at the appropriate levels as required under ISA Italia - among others, the planning of the scope and timing of the auditing activities, the significant findings thereof, including any significant shortcomings in internal controls identifying while performing the engagement.

**Business as a going concern**

I have reached a conclusion on the appropriateness of the directors' use of the going concern assumption and, based on the evidence acquired, on whether any significant uncertainty exists as to events or circumstances that may give rise to significant doubts about the Group's ability to continue to operate as a going concern.

When significant uncertainty is found, I am required refer in the audit report to the relevant financial statements information or, if such information is inadequate, to reflect such state of affairs when wording my opinion. My conclusions are based on the evidence acquired up to the date of this report. However, any subsequent events or circumstances may still imply that the Group may cease to operate as a going concern.

**Report on other statutory and regulatory provisions**

**Opinion pursuant to art. 14(2)(e) of Legislative Decree No. 39 of 27 January 2010**

The Group's directors are responsible for preparing the Management Report on the consolidated financial statements of Rigsave S.p.A. as at 31 December 2023, including its consistency with the relevant consolidated financial statements and its compliance with the law.

I have performed the auditing procedures set out under auditing standard (SA Italia) No. 720B in order to convey an opinion on the consistency of the management report with the Group's consolidated financial statements as at 31 December 2023 and on its compliance with the law, and also in order to issue a statement on significant errors, if any.

VAGNETTI & RAOLI

DOTTORI COMMERCIALISTI
REVISORI CONTABILI

In my opinion, the management report is consistent with the consolidated financial statements of Rigsave S.p.A. as at 31 December 2023, and it has been prepared in accordance with the law.

With respect to the statement under art. 14(2)(e) of Legislative Decree No. 39 of 27 January 2010, issued based on my knowledge and understanding of the business and of the relevant context, as acquired during my auditing activities, I have nothing to report.

Terni, 28 June 2024

Prof. Dott. Elisa Raoli (Certified Auditor)


05100 Terni - Corso Tacito, 111 - Tel. 744,462,306 - e-mail: info@vrassociati.it

**RIGSAVE SPA**

**BS 554688**

**IV Audited Consolidated Financial Statements**

**31 December 2023**

## Company Information

| | | |
|---|---|---|
| Registration | Rigsave S.p.A is registered in the Brecia Register of Companies, REA no BS 554688 LEI code_984500144H84C0CA7J16 | |
| Directors | Michele Basilicata<br>Salvatore Gervasi | |
| Secretary | | |
| Registered office | Corso Giuseppe Zanardelli<br>38 – 25121 Brescia (BS) | |
| Auditor | Professoressa Elisa Raoli | |
| Bankers | Sparkasse Bank Malta plc<br>101, Townsquare<br>Ix-Xatt ta' Qui-Si-Sana<br>Sliema SLM 3112<br>Malta | Bper Banca S.P.A.<br>Via San Carlo 8/20<br>Modena, 41121<br>Italy |
| | Banca Sella Holding S.p.A Piazza Gaudenzio Sella<br>1 - 13900 Biella<br>Italy | Soldo Financial Services Ltd<br>119 Marylebone Road<br>London, NW15PU<br>United Kingdom |
| | BFF Bank S.p.A.<br>Via Domenichino 5<br>20149 Milano<br>Italy | |
| Legal advisors | Hogan Lovells Milano<br>Via Santa Maria alla Porta, 2<br>20123 Milano | |

The directors present their report together with the consolidated financial statements of Rigsave S.p.A. and its subsidiaries (the "Group") for the year ended on 31 December 2023.

**Main duties and responsibilities:**
The main activity of the Group is to provide consulting and portfolio management services and to act as a distribution partner in the sale of structured products by its customers.

**Significant events**
Over the last 4 years, the parent company has embarked on a transformation process to become a holding company with strategic and controlling shareholdings in financial companies with high added value and a strong focus on the provision of services using the most modern technologies.
During 2023, the parent company launched two capital increases for a total of 2.078.798,55 Euros in order to fulfill the capital requirements set by Deutsche Boerse for the listing.

On December 18th 2023 the parent company was listed on the Scale segment of the Frankfurt Stock Exchange with a first price of 18,00 Euro.

**Performance Review**
During the period under review, the group recorded a consolidated loss of 592,149 Euros (in 2022: a loss of 439,472 Euros).
The consolidated loss was generated as a result of the consolidation of the losses of the parent company and the subsidiaries Rigsave Tech S.r.l and Rigsave Holding and the profit of Rigsave Capital Ltd.

In particular, the loss of the group was penalised by the negative result of the subsidiary companies, which in 2023 incurred charges for the high investment in new employees.

On 31 December 2023, the parent company had loans in place with the banks for 175.829 Euros with two credit institutions, Unicredit and Bper.

The directors note that the Group has maintained a positive cash balance and that this is also reflected in an adequate capitalisation, as indicated in the statement of financial position that shows a total equity of € 35.766.871 at the end of the year under review (in 2022: € 33.331.832), mainly due to the valuation of the equity instrument called the RAAF Fund, for whose analysis reference is made to the explanatory notes to the financial statements (See note no. 9).

**Corporate continuity**
In the light of the audits carried out, the directors believe that the Group has adequate resources to ensure compliance with business continuity for the near future.

These consolidated financial statements are therefore drawn up with a view to business continuity.

**Classification of assets and liabilities in the balance sheet**
It should be noted that the difference between current assets/liabilities and non-current assets/liabilities is represented by the 12 months following the financial statements date.

**Main risks and uncertainties**
Proper risk management is essential to enable the company to achieve its objectives. The ultimate responsibility for risk management lies with the Group Directors, who assess the Group's risk appetite and formulate policies to identify and manage such risks. The main risks and uncertainties that the company faces are included below:

**a) Legislative risks**

The Group is subject to numerous laws and regulations covering a wide range of issues. Failure to do so could have financial or reputational implications and could materially affect the Group's ability to operate. In particular, the subsidiary Rigsave Capital Ltd is subject to supervisory control by the MFSA Maltese Supervisory Authority and the parent company is subject to the rules linked to its listed company status.

The legal risk, that is the risk of losses deriving from violations of laws or regulations, from contractual or non-contractual liability or from other disputes. Operational risk includes disclosure risks for internal purposes (e.g.: reporting for the purposes of planning and monitoring the performance of corporate activities) or external risks (e.g.: disclosure to the Supervisory Authority or the public).

The Group has integrated operational policies and procedures (for example the organizazion, management and control model pursuant to Legislative Decree 8 June 2001, n. 231 to ensure compliance with existing legislation.

**b) Talents and skills**

It may not be possible to adequately engage and train current Group employees or attract and retain talented employees and this may hinder the Group's ability to achieve its goals in the future. The Group periodically reviews policies to attract human resources. During 2022, the average number of employees was 7 while at the end of 2023 was 8.1 (21 employess at 31/12/2023).

**c) Reputational Risk**

Damage to the Group's reputation could hinder its ability to implement its strategic mission.

To mitigate this risk, the Group is continuously committed to consolidating its reputation through actions aimed at sustainability, transparency and effective communication according to best practices.
In this way, the Group works to develop and maintain the value of its brand.

**Business outlook**

During 2023, after the study and analysis of listing procedures at the main European markets, in particular Italy and Germany made in 2022, the parent company was listed on the Frankfurt Scale, a market dedicated to the listing of small and medium-sized companies with high growth potential.

The listing has allowed Rigsave S.p.A. to have greater visibility on the financial market and has increased its reputation. This made it possible to close in the first months of 2024 the advisory mandate with 17 professional investors for the creation of 17 Asset Pooling Vehicles with the related constellation of service providers necessary for their operation.

