



ITALPREZIOSI®

Financial Statements

2022

Personal data

ITALPREZIOSI SPA

Headquarters in Arezzo — Strada A 32 Loc. San Zeno

Share capital paid in Euro 25,000,000.00 fully paid out

Enrolled in the C.C.I.A.A. Arezzo - Siena

Tax Code and Business Registration Number 01111420517

REA AR-83621

GOVERNANCE

BOARD OF DIRECTORS

Ivana Ciabatti – Chairperson

Carlo Ferrini – Deputy Chairperson

Alice Vanni – Advisor

Giuseppe Ferrara – Advisor

Filippo Dami – Advisor

BOARD OF STATUTORY AUDITORS

Gabriele Nardi – President

Luca Varignani – Statutory auditor

Cristiana Chiericoni – Statutory auditor

AUDITING COMPANY

BDO Italia SpA

SUPERVISORY BOARD (O.D.V.)

Luca Nannini

Fabio Vezzosi

Umberto Faltoni

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BUDGET MANAGEMENT REPORT ON 31 DECEMBER 2022

Foreword

This Management Report, drafted pursuant to art. 2429 of the Civil Code, aims to support and integrate the information represented in the financial statements

for the year ending December 31, 2022, contextualizing the results that emerge from it in the macroeconomic scenario in which they matured.

Management performance

Company activity conducted and values pursued

Our company is among the leaders in Italy and abroad in the trade and refining of precious metals as well as production and trade of investment gold. It is associated with the London Bullion Market Association (LBMA) and the Responsible Jewelry Council (RJC, of which Ivana Ciabatti is a member of the Board of Directors), has obtained the Good Delivery Refinery, Code of Practices (CoP), "Provenance Claim" and Chain of Custody (CoC) Fairmined Gold Supplier and certifications. It is registered as a professional gold operator at the Bank of Italy and member of the Responsible Mineral Initiative (RMI), International Precious Metals Institute (IPMI), Watch & Jewelry 2030 (WJI2030) and the Processor Initiative for Responsible Mining Assurance (IRMA) Working Group.

Italpreziosi represents a central position in the world of precious metals, ranging from mining to other operators involved in this business: mines, central banks, national mints, and private investors as well as those in the industrial sector, including gold and silver-smithing.

During 2022, the core activities were expanded with Sicam SpA's acquisition of the company dedicated to the treatment and recovery of precious and non-precious metals, from waste from the jewelry industry, electroplating and automotive. The transferring company had over 50 years of experience in this sector and had therefore acquired significant expertise, translated into the availability of licenses, the use of which will allow us to complete and diversify industrial processes, in addition to ensuring

the opportunity to offer customers a wider range of highly professional services.

This is a very ambitious project. Its results can be appreciated over a medium and long-term time horizon. We are currently engaged in the company's structural reorganization and redevelopment, in a perspective of innovation and sustainability, with interventions also on the real estate component (which, in part, was in severely degraded condition at the time of the acquisition) redesigning and regenerating the existing one so that it can be adapted to our needs.

In 2022 also, we persevered in our innovation policy both at the industrial and IT levels, with short and long term investments aimed at promoting efficiency, reducing risks and improving IT resilience. Furthermore, we continue to invest in qualified human resources, which we constantly try to select even abroad, to make our organization more solid and structured.

Our approach to sustainability deserves special mention. It finds timely representation of the Report drafted according to the GRI Standards presented to you with the included financial information. With our journey detailed in this Report, we want to specifically promote a fairer and more harmonious future, respectful of the environment, the planet's resources and human dignity, valuing education and training. In this perspective, specific attention is paid to our collaborators, who we consider participants in projects to enhance their human

and professional characteristics, encouraging creation of a dynamic and stimulating work environment and a climate that can contribute to making the company grow, both from a financial and social responsibility point of view.

On the other hand, this journey began in 2007 and has allowed us to obtain an excellent global reputation, ensuring that our brand is recognized and esteemed internationally. We believe that with a direct approach to sustainability we can achieve the balance between the search for profit, protection of the environment and sharing with the community a part of the value generated, which constitute the foundation of business ethics.

For this reason, we are proud of the numerous awards also obtained during 2022. We are pleased to recall one that directly involved our President and CEO Ivana Ciabatti. The Women in Mining Association based in London included her in the ranking of the “100 inspirational women in the world in the mining sector” (WIM100 2022) for their ethics. With equal satisfaction, we remember obtaining the certifications of Gender Equality - UNI PdR 125:2022 and Carbon Management - ISO 14064.*”

In this context, the search for market competitive-

ness is therefore pursued with a view to social and economic responsibility, environmental protection and correct and functional use of resources. In this context, we would like to point out that an award has also been designated for those who prove to be ‘more sustainable’. In short, Italtrepreziosi works well by adopting a dynamic vision of the context in which it operates and transforming into challenges and goals the solutions, credibility, reputation and commitment necessary to maintain the harmonious relationship among individuals, communities and nature, thus acting with the utmost commitment to “total quality.”

Italtrepreziosi’s mission is to be the point of reference for customers within the precious metals supply chain by offering excellence, quality, safety, technology and reliability. To this end, the company goal for 40 years has been creating value with products and services of the highest quality and reliability, without neglecting the sustainability of the precious metals supply chain. Therefore, management is based on a model of sustainable development and environmental protection, also ensured by the use of state-of-the-art and high-tech plants, to maximize efficiency and minimize environmental impact, with emissions close to zero.



REFINING

Italtrepreziosi uses the most advanced refining techniques to recover gold and silver at the maximum purity levels. The standards reached and maintained within the entire process allowed Italtrepreziosi to obtain the Good Delivery certification by LBMA.

BARS PRODUCTION

Taking advantage of latest generation, technologically advanced machines and internally optimized processes, the company creates gold bars and ingots with the Good Delivery certification and pure silver in grains.

LABORATORY ANALYSIS

Extremely professional and technologically advanced, it will include a team of highly qualified professionals who will always operate with precision, transparency and reliability, respecting international standards.

METAL AND TRADING BANK

Italtrepreziosi also developed a digital platform for brokering physical metal: Italtplatform. Through this system, all its clients and suppliers can set the price in real time

PAC INVESTMENT GOLD

Italtrepreziosi has launched the physical gold investment service PAC Tesoro targeted at all clients interested in gradually diversifying their portfolios.

ITALDEPOSITO

All Italtrepreziosi clients can purchase investment gold, without handling the product physically, opting to insert them directly in Italtrepreziosi’s insured warehouse.

ACCREDITATION



RESPONSIBLE
JEWELLERY
COUNCIL



LBMA
GOOD DELIVERY
REFINER



Overall economic trend in financial year 2022.

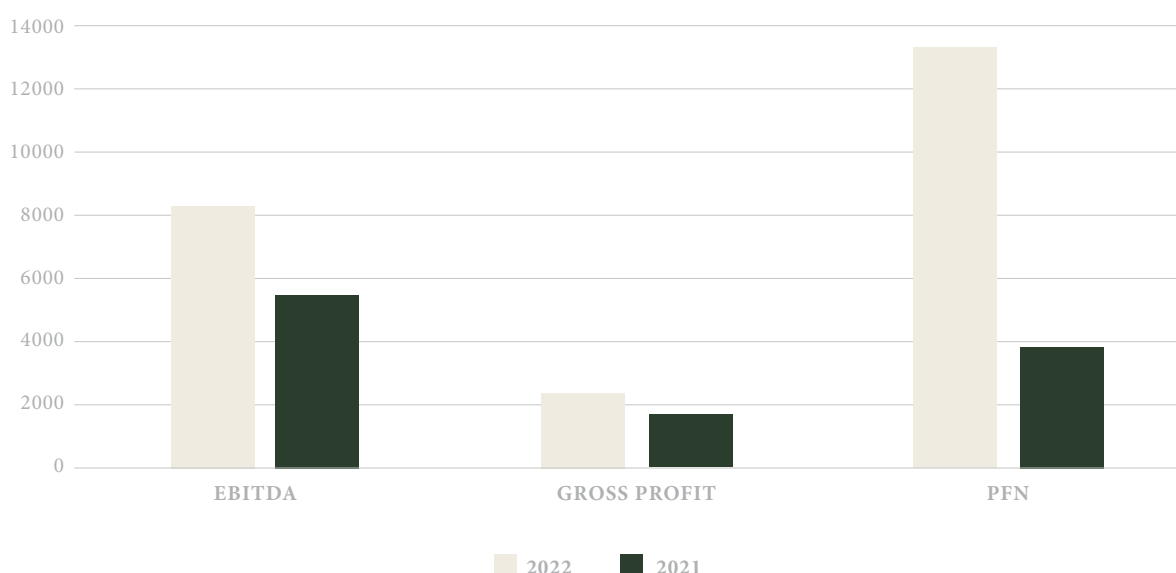
The financial statements on 31 December 2022 closed with a profit of 2,333,518 euros. (+ 40% compared to the previous year).

This result must be appreciated considering the difficult macroeconomic context in which it matured. As we will highlight later, the period was characterized by high in-

flation and great uncertainty generated by international market consequences of the ongoing conflict between Russia and Ukraine. It is caused mainly by the trend in the prices of energy raw materials and by Europe and in the United States' restrictive choices of monetary policy. This is substantiated in the following additional indicators.

	2022	2021
Production value	3.569.890.461	3.578.439.774
EBITDA	8.300.248	5.507.550
Net profit	2.333.581	1.659.568
PFN	13.317.601	3.838.545
Net assets	35.328.852	31.987.783

Profitability development and financial balance



This framework, indicating a significant improvement in both financial balance and profitability, not only supports the correctness of the choices adopted, but is also a solid reference on which to plan further future

developments. These would be characterized by a program of significant investments aimed at increasing the company's production capacity and encouraging its further consolidation on the reference market.

Macroeconomic situation and impacts on company management

The year 2022 was very complex, in particular, as mentioned, because of the Russian-Ukrainian conflict. It upset an economic system that had yet to stabilize after the unfortunate consequences produced by the pandemic.

Inflation in our country has reached levels not recorded since the eighties. To a great extent, this arose from one of the worst energy crises since the 1970s decades. The scarcity and sudden increase in the cost of raw materials, increase in logistics costs and delays in deliveries (sometimes also generated by clearly speculative behavior), affected companies' operations. Our company also suffered from this criticism and nevertheless achieved good results.

Globally, all this led to a massive destruction of wealth. More than 30 trillion dollars in stocks and cryptocurrencies were wiped out, and only gold prices have risen. Cryptocurrencies, have proven to be a particular asset of interest, but not such as to be considered a safe haven like gold, which has a history of more than two thousand years and has always been considered a reliable substitute for money. In addition, the gold market is fully regulated, unlike, for example, Bitcoin, for which any regulation may actually represent a great threat.

The past year was also characterized by the achievement of some historic milestones, such as reaching 8 billion inhabitants on Earth and exceeding 100,000 billion dollars in the world economy. Still, several years after the beginning of the crisis and despite significant public effort by governments and various central banks, global debts have grown significantly. Various studies show that the worldwide global debt, public and private, in June 2022 was equal to about 300,000 billion dollars, or 350% of world GDP. In the US, the ratio was 400%, higher than that of the Great Depression of 1930. In China it was 330%. These values represent the ceiling for more than 150 years, excluding the World War II period. Emerging countries are also under pressure and struggling to manage their debts, both because of the sharp rise in interest Rates and because of the strong dollar.

With respect to these data, a study by the Bank for

International Settlements dedicated to the analysis of complications in derivatives management indicates that banks based outside the US have an OTC debt of 39 trillion, more than 10 times their capital, and more than double their debt recorded in the statement of assets and liabilities. If they are unable to keep their side of the agreement, serious problems could arise.

At the Italian level, in 2022, the GDP grew by 3.7% compared to 2021 and our country managed to reposition itself to the levels recorded before the pandemic. The national economy's excellent performance has been a pleasant surprise. Despite, as mentioned, the shock on the cost of raw materials and the increase in inflation (+11% in November), household income did not fall. Consumption maintained acceptable levels. However, the last quarter was characterized by a slowdown due to a sharp increase in interest rates and persistence of high inflation. The vital tourism sector is certainly recovering, just as exports record a positive trend thanks to the weakness of the Euro and robust American demand. This is also because of a manufacturing base that, although small, is more strengthened with a competitive improvement in costs and quality and a wide and high-quality offer of products and innovation. Italian exports are higher than German and French exports and have increased by 7.7%. Even the labor force data show positive signs, since unemployment has fallen to 8.1%. The impact of the actions related to the PNRR will be decisive, and, we hope, significant. This is a unique opportunity for Italy to catch up from delays and change the country by supporting investments and reforms that we have awaited for decades. However, to implement all this, we need a clear strategy, a vision and an idea of the future we want to build.

From a global perspective, world GDP recorded +2.7% and trade, at 3.2%, also showed strong resilience to the conflict in Ukraine. The average inflation in 2022 was +6.2%, the highest in the US since 1981 where the GDP grew by 2% with a contraction compared to 5.9% since the 2021 pandemic rebound. However, it is positive compared to that initially expected, thanks to consumption, investments and the boost in public

spending. We have growth without industry and a strong but slowing economy, with seven rate hikes to combat inflation. The trade deficit has worsened. China is the second largest economy in the world and is a major exporter. In recent years, it has invested heavily in infrastructure that helped to stimulate economic growth. However, it has also faced challenges, from the increase in debt to the slowdown in growth due to the pandemic, decrease in foreign demand, and a crisis in the real estate sector. GDP grew by 3%, marking one of the weakest performances in recent decades, the lowest in more than 40 years, with the exception of 2020. The Russian economy is holding up better than expected thanks to the surge in gas prices, which in part offset the war's negative effects. The recession was 2.2%, while for Ukraine the collapse was much more burdensome (-35%).