In addition to assisting these 17 professional clients in the creation of the vehicles, Rigsave S.p.A. will also provide support for the issuance of bonds for a total value of 17B euros - in collaboration with FSCC Sàrl in the role of Corporate service provider and central administrator - and will also provide advice in terms of asset allocation.

Upon successful completion of the transaction, the estimated consolidated turnover for Rigsave S.p.A., once fully operational, should be 43.52M and the estimated free cash flow margin should be 18.96M.

**RIGSAVE SPA**
**Statement of Profit or Loss and Other Comprehensive Income**
**31 December 2023**

| | Notes | **2023 EUR** | 2022 EUR |
|---|---|---|---|
| Revenue | 5 | **895,047** | 1,016,062 |
| Sales and marketing expenses | | **(208,595)** | (47,667) |
| Administrative expenses | | **(1,398,471)** | (1,392,218) |
| **Operating loss before financing costs** | | **(712,019)** | (423,823) |
| Finance Income | 6 | **40,326** | 129 |
| Other income | | **49,133** | - |
| Finance costs | 6 | **(13,354)** | (15,778) |
| **Net loss from operations before taxation** | | **(635,914)** | (439,472) |
| Loss before taxation | 7 | **(635,914)** | (439,472) |
| Tax income | 8 | **43,765** | - |
| **Loss for the year** | | **(592,149)** | (439,472) |
| **Other comprehensive income for the year** | | | |
| **Items that will not be reclassified subsequently to profit or loss:** | | | |
| Fair value gain on investments measured at FVTOCI | | **1,453,450** | 21,257,120 |
| Deferred tax on fair value movement | | **(405,513)** | (5,930,736) |
| **Other comprehensive income for the year net of income tax** | | **1,047,937** | 15,326,384 |
| **Total comprehensive income for the year** | | **455,788** | 14,886,912 |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | **455,258** | 14,892,295 |
| Non-controlling interest | | **530** | (5,383) |
| **Total comprehensive income for the year** | | **455,788** | 14,886,912 |

**RIGSAVE SPA**
**Statement of Financial Position**
**31 December 2023**

| | *Notes* | **2023 EUR** | 2022 EUR |
|---|---|---|---|
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Intangible assets | 10 | **55,468** | 39,138 |
| Property, plant and equipment | 9 | **876,447** | 904,051 |
| Right-of-use Asset | 11 | **74,137** | 43,583 |
| Other investments | 13 | **47,149,370** | 44,045,920 |
| Other non-current asset | | **2,928** | 2,928 |
| Deferred tax assets | 20 | **254,862** | 211,097 |
| | | **48,413,212** | 45,246,717 |
| **Current assets** | | | |
| Trade and other receivables | 14 | **452,112** | 804,523 |
| Cash and cash equivalents | 15 | **25,625** | 15,534 |
| | | **477,737** | 820,057 |
| **Total assets** | | **48,890,949** | 46,066,774 |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 20 | **12,347,840** | 11,942,327 |
| Non-current borrowings | 18 | **146,662** | 175,772 |
| Non-current lease liability | 19 | **53,049** | 34,751 |
| | | **12,547,551** | 12,152,850 |
| **Current liabilities** | | | |
| Trade and other payables | 17 | **525,931** | 544,117 |
| Current borrowings | 18 | **29,167** | 26,205 |
| Current lease liability | 19 | **21,429** | 11,770 |
| | | **576,527** | 582,092 |
| **Total liabilities** | | **13,124,078** | 12,734,942 |
| **Net assets** | | **35,766,871** | 33,331,832 |
| **EQUITY** | | | |
| Share capital | 16.1 | **368,981** | 174,800 |
| Share premium | 16.2 | **3,491,674** | 796,210 |
| Additional paid in capital | 16.3 | **1,505,337** | 2,415,731 |
| Statutory reserves | | **58,960** | 58,960 |
| Fair value reserve | 16.4 | **31,909,650** | 30,861,713 |
| Other reserves | | **63,500** | 63,500 |
| Retained earnings | | **(1,824,929)** | (1,232,250) |
| Merger reserve | 16.5 | **164,094** | 164,094 |
| Minority interest | | **29,604** | 29,074 |
| **Total equity** | | **35,766,871** | 33,331,832 |

**RIGSAVE SPA**

**Statement of Changes in Equity**

**31 December 2023**

| | Equity attributable to the equity holders of the parent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Issued capital** | **Share premium** | **Additional paid-in capital** | **Statutory reserve** | **Retained earnings** | **Fair value reserve** | **Consolidation reserve** | **Other reserves** | **Total** | **Non-controlling interest** | **Total equity** |
| | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** |
| **Balance at 1 January 2022** | 174,800 | 796,210 | 1,849,261 | 58,960 | (798,161) | 15,535,329 | 164,094 | 63,500 | 17,843,993 | 34,457 | **17,878,458** |
| **Total comprehensive income for the year** | | | | | | | | | | | |
| Loss for the year | - | - | | | (434,089) | - | - | - | (434,089) | (5,383) | (439,472) |
| Other comprehensive income for the year | - | - | - | - | 15,326,384 | - | - | - | 15,326,384 | - | 15,326,384 |
| | - | - | - | - | 14,892,297 | - | - | - | 14,892,297 | (5,383) | 14,886,912 |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | | |
| Share capital | - | - | - | - | - | - | - | - | - | - | - |
| Capital contribution | - | - | 566,470 | - | - | - | - | - | 566,470 | - | 566,470 |
| Transfer | | | | | (15,326,384) | 15,326,384 | | | - | | - |
| **Total transactions with owners** | - | - | 566,470 | - | (15,326,384) | 15,326,384 | - | - | 566,470 | - | 566,470 |
| **Balance at 31 December 2022** | **174,800** | **796,210** | **2,415,731** | **58,960** | **(1,232,250)** | **30,861,713** | **164,094** | **63,500** | **33,302,758** | **29,074** | **33,331,832** |

**RIGSAVE SPA**
**Statement of Changes in Equity**
**31 December 2023**

| | Issued capital | Share premium | Additional paid-in capital | Statutory reserve | Retained earnings | Fair value reserve | Consolidation reserve | Other reserves | Total | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Equity attributable to the equity holders of the parent** | | | | | | | | | | |
| | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** | **EUR** |
| **Balance at 1 January 2023** | **174,800** | **796,210** | **2,415,731** | **58,960** | **(1,232,250)** | **30,861,713** | **164,094** | **63,500** | **33,302,758** | **29,074** | **33,331,832** |
| **Total comprehensive income for the year** | | | | | | | | | | | |
| Loss for the year | - | - | - | - | (592,679) | - | - | - | (592,679) | 530 | (592,149) |
| Other comprehensive income for the year | - | - | - | - | 1,047,937 | - | - | - | 1,047,937 | | 1,047,937 |
| | - | - | - | - | 455,258 | - | - | - | 455,258 | 530 | 455,788 |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | | |
| Share capital | 194,181 | - | | - | - | - | - | - | 194,181 | - | 194,181 |
| Share premium | - | 1,785,070 | | - | - | - | - | - | 1,785,070 | - | 1,785,070 |
| Transfer | - | 910,394 | (910,394) | - | (1,047,937) | 1,047,937 | - | | - | - | - |
| **Total transactions with owners** | 194,181 | 2,695,464 | (910,394) | - | (1,047,937) | 1,047,937 | - | - | 1,979,263 | - | 1,979,251 |
| **Balance at 31 December 2023** | **368,981** | **3,491,674** | **1,505,337** | **58,960** | **(1,824,929)** | **31,909,650** | **164,094** | **63,500** | **35,737,267** | **29,604** | **35,766,871** |