These data confirm that we are witnessing the creation of a new world order. Geopolitics has become the protagonist of the global economic system, characterized by a series of events that have led to "the great transition," contributing to

significant changes in society, culture and finance. The world seems increasingly divided into new and old alliances and is experiencing an increasingly significant loss of the dollar as an international currency, considering that Arabia, China and Brazil have decided to conduct their exchanges, not with US currency, but with their own. Even France has exchanged gas using the Yuan. Recent studies show the BRICS are working on development of a new currency, and the ASEAN nations group is also thinking of eliminating the dollar and the euro in financial transactions. Evidence can be drawn from this: the war in Ukraine is not only taking place on the battlefield, but also on the economic-financial front, undermining the supremacy of the West. For our company, however, all of this represents an opportunity. The new geo-political structures, with the enormous uncertainty that characterizes the world economy, will continue to determine a strong global demand for gold in the coming years. Gold is not just a promise of payment; its value is recognized all over the world and it constitutes a reserve of real value that does not involve a counterparty risk.

The trend of the market for gold and other precious metals

In 2022, central banks bought 1,136 tons of gold (+152% compared to 2021). This represents the all-time high since 1967, even without considering the purchases the Russian Central Bank made from domestic producers. These purchases were functional for increasing gold reserves and protecting statements of assets and liabilities in the event of

any crisis that could destabilize governments or the bank. Some central banks are also diversifying their currency reserves by selling dollars. Their interest is shifting to gold, seen as a "risk-free" asset, which in this way improves the reserves' quality. According to IMF data updated in February 2023, the following nations hold the largest amounts of gold:

LOCATION	STATE	TONS
1	United States	8.133
2	Germany	3.355
3	IMF (International Monetary Fund)	2.814
4	Italy	2.452
5	France	2.437
6	Russia	2.299
7	China	2.011
8	Switzerland	1.040
9	Japan	846
10	India	787
11	Netherlands	612

Source: IMF

In 2022, the investment gold demand was also significant. It rose to 1,107 tons, +10% compared to 2021. Although the demand for ETFs fell by 3%, that

of physical investment gold grew in Turkey by 38%, in the Middle East by 42% (at a 4-year high) and in the US and Europe it exceeded the 2011 figure.

As for jewelry production in Italy, the estimates Confindustria Moda published for the first 7 months of the year showed + 29.7% on 2021 but, above all, + 42% from the pre-pandemic period, thanks to the efforts and investments supported mainly by jewelry brands such as Prada, Bulgari and Cartier. These confirm that international luxury houses are conti-

nuing to bet on “made in Italy.” Jewelry consumption fell by 3% worldwide compared to 2021, with China scoring -15% due to its numerous lockdown periods. India fell by 2% from 611 to 600 tons, in line with the ten-year average, while the Middle East recorded +15%, Turkey + 8%, Europe +4%, and the USA -4%.

	2021	2022	Year-on-Year % change	
GOLD DEMAND	4.021	4.853	▲	20,7%
Jewellery fabrication	2.221	2.190	▼	-1,4%
Technology	330	309	▼	-6,4%
Investment	1.007	1.218	▲	21,0%
Central Bank & Other Inst.	463	1.136	▲	145,4%
Source: Metals Focus, World Gold Council				

Encouraging signs also emerge for silver, due to the increase in relative demand thanks to its characteristics, including electrical conductivity, for various industrial and technological applications (computers, mobile phones, cars, appliances) and for the “green transformation” including solar panel production. Of the demand for silver, 50% comes from industry and the remaining 50% from investors, as it is also considered a safe haven.

The data concerning platinum are also positive. This metal that could play an important role in the future energy transition, required by rapid development of the automotive landscape, to incorporate hydrogen as a fuel source. In addition, the decarbonization process increases the demand for plati-

num, since it is essential for the electrolysis of water that uses renewable energy to produce “green” hydrogen. Palladium production is limited. Russia is the world’s leading producer. It is natural to think that the market will probably be in deficit in the future, helping to boost prices, thanks also to its use for a green future. The only very strong fluctuations affect rhodium, which is also essential for the automotive industry, as one of the fundamental components for production of catalysts, linked to strengthening automotive emission standards.

Below, for better evidence of that indicated so far, the 2022 trends of precious metals are represented on a US\$ per oz basis and € per oz prices.

	MAX \$/OZ	MIN \$/OZ	MAX. DATE	MIN. DATE
gold	2.070,44	1.614,96	08/MAR/2022	28/SEP/2022
silver	26,94	17,56	08/MAR/2022	01/SEP/2022
platinum	1.183,16	821,28	08/MAR/2022	01/SEP/2022
palladium	3.442,47	1.652,44	07/MAR/2022	23/DEC/2022
	MAX \$/OZ	MIN \$/OZ	MAX. DATE	MIN. DATE
gold	1902,46	1567,72	08/MAR/2022	04/FEB/2022
silver	24,75	17,58	08/MAR/2022	01/SEP/2022
platinum	1086,67	819,49	08/FEB/2022	10/JAN/2022
palladium	3159,97	1560,04	07/MAR/2022	23/DEC/2022
	MAX \$/OZ	MIN \$/OZ	MAX. DATE	MIN. DATE
EURUSD	1,1455	0,9594	13/JAN/2022	27/SEP/2022

Analysis of the main asset, financial and economic indicators

In this scenario, Italtreppiosi has long since embarked on a total innovation path and business strategy, starting from both management and industrial processes and assuming a streamlined organizational model capable of implementing objectives more quickly. This, combined with the asset and financial strength that characterizes corporate management, has made it possible to react effectively to the critical issues (significant and partly

unexpected) with which, as just indicated, we were forced to deal during 2022. It is therefore understandable, as initially mentioned, that the results achieved are appreciable. To better evaluate them, it is appropriate to examine the financial situation on the reference date of the financial statements and the income statement for the year, appropriately reclassified with financial and functional criteria that can be represented as follows:

FINANCIAL STATEMENT OF ASSETS AND LIABILITIES			
Assets		Liabilities	
FIXED ASSETS	€ 33.026.225	OWN VEHICLES	€ 35.328.852
Intangible assets	€ 8.756.279	Share capital	€ 25.000.000
Tangible fixed assets	€ 7.896.173	Reserves	€ 10.328.852
Financial fixed assets	€ 16.373.773		
		CONSOLIDATED LIABILITIES	€ 18.796.620
CURRENT ASSETS (AC)	€ 95.814.615		
Warehouse	€ 19.733.058		
Deferred cash	€ 20.592.804	CURRENT LIABILITIES	€ 74.715.368
Immediate cash flow	€ 55.488.753		
CAPITAL INVESTED (CI)	€ 128.840.840	FINANCING CAPITAL	€ 128.840.840