**RIGSAVE SPA**
**Statement of Cashflows**
**31 December 2023**

| | 2023 EUR | 2022 EUR |
|---|---|---|
| **Cash flows from operating activities** | | |
| Loss before tax | **(635,914)** | (439,472) |
| *Adjustments for:* | | |
| Depreciation of Property, plant and equipment and Right of use assets | **40,739** | 27,669 |
| Amostisation of intangible assets | **8,243** | 30,746 |
| Interest income | **(12)** | (129) |
| Interest expense | **5,554** | 15,778 |
| **Operating profit before working capital movements** | **(581,390)** | (365,408) |
| Movement in trade and other receivables | **352,411** | (546,387) |
| Movement in trade and other payables | **(18,186)** | 216,238 |
| Cash flows used in operations | **(247,165)** | (695,557) |
| Interest received | **12** | 129 |
| Interest paid | **(5,554)** | (15,778) |
| Income taxes paid | **-** | - |
| *Net cash flows used in operating activities* | **(252,707)** | (711,206) |
| **Cash flows from investing activities** | | |
| Acquisition of Property, plant and equipment | **(2,390)** | (6,636) |
| Acquisition of intangible assets | **(29,300)** | (39,098) |
| Disposal of Intangible assets | **4,727** | - |
| Purchase of investments | **(1,650,000)** | 45,000 |
| *Net cash flows (used in) from investing activities* | **(1,676,963)** | (734) |
| **Cash flows from financing activities** | | |
| Issued share capital | **1,979,262** | 677,429 |
| Repayment of borrowings | **(26,148)** | (22,019) |
| Payment of lease liabilities | **(13,353)** | (12,484) |
| *Net cash flows from financing activities* | **1,939,761** | 642,926 |
| **Net movement in cash and cash equivalents** | **10,091** | (69,014) |
| **Cash and cash equivalents at the beginning of the year** | **15,534** | 84,548 |
| **Cash and cash equivalents at the end of the year (note 15)** | **25,625** | 15,534 |

## 1 Nature of operations

Rigsave Group (the “Group”) provides consulting and portfolio management services and acts as a distribution partner in the sale of structured products to its customers. The Group offers investment services to both retail and institutional customers. The Group is located in Italy, Malta and Luxembourg and operates, through the passporting of Assets and Fund management license, in France, Portugal, Luxembourg, the Netherlands, Germany, Austria, Italy and Spain.

## 2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation and statement of compliance with IFRS

These consolidated financial statements include the financial statements of Rigsave S.p.a (the “parent company”) and its subsidiaries: Rigsave Tech S.r.l., Rigsave Holding Limited and Rigsave Capital Limited. The consolidated financial statements are prepared in accordance with the requirements of International Financial Reporting Standards (the IFRSs) as adopted by the EU and, on an interpretative level, the documents on the application of IFRSs as adopted by the EU in Italy published by the Italian Accounting Body (OIC). Accordingly, they have been prepared under the historical cost convention as modified by the fair valuation of the Group’s Investment in collective investment scheme.

Fair value is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market participants at the valuation date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or liability, the Group considers the characteristics of the asset or liability if market participants take it into account when pricing the asset or liability at the valuation date. The fair value for valuation and/or disclosure purposes in these financial statements is determined on this basis.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

*International Financial Reporting Standards effective in 2023*

During the financial year ended 31 December 2023, the Group adopted new standard, amendments and interpretations to existing standards that are mandatory for the Group’s accounting period beginning on 1 January 2023.

Amendments to IAS 1 - Presentation of Financial Statements, IFRS Practice statement 2: Disclosure of Accounting Policies (effective for financial years on or after 1 January 2023). The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Material accounting policy information is now required to be disclosed instead of significant accounting policies. The amendments explain how an entity can identify material accounting policy information and give examples of when accounting policy information is likely to be material. Accounting policy information may be material due to its nature and is material if users of an entity's financial statements would need it to understand other material information in financial statements. In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendment.

## 2 Summary of material accounting policies (continued)

### 2.1 Basis of preparation and statement of compliance with IFRS (continued)

*International Financial Reporting Standards effective in 2023 (continued)*

Except for the amendments to IAS 1, the adoption of this revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies impacting the Company's financial performance and position, including disclosures.

*Standards, interpretations and amendments to published standards that are not yet adopted*

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these consolidated financial statements but are mandatory for the Group’s accounting periods beginning after 1 January 2023. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the directors are of the opinion that there are no requirements that will have a possible significant impact on the Group’s financial statements in the period of initial application.

### 2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of the acquiree’s identifiable net assets.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group’s share of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

## 2 Summary of material accounting policies (continued)

### 2.2 Consolidation (continued)

Business combinations between entities under common control, which do not fall within the scope of IFRS 3, are accounted for using the predecessor method of accounting. Under the predecessor method of accounting, assets and liabilities are incorporated at the predecessor carrying values, which are the carrying values of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control and for which consolidated financial statements are prepared. When the controlling party does not prepare consolidated financial statements because it is not a parent company, the financial statements amount of the acquired entity are used.

No new goodwill arises in predecessor accounting, and any difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of transaction) of the acquired entity, is included in equity in a separate reserve. The financial statements incorporate the acquired entity's results only from the date on which the business combination between entities under common control occurred.

Under both methods of accounting, upon consolidation, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### 2.3 Foreign currency translation

*Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Group's functional and presentation currency.

### 2.4 Revenue recognition

Revenues include all revenues from the ordinary business activities. Ordinary activities do not only refer to the core business but also to other recurring provision of services. Revenues are recorded net of value added tax.

At contract inception, the services promised in a contract with a customer are assessed and each promise to transfer to a service is identified as a performance obligation. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

## 2 Summary of material accounting policies (continued)

### 2.4 Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation, which occurs when it transfers control of a promised service to a customer. Control of a promised service is transferred to a customer when the customer is able to direct the use of the promised service. A performance obligation is satisfied at a point in time unless it meets certain criteria that indicate that it is satisfied over time.

The group recognises revenue from the following major sources:

*Distributor services*

The Group markets the sale of investment products held by its clients. The Group recognises a fixed percentage of revenue when it successfully markets such products on behalf of its customers.

*Portfolio management and advisory services*

The Group provides portfolio management and advisory services to individual customers. Revenue is recognised when the service is rendered.

*Management services*

The Group provides day-to-day administrative and support services to another company. Revenue is recognised when the service is rendered.

*UCITS management and performance fees*

The Group assists with the investing and trading decisions in relation to the investment of assets of other companies. Revenue is recognised when the service is rendered.

*Other consultancy*

The Group provided scouting of tier 1 Investment banks and securitization vehicles for the structuring of bespoke structured products and modeling of such structures regarding the reference asset for protection and the underlying asset exposure through FDI (financial derivative instruments). Revenue is calculated as a percentage of the issuing amount reported on the term sheet.

### 2.5 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

## 2 Summary of material accounting policies (continued)

### 2.5 Current and deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.6 Property, plant, and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful life.

The rates of depreciation used for the current and comparative periods are as follows:

- Buildings: 3% per annum
- Office equipment: 25% per annum
- Furniture and furnishings: 10% per annum

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

## 2 Summary of material accounting policies (continued)

### 2.6 Property, plant, and equipment (continued)

Depreciation begins when the asset is available for use and continues until the asset is derecognised. No depreciation is charged to land and to assets not yet brought into use or under construction.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of comprehensive income within ‘other income’ or ‘administrative expenses’.