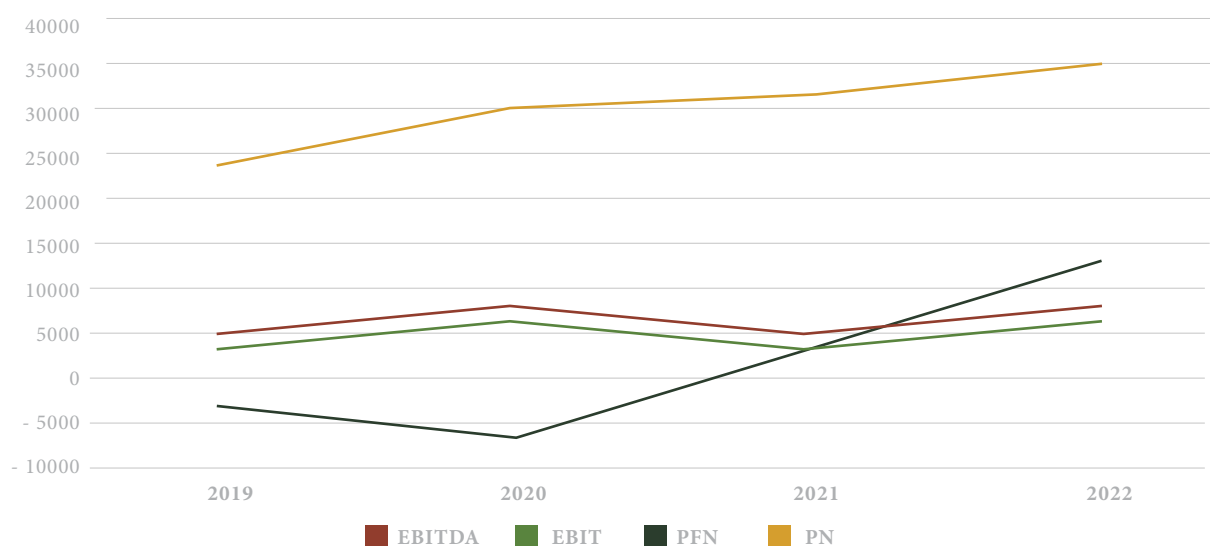
FUNCTIONAL STATEMENT OF ASSETS AND LIABILITIES			
Assets		Liabilities	
OPERATING CAPITAL INVESTED	€ 112.155.980	OWN VEHICLES	€ 35.328.852
		FINANCING LIABILITIES	€ 69.798.609
NON-OPERATIONAL JOBS	€ 16.684.860		
		OPERATING LIABILITIES	€ 23.713.379
CAPITALE INVESTITO (CI)	€ 128.840.840	FINANCING CAPITAL	€ 128.840.840

RECLASSIFIED INCOME STATEMENT	
Revenue from sales	€ 3.567.710.021
In-house production	€ 504.498
OPERATING PRODUCTION VALUE	€ 3.568.214.519
External operating costs	-€ 3.557.920.670
Added value	€ 10.293.849
Staff costs	-€ 3.032.439
GROSS OPERATING MARGIN	€ 7.261.410
Depreciation and provisions	€ 2.210.779
OPERATING RESULT	€ 5.050.631
Ancillary area result	€ 1.148.402
Financial area result (net of financial expenses)	€ 580.393
EBIT	€ 6.779.426
Financial expenses	-€ 3.340.123
GROSS RESULT	€ 3.439.303
Income taxes	€ 1.105.722
NET RESULT	€ 2.333.581

From this reclassification, the main indicators of the financial, economic and financial situation can be determined, to be appreciated also compared to the previous financial year:

FIXED ASSET FINANCING INDICATORS		
	2022	2021
Primary structural margin	€ 2.302.627	€ 2.877.989
Primary structure quotient	1,07	1,10
Secondary structural margin	€ 21.099.247	€ 42.716.729
Secondary structure quotient	1,64	2,47
INDICES ON FUNDING STRUCTURE		
	2022	2021
Total debt ratio	2,64	3,24
Financial debt quotient	1,98	1,94
PROFITABILITY INDICES		
	2022	2021
Net ROE	6,61%	5,19%
Gross ROE	9,74%	6,74%
ROI	5,71%	3,51%
ROS	0,14%	0,08%
CREDITWORTHINESS INDICATORS		
	2022	2021
Availability margin	€ 21.099.247	€ 42.716.729
Availability quotient	1,28	1,66
Cash margin	€ 1.366.189	€ 9.383.437
Treasury quotient	1,02	1,15

EVOLUTION 2019-2022



EBITDA INCREASE



NFP IMPROVEMENT



CAPITAL INCREASE

Objectives Achieved

These data express, even in their evolution, the company's financial soundness from a financial point of view, as well as the financial balance that characterizes management, indicating a progressive path of dimen-

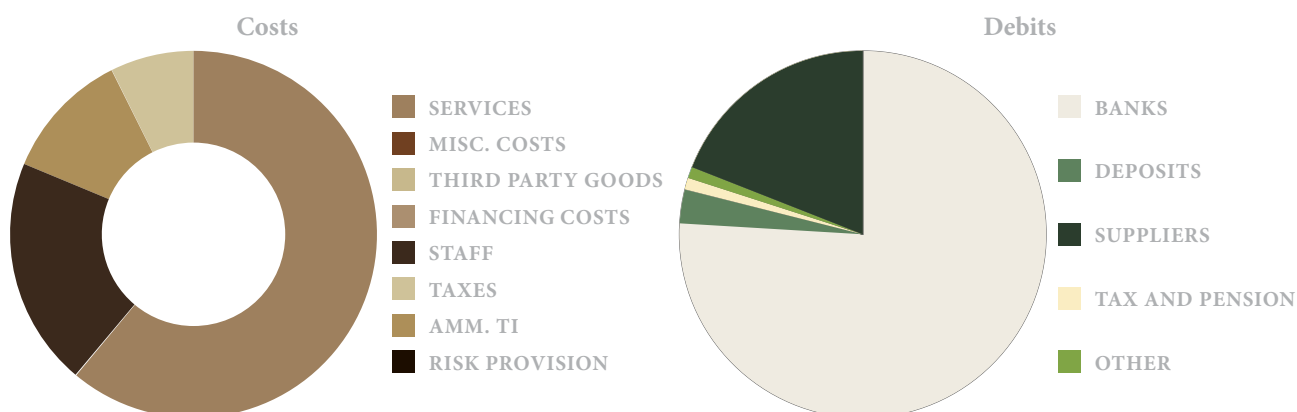
sional growth and the vitality of the related results. To appreciate this, the following additional evidence can also be considered:

Comparative evolution of income components

	2022	2021	difference
VALUE OF PRODUCTION			
SALES AND PERFORMANCE REVENUES	3.567.710.021	3.576.541.265	- 8.831.234
INCREASES IN FIXED ASSETS FOR INTERIOR WORK	504.498	632.203	-127.705
CONTRIBUTIONS ON FISCAL YEAR ACCOUNT	1.800	9.484	-7.684
OTHER REVENUES	1.674.142	1.256.822	417.320
	3.659.890.461	3.578.439.774	81.450.687
PRODUCTION COSTS			
SUBSIDIARY RAW MATERIALS CONSUMPTION AND COMMODITIES	3.535.084.509	3.582.652.367	-47.567.858
SERVICES	9.190.376	7.255.748	1.934.628
ENJOYMENT OF THIRD-PARTY ASSETS	45.551	29.385	16.166
STAFF	3.032.439	2.648.796	383.643
AMORTIZATION AND WRITE-DOWNS	1.710.779	1.324.698	386.081
INVENTORY CHANGES	13.600.234	-19.988.793	33.589.027
PROVISIONS FOR RISKS	500.000	500.000	0
MISCELLANEOUS MANAGEMENT COSTS	527.540	334.721	192.819
	3.563.691.428	3.574.756.922	-11.065.494
FINANCIAL MANAGEMENT RESULT			
TOTAL FINANCIAL INCOME AND EXPENSES	-2.759.730	-1.527.999	-1.231.731
ACCRUAL TAXES FOR THE FINANCIAL YEAR			
CURRENT, ANTICIPATED AND DEFERRED TAXES	1.105.722	495.285	610.437

Comparative evolution of indebtedness

	2022	2021	difference
DEBTS			
TO BANKS WITHIN 12 MONTHS	51.708.661	22.816.027	28.892.634
TO BANKS BEYOND 12 MONTHS	18.089.948	39.180.542	-21.090.594
DOWN PAYMENTS	2.357.380	21.743.882	-19.386.502
SUPPLIERS	17.189.865	17.321.945	-132.080
TREASURY	882.693	181.783	700.910
SOCIAL SECURITY INSTITUTIONS	132.054	105.144	26.910
TO OTHERS	841.692	828.668	13.024
	91.202.293	102.177.991	-10.975.698



Environment and staff

As anticipated, our company's corporate policies have always been inspired and our daily actions informed by combining economic value with human value and with respect for the general interest in every activity.