### 2.7 Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost. Expenditure on an intangible asset is recognised as an expense in the period in which it is incurred unless it forms part of the cost of the asset that meets the recognition criteria or the item is acquired in a business combination and cannot be recognised as an intangible asset, in which case it forms part of goodwill at the acquisition date.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss to write off the cost of the intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

The following useful lives are applied:

- Company Domain: 3 years
- Company Software: 4 years
- Software development: 5 years

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use of disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

*Research and development costs*

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

## 2 Summary of material accounting policies (continued)

### 2.8 Leases

*The Group is the lessee*

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

*The Group is the lessee (continued)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, where there is no third-party financing; and
- adjusts specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

## 2 Summary of material accounting policies (continued)

### 2.8 Leases (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

### 2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.10 Financial assets

#### 2.10 (a) Classification

The Group classifies its financial assets in the following measurement categories:

- o those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- o those to be measured at amortised cost.

**2 Summary of material accounting policies (continued)**

**2.10 Financial assets (continued)**

**2.10 (a) Classification (continued)**

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held-for-trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

**2.10 (b) Recognition and derecognition**

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which an asset is delivered to or by the Group. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or has not retained control of the asset.

**2.10 (c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

## 2 Summary of material accounting policies (continued)

### 2.10 Financial assets (continued)

#### 2.10 (c) Measurement (continued)

*Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### 2.10 (d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In particular, the policy implemented by the Group provides for the stratification of receivables, divided into homogeneous categories of risk. Different write-down percentages are applied to these categories that reflect the related recovery expectations. They are based on historical percentages and any forward-looking elements that may affect the reasonable expectation of recovery. Write-downs made pursuant to IFRS 9 are recognised in consolidated income statement net of any positive effects of releasing or restoring value and are represented as operating costs. Please refer to the explanatory notes to the financial statements.

#### 2.10.1 Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less credit loss allowances.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

#### 2.10.2 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

## 2 Summary of material accounting policies (continued)

### 2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

### 2.12 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities, other than derivative contracts are classified as financial liabilities measured at amortised cost. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

### 2.12.1 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.12.2 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

### 2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## 2 Summary of material accounting policies (continued)

### 2.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company determines when transfers are deemed to have occurred between levels in the hierarchy at the end of each reporting period.

### 2.15 Contract liabilities

Contract liabilities represent amounts paid by customers before receiving the services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for services not transferred yet, such as contracts payable in advance or prepaid packages.

### 2.16 Benefits to employees

In defined benefit programs, which also include employee severance pay pursuant to Article 2120 of the Italian Civil Code, the amount of benefit to be paid to employees is quantifiable only after the termination of the employment relationship and is linked to one or more factors such as age, years of service, and remuneration. Therefore, the related expense is charged to the accruals income statement based on an actuarial calculation. The liability recorded in the financial statements for defined benefit plans corresponds to the present value of the obligation at the financial statements date. The obligations for defined benefit plans are determined annually by an independent actuary using the projected unit credit method. The present value of the defined benefit plan is determined by discounting future cash flows at an interest rate equal to that of high-quality corporate bonds issued in Euro, which takes into account the duration of the related pension plan. Actuarial gains and losses arising from the above adjustments and changes in actuarial assumptions are recognized in the comprehensive income statement.

As of 1st January 2007, the so-called 2007 Finance Law and its implementing decrees introduced significant changes to the severance indemnity regulations, including the worker's choice regarding the destination of their severance indemnity accruing. In particular, the new severance pay flows may be directed by the worker to chosen pension forms or maintained in the company. In the case of assignment to external pension schemes, the company is subject only to the payment of a defined contribution to the chosen fund, and from that date, the newly accrued shares are defined contribution plans and therefore are not subject to actuarial valuation.

## 3 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

*Fair value measurement of the Group's investment in collective investment schemes*

The fair value of the Group's investment in collective investment schemes has been valued using a valuation technique based on discounted cash flows ("DCF") with terminal value where the incoming flows are based on the return on the Assets under Management ("AUM") managed by the Fund. The inputs to this model are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions relating to these factors could affect the reported fair value of the investment. See Note 13 for further details about this valuation technique.

## 4 Financial risk management

### 4.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group's Board of Directors provides principles for overall Group risk management, as well as policies covering the risks referred to above and specific areas such as investment of excess liquidity. The Group did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

### 4.2 Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Financial assets which potentially subject the Group to concentrations of credit risk consist principally of trade and other receivables and cash and cash equivalents. Cash at bank is placed with reliable financial institutions.

| | **2023** | 2022 |
|---|---|---|
| | **EUR** | EUR |
| **Carrying amounts** | | |
| Trade and other receivables (Note 14) | **452,112** | 804,523 |
| Cash and cash equivalents (Note 15) | **25,625** | 15,534 |
| | **477,737** | 820,057 |

## 4 Financial risk management

### 4.2 Credit risk (continued)

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk with respect to receivables is limited due to credit control procedures and the low balance outstanding at year-end. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for customers with similar loss patterns. The analysis did not result in material amounts and the Group did not recognise any impairment allowance on its trade receivables.

### 4.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise lease liabilities, borrowings and trade and other payables.

Management monitors liquidity risk by reviewing expected cash flows through cash flow forecasts and ensures that no additional financing facilities are expected to be required over the coming year. The Group ensures that it has enough cash on demand, within pre-established benchmarks, to meet expected operational expenses and servicing of financial obligations over specific short-term periods, excluding the potential impact of extreme circumstances that cannot reasonably be predicted. The Group’s liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments. At 31 December 2023, the Group’s financial liabilities have contractual maturities which are summarised below:

| | Carrying amount EUR | Contractual cash flows EUR | Within one year EUR | Between one and two years EUR | Between two to five years EUR | More than five years EUR |
|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | |
| Borrowings | 175,829 | 190,210 | 32,531 | 64,801 | 92,878 | - |
| Lease liabilities | 74,478 | 78,577 | 23,293 | 37,586 | 17,698 | - |
| Trade and other payables | 525,931 | 525,931 | 525,931 | | | |
| | **776,238** | **794,719** | **581,755** | **102,387** | **110,577** | **-** |
| **31 December 2022** | | | | | | |
| Borrowings | 201,977 | 222,742 | 32,531 | 65,063 | 94,188 | 30,959 |
| Lease liabilities | 46,521 | 49,017 | 12,858 | 26,885 | 9,274 | |
| Trade and other payables | 544,117 | 544,117 | 544,117 | | | |
| | 792,615 | 815,876 | 589,507 | 91,948 | 103,462 | 30,959 |

## 4 Financial risk management (continued)

### 4.4 Market risk

Market risk embodies the potential for both loss and gains and includes foreign currency risk, interest rate risk and price risk.

*Foreign currency risk*

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the Group's functional currency. The Group's revenues, purchases and operating expenditure, financial assets and liabilities, including financing, are mainly denominated in euro, and therefore foreign currency risk is not considered significant.

*Interest rate risk*

Interest rate risk arises when an entity invests in or issues interest-bearing financial instruments. The Group's interest rate risk principally arises from its investment in bonds and bank borrowings. Bank borrowings have fixed interest rates whilst the bonds are subject to variable interest rates. In this respect, the Group is potentially exposed to fair value interest rate risk in view of the fixed interest nature applicable to bank borrowings, which are however measured at amortised cost. For bonds subject to variable interest rates, management performed a sensitivity analysis factoring in a reasonable shift in interest rates and determined that the impact would not be material. The Group is also indirectly exposed to interest rate risk of investments held by the Fund in which the parent company invests. This risk is captured in the price risk below.

*Price risk*

The Group's investment in collective investment schemes is susceptible to price risk arising from uncertainties about future prices of the instruments.

As a material element of the Group's financial instruments are carried at fair value with fair value changes recognised in the statement of profit or loss and other comprehensive income, all changes in market prices will directly affect net comprehensive income as shown in the statement of profit or loss and other comprehensive income.

The Group is also exposed to equity price risk through the assets indirectly held by the underlying collective investment scheme. Price risk is mitigated by the Fund's investment manager by constructing a diversified portfolio of instruments traded on various markets.

### 4.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Group monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the respective statement of financial position, plus net debt.

## 4 Financial risk management (continued)

### 4.5 Capital risk management (continued)

The figures in respect of the Group’s equity and borrowings as of 31 December are reflected below:

| | 2023 | 2022 |
|---|---|---|
| | **EUR** | EUR |
| Borrowings (Note 18) | **175,829** | 201,977 |
| Lease liabilities (Note 19) | **74,478** | 46,521 |
| Less: Cash and cash equivalents (Note 15) | **(25,625)** | (15,534) |
| Net debt | **224,682** | 232,964 |
| Total equity | **35,542,189** | 33,331,832 |
| **Total capital** | **35,766,871** | 33,564,796 |
| Net debt ratio | **0.63%** | 0.70% |

The Group manages the relationship between equity injections and borrowings, being the constituent elements of capital as reflected above, with a view to managing the cost of capital. The level of capital, as reflected in the consolidated financial position, is maintained by reference to the Group’s financial obligations and commitments arising from operational requirements. In view of the nature of the Group’s activities and the debt arrangements in place, the capital level at the end of the reporting period determined by reference to the consolidated financial statements is deemed adequate by the Directors.

### 4.6 Fair values of financial instruments not carried at fair value

At 31 December 2023 and 2022, the carrying amounts of certain financial instruments not carried at fair value comprising cash at bank, receivables, payables, accrued expenses and other short-term liabilities reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of non-current financial instruments, including non-current borrowings, for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Estimated fair values approximate carrying amounts.

## 5 Revenue

The majority of the Group's operating revenue is derived from the services provided by Rigsave Capital Limited. Rigsave Capital Limited derives its revenue from marketing the sale of several investment products issued by third parties, portfolio management services, advisory services, UCITS management fees, performance fees and other general consultancy to related entities.

| | **2023** | 2022 |
|---|---|---|
| | **EUR** | EUR |
| Distributor service | **558,640** | 241,665 |
| Portfolio management services | **798** | 7,449 |
| Advisory services | **5,900** | 33,865 |
| Product structuring | **250,000** | 120,000 |
| Management fees UCITs | **(33,896)** | 28,642 |
| Performance fees UCITs | **-** | 5,188 |
| Other consultancy | **80,000** | 542,174 |
| Other income | **33,605** | 37,079 |
| **Revenue** | **895,047** | **1,016,062** |

On 15th of November 2023, the Board of Directors of Rigsave Capital Limited signed a board resolution to waive and reimburse the management fees of Rigsave Fund SICAV SA. This fee waiver and reimbursement resulted in the management fee UCITs revenue stream showing a loss of €33,896.

## 6 Finance income and finance costs

| | **2023** | 2022 |
|---|---|---|
| | **EUR** | EUR |
| *Finance income* | | |
| Interest income | **40,326** | 129 |
| *Financial costs* | | |
| Interest expenses | **7,609** | 10,602 |
| Bank charges | **5,344** | 4,774 |
| Realised loss on exchange | **401** | 402 |
| | **13,354** | 15,778 |

## 7 Loss before tax

| | **2023** **EUR** | 2022 EUR |
|---|---|---|
| *Net loss from operations before taxation is stated after charging:* | | |
| Director's fees | **2,537** | 14,357 |
| Director's remuneration | **85,192** | 40,186 |
| Auditor's remuneration | **66,714** | 129,967 |
| Depreciation and amortisation | **103,859** | 99,303 |
| | | |
| *Staff costs during the year are analysed as follows:* | | |
| Salaries | | |
| Social security costs | **51,471** | 42,551 |
| Personal severance indemnity | **9,332** | 7,050 |
| Other employee expenses | **110,244** | 52,653 |
| | **171,047** | 102,253 |
| *Auditor's remuneration costs during the year are analysed as follows:* | | |
| Fees for the statutory audit of the separate financial statements of the Parent Company | **25,000** | 21,000 |
| Fee for the statutory audit of the consolidated financial statements of the Parent Company | **18,000** | 55,050 |
| Fee for the statutory audit of the financial statements of the Group's subsidiaries | **12,121** | 14,000 |
| | **55,121** | 90,050 |

## 8 Income tax expense

The tax income for the year comprise the following:

| | **2023** **EUR** | 2022 EUR |
|---|---|---|
| Current tax expense | **-** | - |
| Deferred tax income | **43,765** | - |
| **Tax income** | **43,765** | - |

## 8 Income tax expense (continued)

| | 2023 EUR | 2022 EUR |
|---|---|---|
| Loss before tax | **(635,914)** | (439,472) |
| Malta tax at the applicable rate of 35% | **(87,132)** | 22,834 |
| Italy tax at the applicable rate of 27.9% | **(107,963)** | (140,814) |
| *Tax effect of:* | | |
| Unabsorbed tax losses for the year | **233,686** | 121,544 |
| Tax loss carried forward | **-** | (43,351) |
| Expenses and provisions not allowable for tax purposes | **5,174** | 39,787 |
| **Tax income for the year** | **43,765** | - |

## 9 Property, plant and equipment

| | Properties EUR | Office equipment EUR | Furniture and Fixtures EUR | Total EUR |
|---|---|---|---|---|
| **As at 31 December 2022** | | | | |
| Cost | 1,000,000 | 39,589 | 5,449 | 1,045,038 |
| Accumulated depreciation and impairment | (111,000) | (28,607) | (1,380) | (140,987) |
| **Net book value** | 889,000 | 10,982 | 4,069 | 904,051 |
| **Year ended 31 December 2023** | | | | |
| Opening net book value | 889,000 | 10,982 | 4,069 | 904,051 |
| Additions | - | 2,390 | - | 2,390 |
| Disposals | - | - | - | - |
| Depreciation and impairment charge | (24,000) | (5,449) | (545) | (29,994) |
| **Closing net book value** | **865,000** | **7,923** | **3,524** | **876,447** |
| **As at 31 December 2023** | | | | |
| Cost | 1,000,000 | 41,979 | 5,449 | 1,047,428 |
| Accumulated depreciation and impairment | (135,000) | (34,056) | (1,925) | (170,981) |
| **Net book value** | **865,000** | **7,923** | **3,524** | **876,447** |

## .10 Intangible assets

| | Company Software EUR | Software Development EUR | Company Domain EUR | Total EUR |
|---|---|---|---|---|
| **As at 31 December 2022** | | | | |
| Cost | 14,098 | - | 122 | 14,220 |
| Additions | - | 25,000 | - | 25,000 |
| Depreciation and Impairment | - | - | (82) | (82) |
| Net book value | 14,098 | 25,000 | 40 | 39,138 |
| **As at 1 January 2023** | | | | |
| Opening net book value | 14,098 | 25,000 | 40 | 39,138 |
| Additions | - | 29,300 | - | 29,300 |
| Disposals | (4,727) | - | - | (4,727) |
| Depreciation and Impairment | (2,343) | (5,860) | (40) | (8,243) |
| Closing net book value | **7,028** | **48,440** | **-** | **55,468** |
| **As at 31 December 2023** | | | | |
| Cost | 9,371 | 54,300 | 122 | 63,793 |
| Depreciation and Impairment | (2,343) | (5,860) | (122) | (8,325) |
| Net book value | **7,028** | **48,440** | **-** | **55,468** |

*Amortisation*

The amortisation charge for the year ended 31 December 2023 amounting to €8,243 is recognised in profit or loss within “Administrative expenses”.