Note the extensive and detailed information in the Sustainability Report presented to the shareholders' meeting with the financial information.

To summarize some of the contents expressed in this document, we must first highlight how our collaborators represent our strength. This is why we constantly try to support their needs, so that they operate not only in total safety but also in a rewarding and constructive atmosphere. Health and safety represent a central theme of our action, which translates into training courses and ongoing awareness-raising initiatives.

During the financial year, there were no serious accidents at work and no claims related to occupational illnesses among employees or former employees causing mobbing, so the company was not called to answer for its possible liability.

As for environmental issues, we pursue a model of sustainable development and adopt policies aimed

at minimizing our activities' negative effects on the environment, also through some simple updates in the performance of daily actions.

We are part of the PlanetGold Program Advisory Group (PAG), which involves various stakeholders including the United Nations, NGOs, associations, private sector companies and public authorities. This project is active in eight countries. The objective is to collaborate in creation of projects that involve small communities of artisanal miners and help them eliminate the use of mercury, one of the substances most harmful to the environment and human health, in line with the Minamata Convention.

In compliance with the regulatory framework, the company is equipped with an Organizational Model of Management and Safety, the RAD (Risk Assessment Document), within which are defined the strategic roles for prevention activities and the attributions and tasks assigned to each, to pursue the protection of workers' health and safety as essential and fundamental objectives. During the year, no damage was caused to the environment nor were definitive sanctions or penalties imposed for crimes or environmental damage.

Management of foreign exchange, credit and liquidity risks

Also in compliance with the provisions of art. 2428, paragraph 3, in point 6-bis C.C., information regarding the following risks is provided:

- Credit Risk
- Liquidity Risk
- Market Risk
- Exchange Risk

Credit risk

The company operates in compliance with control policies aimed at reducing credit risks. These policies are based on in-depth preliminary analyses regarding customers' reliability and guaranteed payment methods. The company monitors and manages with particular attention its exposure to customers with significant positions. As customary for the type of product sold, money deposits are requested in advance of shipments. However, the company's activities must be conside-

red to have good credit quality, except for some commercial credits (customers), which are believed to fall within the physiological share, whose chargeability is poor if not negligible due to the presence of insolvency proceedings. For these financial assets, considered of doubtful collection, a special devaluation fund has been set aside equal to what is believed to be the relative loss.

Liquidity risk

At the operational level, the Company grants payment delays to customers. A significant part of the sales transactions are "factored" through a proactive sale to leading factoring companies. Borrowing instruments and lines of credit meet the liquidity needs, which are constantly monitored and planned. The company operates by implementing financial planning activities aimed at reducing liquidity risk. Leading Italian and foreign financial institutions trust the company. Their lines of credit are appropriate both qualitatively and quantitatively for conducting activities involving the import of precious and related metals. Based on the trend in financial needs, if the need is recognized, credit lines necessary to meet these needs are planned with the banking system, according to a corresponding

distinction between short-term and long-term lines. Also note that:

- the company deals with goods and raw materials for which there is a liquid market and that are readily sellable to meet liquidity needs. Gold, silver, platinum and palladium are commodities listed on international markets.
- there are different sources of funding;
- there are no significant concentrations of liquidity risk either on the side of financial assets or financing sources.

Market risk

Below is a sensitivity analysis on the statement of assets and liabilities date, indicating the effects of possible changes in the income statement regarding significant risk variables for each of the following components:

- irate risk: minimal because the transactions conducted are in the very short term;

- exchange rate risk (or currency risk): minimal since among the company policies is that of covering all transactions from the moment they are conducted;

- price risk: minimal based on that stated above.

Exchange risk

The company also operates on international markets using the dollar instead of the national currency, so it is exposed to fluctuating exchange rates. However, these transactions are continuously monitored and aligned to avoid significant repercussions on exchange rates, being covered by opposite-sign transactions in the same currency. To cancel exchange risk in transactions involving purchase and sale of precious metals in currency, the

company conducts daily internal balancing transactions (netting between sales and purchase transactions) and for the excess part, it hedges the currency risk for the part linked to the exchange rate between currencies (US\$/ounce) by reversing the transaction with professional financial counterparties.

Research and development activities

Also during the 2022 financial year, the company conducted a structured and constant research and development activity for technological innovation and directed its efforts in particular toward the following projects that are considered to be particularly innovative:

- study and development of the BPMN models for “management of financial flows” of “physical metal” and algorithms integrated into the platform blockchain to manage transaction coverage and information exchange with the current accounting system;
- study and experimental development of innovati-

ve Sustainable Gold projects: from the “responsible supply chain” to laboratory tests to evaluate plant solutions with physical methods to reduce the costs of separating gold and “sustainable” precious metals without the use of chemicals;

- study and development of an operating model through analysis of the review of existing business procedures and processes.

We trust that these innovations’ positive outcome will generate results in terms of increasing sales and strengthening business efficiency, with favorable repercussions on management’s cost-effectiveness.

Number and face value of own stocks and stocks and shares of parent companies owned, purchased and disposed of

The company does not own and did not buy or dispose of any of its own shares, nor parent companies’ stocks or shares, during the year.

Secondary offices

Regarding the provisions of paragraph 4 of art. 2428 C.C., the company had the following secondary offices on the reference date of the financial statements:

PLACE	ADDRESS	USE
Arezzo	via A. Rughi n. 34	Office
Arezzo	Strada E 26 Loc. San Zeno	Warehouse
Milan	via San Raffaele n. 1	Office

More information

By resolution of the Board of Directors of 26 October 2022, the company adopted the “Prevention Model referred to in Legislative Decree No. 231/2001,” thus taking a further and decisive step towards the growth, including cultural, of its business organization.

As required by Legislative Decree No. 14/2019 (Code of Business Crisis and Insolvency), it also adopts an organizational, administrative and accounting structure adapted to the company’s nature, depending on the timely detection of the business crisis and taking appropriate initiatives.

Regarding the provisions of numbers 3 and 4 of art. 2428 C.C., it does not own and did not buy or sell shares in parent companies during the year, even through a trust company or through an intermediary person.

With reference to national and EU provisions on personal data protection, the company adopts the minimum security measures regarding personal data protection, has drafted the Security Policy Document and is updating it within the terms established by the legislation in force.