## 11 Right-of-use assets

The Group leases motor vehicles. Rental contracts are typically made for fixed periods but may have extension options to renew the lease after the original period. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

| | **Vehicles EUR** |
|---|---|
| **Year ended 31 December 2022** | |
| **Opening net book value** | 97,943 |
| Disposals | (27,352) |
| Depreciation and Impairment | (27,008) |
| **Closing net book value** | 43,583 |
| As at 31 December 2022 | |
| Cost | 71,282 |
| Accumulated depreciation and impairment | (27,699) |
| **Net book value** | 43,583 |
| **Year ended 31 December 2023** | |
| **Opening net book value** | 43,583 |
| Additions | 79,740 |
| Disposals | (43,582) |
| Depreciation and impairment charge | (5,603) |
| **Closing net book value** | **74,137** |
| **As at 31 December 2023** | |
| Cost | 79,740 |
| Accumulated depreciation and impairment | (5,603) |
| **Net book value** | **74,137** |

*Amounts recognised in profit and loss*

The income statement reflects the following amounts relating to the vehicles leases:

| | **2023 EUR** | 2022 EUR |
|---|---|---|
| Depreciation charge of right-of-use assets | **5,601** | 11,880 |
| Interest expense | **561** | 1,509 |
| | **6,162** | 13,389 |

## 12 Subsidiaries

The principal subsidiaries of the Group all of which are unlisted are shown below:

| Consolidated Companies | Registered office | % of ownership | Principal activities | Country of incorporation |
|---|---|---|---|---|
| Rigsave Tech S.r.l. | Corso Giuseppe Zanardelli, Brescia, 38 – 25121 Italy | 77.09% | FinTech software development | Italy |
| Rigsave Holding Ltd | 171, Old Bakery Street, Valletta, VLT1455 Malta | 100% | Holding company | Malta |
| Rigsave Capital Ltd | 171, Old Bakery Street, Valletta, VLT1455 Malta | 100% indirectly through Rigsave Holding | Portfolio management, Advisory services, Marketing sale of investment products | Malta |

On 24 July 2020, Rigsave Tech Ltd launched a capital increase operation with the Crowdfunding technique, with the entry of a plurality of shareholders into the share capital at values higher than the cost of the parent company Rigsave S.p.A. 's shareholding. As a result of this transaction, the share capital of Rigsave Tech has therefore increased from €10,000 to €10,312 and a share premium reserve of €234,038 has been established. On 3 February 2022, an increase in share capital from €10,312 to €125,000 was resolved by allocating part of the share premium reserve to capital for €114,688.

## 13 Other investments

The other investments are summarised by measurement category in the table below:

| | **2023** | 2022 |
|---|---|---|
| | **EUR** | EUR |
| Amortised cost | **100,000** | 100,000 |
| Fair value through OCI | **47,049,370** | 43,945,920 |
| | **47,149,370** | 44,045,920 |

*(a) Investments at amortised cost*

The Group's investment at amortised cost represents performance linked bonds listed on the Munich stock exchange and the Vienna MTF. These bonds were purchased at par, carry a variable rate of interest, have no credit rating and mature on 23 September 2024. As at 31 December 2023, the fair value of the investment amounted to €95,750 as determined by reference to published quoted prices in active markets. The bond's fair value is considered a level 1 fair value within the fair value hierarchy.

*(b) Investments at fair value through other comprehensive income*

| | **Investment in collective investment schemes classified as at FVTOCI** |
|---|---|
| | **EUR** |
| **Balance at 1 January 2022** | 22,688,800 |
| Fair value gain/(loss) arising during the period | 21,257,120 |
| **Balance at 1 January 2023** | 43,945,920 |
| Additional units purchased during the period | 1,650,000 |
| Fair value gain/(loss) arising during the period | 1,453,450 |
| | 3,103,450 |
| **Balance at 31 December 2023** | **47,049,370** |

The Group's investments measured at Fair Value through OCI is entirely composed of an investment in the Rigsave Absolute Alpha Fund SLP ("RAAF" or Fund). The RAAF is a closed end fund and a Luxembourg legal entity (Special Limited Partnership) in which the parent company of the Group acts as a Limited Partner owning 100% of its capital as at 31 December 2023 and 31 December 2022. The parent company of the Group has limited liability up to the contributed capital and participates in profits proportionally to the subscribed capital, i.e., 100% of the net results achieved by the RAAF. Despite owning all of the fund's share capital, Rigsave S.p.A does not control it since its management has been delegated to the General Partner and administrator, Red Ant Capital Sarl.

**13 Other investments (continued)**

The assets in which the RAAF invests are financed through a profit participating loan agreement which can reach a maximum of €250 million. The counterparty to the profit participating loan is Pareto Securities SARL, a securitisation vehicle under Luxembourg law which, in turn, issued €250 million bonds to grant the profit participating loan to the RAAF. The bonds issued by Pareto Securities mature on 23 September, 2024 but it is expected that the term of the bonds will be renewed for an additional five years, an element taken into consideration in the valuation model utilised for the fair valuation of the investment. The total of the profit-participating loan equals to the total of the bonds sold on the secondary market, and this value corresponds to the Fund's Assets Under Management (AUM) since the Fund has not availed itself of the possibility of using financial leverage equal to the maximum value of the profit participating loan.

The loan agreement stipulates that the interest due on it amounts to 70% of the RAAF's monthly gross profit once the losses recognized in previous periods are covered provided that the interest rate is capped at 5% of the loan's remaining principal amount per calendar month.

*Valuation process*

On an annual basis, the Directors engage an external independent professional, having the appropriate recognized qualifications and experience to review and express an opinion on the valuation of the Group's investment in the RAAF as calculated by RAAF's administrators. The investment is valued in accordance with the methodology outlined in the Rigsave Absolute Alpha Fund Valuation Policy, version 3.1. The logical coherence and calculation methodology utilized within the valuation model were independently assessed by a big four audit firm who issued an unqualified opinion on 22 December 2022.