Investment activities carried out

During the 2022 financial year, in addition to the reported acquisition of the company from SICAM SpA, constant investments were supported aimed at renewal and strengthening of the production structure,

the evidence of which is represented in the Supplementary Note to which, therefore, reference is made for the related details.

Relationships with subsidiaries, affiliates, parent companies and associates

The company holds a stake equal to the entire share capital of Gold Lake IP srl, currently in Arezzo, with which it maintains relationships. These do not include

atypical and/or unusual transactions and are governed by normal market conditions.

Predictable evolution of management

After a slight slowdown in economic activity in the last quarter of 2022, the first months of 2023 opened with modest growth in Italy that could increase in the future thanks to exports and investments. The forecasts of the main studies indicate, a general slowdown in the global economy, with the growth of real world GDP around 1.2% compared to an average of 2.7% for the last decade. The Chinese economy is seeing a sharp recovery (+4.8%). Inflation should decelerate thanks to the restrictive monetary policies of central banks, to a greater extent in the US (+3.7% against 6.5% in the Eurozone).

In 2023, which has just begun, much uncertainty still persists. Many variables can influence economic evolution, from the war to energy prices, the various central banks' policies, and the sustainability of sovereign debts that can negatively influence potential scenarios. The key question for 2023 is whether or not the same central banks will be able to counter inflation without causing a recession. Certainly, they made a mistake in considering the increase in inflation as temporary. This mistake is leading to the current turmoil in the markets and in particular in some banks. The US government was able to promptly remedy the situation in the banking system by promising deposit insurance

for customers of banks in difficulty. Contagion is the FED's greatest fear, and if this turns into "non-trust" and a rush to the counter, then there will not be enough collateral guarantees and the FED will have no choice but to print money.

In this context, at Italtreasures, in the first months of 2023, we witnessed a very strong increase in the demand for investment gold, mainly from private individuals, in Italy and other parts of the world, dictated by fear and various uncertainties, with a view to diversifying and protecting its assets. Despite this great uncertainty, we consider it possible to increase our volumes and margins, thanks to the strengthening of the CoC offer and our ingot production, in addition to our increased services, expanded and enhanced thanks to the investments made and those already planned.

The new high-tech machinery for the production of ingots is due to start operating at the end of April. By the end of May, the new white metal refining plant is expected to be operational.

In addition, we are confident that the positive returns related to the acquisition of the "ex SICAM" company to which it originally referred will be consolidated.

Business continuity

In light of what has been highlighted so far, although there are extraordinary conditions that cause tensions on the market and on the economic system more generally, no consequences could influence the evalua-

tion of the company's activities and have an impact on the effective maintenance of business continuity conditions.

Significant events that occurred after fiscal year end

In early 2023, the company acquired a new stake in a mining company listed on the market in Toronto, Canada. Denarius Metals Corp owns mining concessions for gold and other precious and non-precious metals in Spain and Colombia. This will allow significant strengthening of management development plans.

The company also finalised the purchase of a site in the neighbourhood of the current factory where the new headquarters will be built, designed with innovation and sustainability in view, also through the use of a modern photovoltaic system.

Destination of fiscal year result

As already indicated in the Supplemental Note, the Board of Directors proposes to allocate the operating result as follows:

Financial results on 31/DEC/2022	Euro	2.333.581.
5% legal reserve	Euro	117.000.
to the statutory reserve	Euro	1.716.581.
profits carried over	Euro	500.000.

Balance Sheet

Balance Sheet	31/12/2022	31/12/2021
ACTIVE		
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE		
Total receivables from shareholders for payments still due (A)	0	0
B) FIXED ASSETS		
I - Intangible fixed assets		
1) Start-up and expansion costs	37.078	54.866
2) Development costs	463.306	710.009
3) Industrial patent rights and rights to use intellectual property	25.976	59.245
4) Concessions, licenses, trademarks and similar rights	4.512.643	4.762.123
5) Goodwill	1.392.876	0
6) Assets in progress and advances	1.487.224	858.394
7) Others	837.176	1.060.839
Total intangible fixed assets	8.756.279	7.505.476
II - Tangible fixed assets		
1) Land and buildings	4.009.565	2.609.831
2) Plant and machinery	3.813.735	3.502.627
3) Industrial and commercial equipment	25.129	68.823
4) Other assets	47.744	131.970
Total tangible fixed assets	7.896.173	6.313.251
III - Financial fixed assets		
1) Investments in		
a) Subsidiaries	584.793	584.793
d-bis) Other companies	2.117.835	2.139.835
Total equity investments (1)	2.702.628	2.724.628

Balance Sheet	31/12/2022	31/12/2021
2) Credits		
a) Towards subsidiaries		
Due beyond the next fiscal year	528.319	528.319
Total receivables from subsidiaries	528.319	528.319
d-bis) Towards others		
Due within the following fiscal year	322.998	256.793
Due beyond the next fiscal year	12.138.661	12.023.449
Total receivables from others	12.461.659	12.280.242
Total receivables	12.989.978	12.808.561
4) Asset derivative financial instruments	992.254	0
Total financial fixed assets (III)	16.684.860	15.533.189
Total fixed assets (B)	33.337.312	29.351.916
C) CURRENT ASSETS		
I) Rimanenze		
4) Prodotti finiti e merci	19.733.058	33.333.292
Totale rimanenze	19.733.058	33.333.292
II) Credits		
1) To customers		
Due within the following fiscal year	9.321.339	9.648.028
Total receivables from customers	9.321.339	9.648.028
2) To subsidiaries		
Due within the following fiscal year	0	273.109
Total receivables from subsidiaries	0	273.109
5-bis) Tax credits		
Due within the following fiscal year	421.220	1.063.172
Total tax receivables	421.220	1.063.172
5-ter) Deferred tax assets	393.414	242.214
5-quater) Towards others		
Due within the following fiscal year	9.648.517	8.752.651
Due beyond the next fiscal year	11.911	14.671

Balance Sheet	31/12/2022	31/12/2021
Total receivables from others	9.660.428	8.767.322
Total receivables	19.796.401	19.993.845
III - Financial assets that do not constitute fixed assets		
Total financial assets that are not fixed assets	0	0
IV - Cash and cash equivalents		
1) Bank and postal deposits	55.473.325	53.016.427
3) Cash and valuables on hand	15.428	10.126
Total cash and cash equivalents	55.488.753	53.026.553
Total current assets (C)		106.353.690
D) ACCRUALS AND DEFERRALS	485.316	377.941
TOTAL ASSETS	128.840.840	136.083.547

Balance Sheet	31/12/2022	31/12/2021
LIABILITIES		
A) SHAREHOLDERS' EQUITY		
I - Capital	25.000.000	16.000.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	1.636.084	1.553.084
V - Statutory reserves	5.026.934	8.121.066
VI - Other reservations, clearly indicated		
Miscellaneous other reserves	-1	4.829.301
Total other reserves	-1	4.829.301
VII - Reserve for hedging expected cash flow transactions	992.254	-175.236
VIII - Profits (losses) carried forward	340.000	0
IX - Fiscal year profit (loss)	2.333.581	1.659.568
Loss covered during the fiscal year	0	0
X - Negative reserve for treasury shares in portfolio	0	0
Total net equity	35.328.852	31.987.783
B) PROVISIONS FOR RISKS AND CHARGES	0	175.236
3) Passive derivative financial instruments		