*Valuation technique*

The valuation technique used to value the Group's investment in the RAAF is based on the discounted cash flow method with Terminal value where the incoming cashflows is calculated on the basis of the return on the Assets Under Management (the "AUM") earned by the Fund. Accordingly, the valuation method entails:

- the estimation of the value of the AUM over a future time horizon of 5 years by the administrators of the RAAF. The growth rate applied to the AUM reflects the rate utilized by the administrator for internal reporting purposes and is therefore considered as an unobservable input;

- the determination of the Return on Assets earned over the applicable future time horizon. For the year ending 31 December 2023, the return on assets used in the valuation model amounted to 7.55% (2022: 5.15%). The latter represents 50% of the historical average return of the main indices to which the RAAF is exposed calculated as per table below:

**13 Other investments (continued)**

*Valuation technique (continued)*

| Index | QUANTITY | PRICE (EUR) | AMOUNT (EUR) | AV. YEARLY ROA (%) | WEIGHT (%) | WEIGHTED ROA (%) |
|---|---|---|---|---|---|---|
| CIMAGM5U Index | 50,000,000 | 1,000 | 50,000,000 | 3.26% | 20.28% | 0.66% |
| RIGEVIE LX Equity | 20,117.67 | 81,35 | 1,636,572.45 | -6.16% | 0.66% | -0.04% |
| LEONEHY4 Index | 9,970,000 | 1,000 | 9,970,000 | 2.87% | 4.04% | 0.12% |
| SOSEMISN Index | 45,000,000 | 1,000 | 45,000,000 | 30.92% | 18.25% | 5.64% |
| MXWO0FN Index | 40,000,000 | 1,000 | 40,000,000 | 11.83% | 16.22% | 1.92% |
| MXWO0IT Index | 30,000,000 | 1,000 | 30,000,000 | 25.16% | 12.17% | 3.06% |
| MXWO0IN Index | 30,000,000 | 1,000 | 30,000,000 | 13.56% | 12.17% | 1.65% |
| MXWO0CD Index | 20,000,000 | 1,000 | 20,000,000 | 14.08% | 8.11% | 1.14% |
| MXWO0HC Index | 20,000,000 | 1,000 | 20,000,000 | 11.79% | 8.11% | 0.96% |
| | | | | | **100%** | **15.11%** |

- the estimation of structure costs that will be incurred over the applicable future time period;
- the discounting of the net cash flows at the Weighted Average Cost of Capital (the “WACC”) using the CAPM formula. For the year ending 31 December 2023, the WACC amounted to 6.74% (2022: 3.064%); and
- the determination and discounting of the Terminal value of the Fund using inputs consist with those used for the determination of the net cash flows from the AUM.

As at 31 December 2023, the fair value of the Group’s investment in RAAF amounted to €47,049,370 (2022: €43,945,920) as indicated in the calculation schedules below.

| YEAR | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|
| Bonds sold^1 | €70,485.00 | 90,485.00 | €110,485.00 | €130,485.00 | €140,485.00 | €150,485.00 |
| i on LEVERAGE | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| r on ASSETS^2 | 7.55% | 7.55% | 7.55% | 7.55% | 7.55% | 7.55% |
| STRCTURE csts^3 | €120.45 | €120.45 | €120.45 | €120.45 | €120.45 | €120.45 |
| sharing factor PPL | 70.00% | 70.00% | 70.00% | 70.00% | 70.00% | 70.00% |

**13 Other investments (continued)/**

*Valuation technique (continued)*

| YEAR | 2024 (EUR) | 2025 (EUR) | 2026 (EUR) | 2027 (EUR) | 2028 (EUR) | 2029 (EUR) |
|---|---|---|---|---|---|---|
| PPL | 70,485.00 | 90,485.00 | 110,485.00 | 130,485.00 | 140,485.00 | 150,485.00 |
| LEVERAGE | - | - | - | - | - | - |
| ASSETS | 70,485.00 | 90,485.00 | 110,485.00 | 130,485.00 | 140,485.00 | 150,485.00 |
| ***P/L GROSS*** | ***5,321.62*** | ***6,831.62*** | ***8,341.62*** | ***9,851.62*** | ***10,606.62*** | ***11,361.62*** |
| STRCTURE costs | - 120.45 | - 120.45 | - 120.45 | - 120.45 | - 120.45 | - 120.45 |
| i on LEVERAGE | - | - | - | - | - | - |
| ***P/L gross of i on PPL*** | ***5,201.17*** | ***6,711.17*** | ***8,221.17*** | ***9,731.17*** | ***10,486.17*** | ***11,241.17*** |
| i on PPL | - | - 4,697.82 | - 5,754.82 | - 6,811.82 | - 7,340.32 | - 7,868.82 |
| ***P/L available to UHs*** | ***5,201.17*** | ***2,013.35*** | ***2,466.35*** | ***2,919.35*** | ***3,145.85*** | ***3,372.35*** |

| T | 1 (EUR) | 2 (EUR) | 3 (EUR) | 4 (EUR) | 5 (EUR) | 6 (EUR) |
|---|---|---|---|---|---|---|
| Cash Flow before tax | 5,201.17 | 2,013.35 | 2,466.35 | 2,919.35 | 3,145.85 | 3,372.35 |
| Cash Flow after tax | 5,200.65 | 2,013.15 | 2,466.10 | 2,919.06 | 3,145.54 | 3,372.01 |
| ***Discounted Cash Flow*** | ***4,872.45*** | ***1,767.07*** | ***2,028.06*** | ***2,249.06*** | ***2,270.61*** | ***2,280.48*** |
| ***Cumulated D. Cash Flow*** | ***4,872.45*** | ***6,639.52*** | ***8,667.58*** | ***10,916.64*** | ***13,187.25*** | ***15,467.73*** |
| Terminal Value | | | | | | 46,698.00 |
| Discounted TV | | | | | | ***31,581.65*** |
| Rigsave Absolute Alpha Fund SLP Value | | | | | | ***47,049.37*** |

The Group has conducted a sensitivity analysis of the fair value of its investment in the RAAF to changes in the valuation's key parameters as follows:

- Variation in the return from the performance of the AUM by +/- 10% relative to the base scenario due to a corresponding variation in the Return on Asset compared to that assumed by the Company (7.55%); and

- Variation in the Discount Rate WACC by +/- 10% in relative terms compared to the base scenario (6.74%).

## 13 Other investments (continued)

*Valuation technique (continued)*

| Discount rate | Return on asset | | |
|---|---|---|---|
| | **-10%** | **0%** | **10%** |
| 7.41% | **38,475,594.39** | 42,813,561.81 | 47,151,529.23 |
| 6.74% | 42,282,898.33 | 47,049,372.59 | 51,815,846.85 |
| 6.06% | 46,937,961.98 | 52,228,343.32 | **57,518,724.66** |

As can be seen from an examination of the table, the range of variation of the estimated value fluctuates between a minimum of €38,475,594.39 and a maximum of €57,518,724.66.

The fair value attributed to the Group's investment in RAAF is considered as a level 3 fair value given that its determination is based on the use of both observable and unobservable input information.

## 14 Trade and other receivables

| | **2023 EUR** | 2022 EUR |
|---|---|---|
| **Current receivables** | | |
| Trade receivables | **147,357** | 620,108 |
| Trade receivables from related companies | **108,587** | 7,852 |
| Other receivables | **37,759** | 57,839 |
| Prepayments | **57,223** | 23,078 |
| Indirect Tax Receivables | **101,186** | 95,646 |
| | **452,112** | 804,523 |

Trade receivables from related companies are unsecured, repayable on demand and interest free.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

## 15 Cash and cash equivalents

For the purposes of the statements of cash flows, the cash and cash equivalents at the end of the reporting period comprise the following:

| | **2023 EUR** | 2022 EUR |
|---|---|---|
| Cash at bank | **25,225** | 12,278 |
| Cash in hand | **400** | 3,256 |
| | **25,625** | 15,534 |

## 16 Share capital and reserves

### 16. 1 Share capital

| | **2023** | 2022 |
|---|---|---|
| | **EUR** | EUR |
| *Authorised shares* | | |
| Ordinary shares with no par value | 368,981 | 174,800 |
| *Issued shares and fully paid* | | |
| Ordinary shares with no par value | **368,981** | 174,800 |

As at 31 December 2023, the authorised and issued share capital of the parent company is €368,981 (2022: €174,800) divided into 2,592,984 shares (2022: 2,417,052 shares) with no par value. On 28 February 2023, the parent company increased its authorised and issued share capital by €4,727 divided into 65,784 shares with no par value. On 2nd November 2023, the parent company's authorized and issued share capital were increased further by €189,454 divided into 110,148 shares with no par value.