Balance Sheet	31/12/2022	31/12/2021
4) Others		
Total provisions for risks and charges (B)	1.339.224	1.034.460
C) EMPLOYEE SEVERANCE INDEMNITIES	706.672	608.412
D) PAYABLES		
4) Payables to banks		
Due within the following fiscal year	51.708.661	22.816.027
Due beyond the next fiscal year	18.089.948	39.180.542
Total payables to banks (4)	69.798.609	61.996.569
6) Advances		
Due within the following fiscal year	2.357.380	21.743.882
Total advances (6)	2.357.380	21.743.882
7) Payables to suppliers		
Due within the following fiscal year	17.189.865	17.321.945
Total payables to suppliers (7)	17.189.865	17.321.945
12) Tax payables		
Due within the following fiscal year	882.693	131.997
Due beyond the next fiscal year	0	49.786
Total tax payables (12)	882.693	181.783
13) Payables to welfare and social security institutions		
Due within the following fiscal year	132.054	105.144
Total payables to welfare and social security institutions (13)	132.054	105.144
14) Other payables		
Due within the following fiscal year	841.692	828.668
Total other payables (14)	841.692	828.668
Total payables (D)	91.202.293	102.177.991
E) ACCRUALS AND DEFERRALS	263.799	274.901
TOTAL LIABILITIES	128.840.840	136.083.547

Income Account

Income Account	31/12/2022	31/12/2021
A) PRODUCTION VALUE:		
1) Revenues from sales and services	3.567.710.021	3.576.541.265
4) Increases in fixed assets for internal works	504.498	632.203
5) Other revenues and income		
Operating grants	1.800	9.484
Others	1.674.142	1.256.822
Total other revenues and income	1.675.942	1.266.306
Total production value	3.569.890.461	3.578.439.774
B) PRODUCTION COSTS:		
6) For raw materials, ancillaries, consumables and goods	3.535.084.509	3.582.652.367
7) For services	9.190.376	7.255.748
8) For use of third party assets	45.551	29.385
9) For staff:		
a) Wages and salaries	2.156.541	1.880.339
b) Social charges	685.876	627.767
c) Severance pay	190.022	140.690
Total personnel costs	3.032.439	2.648.796
10) Depreciation and write-downs:		
a) Amortization of intangible fixed assets	1.202.037	868.908
b) Depreciation of tangible fixed assets	462.068	406.647
d) Write-down of current assets and cash and cash equivalents	46.674	49.143
Total depreciation and write-downs	1.710.779	1.324.698
11) Change in inventories of raw materials, ancillaries, consumables and goods	13.600.234	-19.988.793

Income Account	31/12/2022	31/12/2021
12) Provisions for risks	500.000	500.000
14) Miscellaneous management charges	527.540	334.721
Total production cost	3.563.691.428	3.574.756.922
Difference between production value and cost (A-B)	6.199.033	3.682.852
C) FINANCIAL INCOME AND CHARGES:		
15) Income from equity investments		
Others	7.791	710.684
Total income from equity investments (15)	7.791	710.684
16) Other financial income:		
a) From receivables recorded in fixed assets		
Others	405	130
Total financial income from receivables recorded in fixed assets	405	130
d) Income other than the above		
Others	462.635	58.439
Total income other than previous	462.635	58.439
Total other financial income	463.040	58.569
17) Interest and other financial charges		
Others	3.340.123	2.326.321
Total interest and other financial charges	3.340.123	2.326.321
17-bis) Exchange gains and losses	109.562	29.069
Total financial income and charges (C) (15+16-17+-17-bis)	-2.759.730	-1.527.999
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES:		
Total value adjustments to financial assets and liabilities (18-19)	0	0
RESULT BEFORE TAXES (A-B+-C+-D)	3.439.303	2.154.853
20) Income taxes for the fiscal year, current, deferred and prepaid		
Current taxes	1.256.922	486.717
Taxes relating to previous years	0	134.198
Deferred and prepaid taxes	-151.200	-125.630
Total income taxes for the fiscal year, current, deferred and prepaid	1.105.722	495.285
21) FISCAL YEAR PROFIT (LOSS)	2.333.581	1.659.568

Cash Flow Statement, indirect method

Cash Flow Statement	31/12/2022	31/12/2021
CASH FLOW STATEMENT (INCOME FLOW USING THE INDIRECT METHOD)		
	FISCAL YEAR CURRENT	FISCAL YEAR PREVIOUS
A. Cash flows from operating activities (indirect method)		
Fiscal year profit (loss)	2.333.581	1.659.568
Income taxes	1.105.722	495.285
Interest expense/(asset)	2.877.083	2.267.752
(Dividends)	(7.791)	(710.684)
(Capital gains)/Capital losses deriving from sale of assets	0	(723.792)
1. Profit /(loss) for the fiscal year before income taxes, interest, dividends and capital gains / losses on disposal	6.308.595	2.988.129
Adjustments for non-monetary items with no counterpart in net working capital		
Provisions to funds	680.348	676.134
Depreciation of fixed assets	1.664.105	1.275.555
Write-downs for permanent losses in value	14.209	0
Value adjustments on financial assets and liabilities of derivative financial instruments that do not involve monetary movements	0	0
Other adjustments up/(down) for non-monetary items	(189.760)	0
Total adjustments for non-monetary items with no counterpart in net working capital	2.168.902	1.951.689
2. Cash flow before changes in net working capital	8.477.497	4.939.818
Changes in net working capital		
Decrease/(Increase) in inventories	13.600.234	(19.988.793)

Cash Flow Statement	31/12/2022	31/12/2021
Decrease/(Increase) in trade receivables	326.689	(2.119.693)
Increase/(Decrease) in trade payables	(132.080)	14.140.551
Decrease/(Increase) in accrued income and prepaid expenses	(107.375)	(55.970)
Increase/(Decrease) in accrued expenses and deferred income	(11.102)	(10.653)
Other decreases/(Other increases) in net working capital	(18.572.606)	12.018.375
Total changes in net working capital	(4.896.240)	3.983.817
3. Cash flow after changes in net working capital	3.581.257	8.923.635
Other adjustments		
Interest collected/(paid)	(2.877.083)	(2.267.752)
(Income Tax Paid)	(1.256.922)	(1.851.642)
Dividends received	7.791	710.684
(Use of funds)	(87.564)	(64.872)
Other receipts/(payments)	0	0
Total other adjustments	(4.213.778)	(3.473.582)
Cash flow from operating activities (A)	(632.521)	5.450.053
B. Cash flows deriving from investment activities		
Tangible fixed assets		
(Investments)	(2.129.356)	(535.098)
Divestments	0	15.044
Intangible assets		
(Investments)	(2.419.571)	(761.300)
Divestments	0	(1.936)
Financial fixed assets		
(Investments)	(1.165.880)	245.598
Divestments	0	1.491.707
Trading financial assets		
(Investments)	0	0
Divestments	0	0
(Acquisition of business units net of cash and cash equivalents)	0	0
Sale of company branches net of cash and cash equivalents	0	0
Cash flow from investing activities (B)	(5.714.807)	454.015
C. Cash flows deriving from financing activities		
Third Party Media		