The issued shares of the parent company consist of one class of ordinary shares with equal voting rights attached.

### 16.2 Share Premium

| | **EUR** |
|---|---|
| *Share premium* | |
| As at 1 January and 31 December 2022 | 796,210 |
| Share premium on issue of shares – 28/02/2023 | 990,316 |
| Share premium on issue of shares – 02/11/2023 | 1,705,148 |
| **As at 31 December 2023** | **3,491,674** |

### 16.3 Additional paid in capital

Additional paid in capital refers to amounts due to the ultimate shareholders of the Group which are repayable exclusively at the option of the Group. These amounts are unsecured and interest free.

### 16.4 Fair value reserve

The fair value reserve is a reserve of gains and losses on the Group's financial assets measured at fair value through other comprehensive income. The following table provides an analysis of the movement on such reserve.

## 16 Share capital and reserves (continued)

### 16.4 Fair value reserve (continued)

| | Fair value reserve EUR |
|---|---|
| **Balance at 1 January 2022** | 15,535,329 |
| Fair value movements - Gross | 21,257,120 |
| Fair value movements – Deferred tax | (5,930,736) |
| **Balance at 1 January 2023** | 30,861,713 |
| Fair value movements - Gross | 1,453,450 |
| Fair value movements – Deferred tax | (405,513) |
| **Balance at 31 December 2023** | **31,909,650** |

### 16.5 Consolidation reserve

Reserve arising on the common control acquisition of Rigsave Tech S.r.l. on 1 January 2020.

## 17 Trade and other payables

| | **2023 EUR** | 2022 EUR |
|---|---|---|
| Trade payables | **367,046** | 422,517 |
| Indirect tax payables | **-** | 3,170 |
| Accrued expenses | **34,987** | 41,634 |
| Employees wages, income tax and social security | **95,322** | 58,452 |
| Amount due to shareholders | **1,553** | 9,181 |
| Contract liabilities | **20,000** | - |
| Other payables | **7,023** | 9,163 |
| | **525,931** | 544,117 |

Trade payables are non-interest bearing and are normally settled within 90 days.

Amount due to shareholders are unsecured, interest-free and repayable on demand.

The following table reflects an analysis of contract liabilities.

| | **2023 EUR** | 2022 EUR |
|---|---|---|
| *Advance payments from customers* | | |
| At beginning of year | - | - |
| Originations | **20,000** | - |
| Recognition through profit or loss | - | - |
| At end of year | **20,000** | **-** |

## 18 Borrowings

| | Interest rate % | Maturity | 2023 EUR | 2022 EUR |
|---|---|---|---|---|
| **Interest-bearing bank borrowings** | | | | |
| Unsecured bank loan | 0.23 | 31.12.2024 | **29,169** | 28,149 |
| Secured bank loan | 4.00 | 31.12.2029 | **146,660** | 173,828 |
| | | | **175,829** | 201,977 |
| Non-current borrowings | | | **146,662** | 175,772 |
| Current borrowings | | | **29,167** | 26,205 |
| **Total borrowings** | | | **175,829** | 201,977 |

The Group has two principal bank loans:

(a) A secured bank loan of €259,000 with maturity on 31 December 2029. The loan is secured by a general hypothec registered with the Agency of the Brescia territory on 20 December 2019, under 57245 of Reg. Jan. And 10143 of Reg. Part. amounting to €518,000.

(b) An unsecured loan of €29,169 (2022: €28,149). This loan is due for repayment in full on 31.12.2024. The bank loan carries fixed interest rate at 0.23% (2022: 0.23%) per annum.

## 19 Lease liability

| | 2023 EUR | 2022 EUR |
|---|---|---|
| Total undiscounted minimum lease payment payable in settlement of lease liabilities | **78,577** | 49,017 |
| Less: future finance charges | **(4,099)** | (2,496) |
| Present value of lease obligations | **74,478** | 46,521 |
| Less: Amounts included in current liabilities | **(21,429)** | (11,770) |
| Amounts included in non-current liabilities | **53,049** | 34,751 |

## 19 Lease liability (continued)

| | Within 1 year EUR | Between 1 and 5 years EUR | Over 5 years EUR | Total EUR |
|---|---|---|---|---|
| **31.12.2022** | | | | |
| Non-derivative financial liabilities | | | | |
| Lease liabilities | 11,770 | 34,751 | - | 46,521 |
| | 11,770 | 34,751 | - | 46,521 |
| **31.12.2023** | | | | |
| Non-derivative financial liabilities | | | | |
| Lease liabilities | 21,429 | 53,049 | - | 74,478 |
| | **21,429** | **53,049** | **-** | **74,478** |

## 20 Deferred taxation

Deferred taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used for the parent company and Italian subsidiary is 27.9% (2022: 27.9%) while the principal tax rate for the Malta subsidiaries is 35% (2022: 35%).

As at 31 December 2023 and 31 December 2022, the deferred tax asset is mainly attributable to tax losses from group companies.

The movement in the deferred tax asset is as follows:

| | **2023 EUR** | 2022 EUR |
|---|---|---|
| At beginning of year | 211,097 | 211,097 |
| Charge to profit or loss | 43,765 | - |
| **At end of year** | 254,862 | 211,097 |

As at 31 December 2023 and 31 December 2022, the deferred tax liability is solely attributable to the fair value movement of the Group's investment in collective investment scheme measured at fair value through other comprehensive income.

The movement in the deferred tax liability is as follows:

| | **2023 EUR** | 2022 EUR |
|---|---|---|
| At beginning of year | 11,942,327 | 6,011,591 |
| Charge to other comprehensive income | 405,513 | 5,930,736 |
| **At end of year** | 12,347,840 | 11,942,327 |

## 21 Earnings per share

| | **2023** **EUR** | 2022 EUR |
|---|---|---|
| Loss attributable to equity holders of the Company | **(635,914)** | (439,472) |
| Weighted average number of ordinary shares in issue | **2,490,188** | 2,417,052 |
| Earnings per share | **(0.26)** | (0.18) |

## 22 Related party disclosures

Rigsave S.p.A is the ultimate parent company for the Rigsave Group. Rigsave S.p.A (ISIN: IT0005526295) is listed on the Scale segment on the Frankfurt Stock Exchange since 18 December 2023. Details about the subsidiary companies are disclosed in Note 12. The ultimate beneficial owners of the Group are Michele Basilicata and Salvatore Gervasi who own 18.2821% and 18.2144% respectively of the parent company's issued share capital. Michele Basilicata and Salvatore Gervasi also hold executive directorships within group companies.

The Group has a related party relationship with its directors ("key management personnel"), shareholders and the Rigsave Alpha Absolute Fund ("other related parties"). Further details of the Group's investment in the Rigsave Alpha Absolute Fund are disclosed in Note 13. The parent company has received dividend from the Fund amounting to €40,000 (2022: Nil).

All transactions entered into with group companies have been eliminated in the preparation of these financial statements.

Year-end balances with other related parties and the applicable terms are disclosed in Notes 14 and 17 to these financial statements.

*Transactions with key management personnel*

There were no loans to directors during the current and comparative year. Compensation for services provided to the Group by key management personnel during the year has been disclosed in Note 7.

## 23 Events after the reporting period

There were no adjusting or other significant non adjusting events between the end of the reporting period and the date of authorization.

Michele Basilicata
Chief of the Board of Directors

Salvatore Gervasi
Member of the Board of Directors