Cash Flow Statement	31/12/2022	31/12/2021
Increase/(Decrease) in short-term payables to banks	28.892.634	676.579
Opening of funding	0	32.521.179
(Loan repayment)	(21.090.594)	0
Equity		
Paid capital increase	1.007.488	(183.817)
(Capital repayment)	0	0
Sale (Purchase) of treasury shares	0	0
(Dividends and interim dividends paid)	0	0
Cash flow from financing activity (C)	8.809.528	33.013.941
Increase (decrease) in liquid assets (A ± B ± C)	2.462.200	38.918.009
Effect of exchange rates on cash and cash equivalents	0	0
Cash and cash equivalents at the fiscal year start		
Bank and postal deposits	53.016.427	9.591.469
Checks	0	0
Cash and valuables on hand	10.126	10.341
Total cash and cash equivalents at the fiscal year start	53.026.553	9.601.810
Including not freely usable	0	0
Cash and cash equivalents at fiscal year end		
Bank and postal deposits	55.473.325	53.016.427
Checks	0	0
Cash and valuables on hand	15.428	10.126
Total cash and cash equivalents at fiscal year end	55.488.753	
Including not freely usable	0	

EXPLANATORY NOTE TO THE FINANCIAL STATEMENTS AS OF 31/DEC/2022

Introduction

The financial statements closed on 31 December 2022, of which these explanatory notes form an integral part pursuant to art. 2423, first paragraph of the Civil Code, corresponds to the results of the regularly kept accounting records and is drafted in compliance with the provisions of articles 2423, 2423 ter, 2424, 2424 bis, 2425, 2425 bis, 2425 ter C.C..

The evaluation criteria adopted pursuant to art. 2426 C.C. are compliant with those used in preparing the previous fiscal year's financial statements and no exceptional events occurred which made it necessary to resort to waivers pursuant to articles 2423 bis, second paragraph and 2423, fifth paragraph C.C..

The principles and recommendations published by the Italian Accounting Organization (OIC) have been observed, supplemented, if missing, by generally accep-

ted international principles (IAS/IFRS and USGAAP) to give a true and fair view of the balance sheet, financial position, and economic result for the fiscal year.

The explanatory note provides the illustration, analysis, and in some cases, integration of the balance sheet data and contains the information required by art. 2427 c.c.. Furthermore, it provides all the complementary information deemed necessary to give the most transparent and complete reading, even if specific legal provisions do not require it.

The Management Report is accompanied by financial statements drafted according to the indications provided by art. 2428 C.C..

Drafting Criteria

Pursuant to the provisions of article 2423 bis C.C., the following steps were taken in preparing the financial statements:

- evaluate the individual items according to prudence and in anticipation of normal business continuity;
- include only the profits actually realized during the fiscal year;
- determine the income and costs on an accrual basis, and regardless of their financial manifestation;
- understand all the risks and losses pertaining to the period, even if they become known after fiscal year end;
- consider separately, for purposes of the pertinent valuation, the heterogeneous elements included in various financial statement items;
- keep the adopted evaluation criteria unchanged with respect to the previous fiscal year.

The following budget postulates pursuant to OIC 11 par. 15:

- a) prudence;
- b) going concern perspective;
- c) substantial representation;
- d) competence;
- e) constancy in evaluation criteria;
- f) relevance;
- g) comparability.

Business continuity perspective

The balance sheet items were evaluated in a business continuity perspective and therefore, considering the fact that the company constitutes a functioning economic complex, intended at least for a near future (12 months from the reference date of balance sheet closing), for income generation.

In the forward-looking assessment of the going concern assumption, no significant uncertainties emerged, not even in face of the tensions produced by the extraordinary events that characterized the global economic system during 2022.

Extraordinary operations

For a correct reading of the financial statement results as of 31 December 2022, also comparing them with those of the previous fiscal year:

a) the company's extraordinary shareholders' meeting on 15 February 2022 approved a free increase in its share capital from 16,000,000.00 euros to 25,000,000.00 euros, released through the use:

1. as for Euro 4,829,299.35 of the entire revaluation reserve amount formed pursuant to art. 110 of Legislative Decree 14 August 2020 no. 104, converted into Law 13 October 2020 no. 126;

2. as for Euro 4,170,700.65 of a part of the statutory reserve set up with profits allocated to it over time. consequently, 1,800,000 new shares with a face value of 5.00 euro each were issued and assigned to the shareholders in proportion to those held by them;

b) with a writ dated 31 August 2022, the company branch pertaining to its activity in production and refining of precious metals, as well as the collection, treatment and disposal was purchased from the company SICAM SpA - Società Italiana Chimica Affinazione Metalli of waste and recovery of materials. This transaction led to the recognition of goodwill in assets for an amount of 1,392,876 euros..

Evaluation Criteria

The criteria applied in valuation of the balance sheet items, compliant as mentioned with the provisions of art. 2426 C.C. are, in detail, the following.

Intangible assets

Intangible assets and future utility costs are accounted for at cost including ancillary charges. These costs are recorded under assets with the consent of the board of statutory auditors and amortized on a straight-line basis. The amortization period for intangible fixed assets recognized in financial statements is five years for start-up and expansion costs, research and development costs and industrial patent rights, 20 years for trademarks and 18 years for goodwill.

L. Revaluation 126/2020

In the financial statements as of 31/DEC/2020, the company used the option provided for by Law 126/2020, revaluing the corporate brand for a total of 4,978,660 euros.

The value recorded as a result of the revaluation was determined based on a specific estimate report drafted by a specialized professional and represents the average of the values emerging by applying the “Relief from Royalty” criterion.

The registered value is not higher than that actually attributable to the trademark pursuant to art. 110 paragraph 7 of the same Law. 126/2020.

A corresponding reserve was recorded in shareholders' equity, net of the substitute tax to be paid to attribute tax significance to the revaluation itself.

With reference to the provisions introduced by art. 1, paragraphs 622, 623 and 624 of Law 30 December 2021 no. 234 (2022 Budget Law), the company has maintained the definition of the civil depreciation period of the trademarks' reassessed value at 20 years compared to the tax value finally set at 50 years, with consequent recognition of the related effects as regards prepaid taxes.

Tangible fixed assets

Tangible fixed assets are recognized on the date on which the risks and rewards associated with the assets acquired are transferred and are entered, within the recoverable value limit, at purchase or production cost, net of the related accumulated depreciation, including all costs and directly attributable ancillary charges, indirect costs inherent to internal production, as well as charges regarding the financing of internal production incurred in the manufacturing period and up to the moment in which the asset can be used.

The costs incurred on existing assets for purpose of expansion, modernization and improvement of the structural elements, as well as those incurred to increase their compliance with the purposes for which they were acquired, and extraordinary maintenance pursuant to the provisions of OIC 16 at par. from 49 to 53, were capitalized only in presence of a significant and measurable increase in production capacity or useful life.

The cost of fixed assets, the use of which is limited over time, is systematically depreciated each fiscal year based on economic-technical rates determined regarding the residual possibility of use.

The rates reflecting the result of the technical depreciation plans were applied, confirmed by the companies and reduced by 50% for the acquisitions during the fiscal year, as the conditions set out in OIC 16 par.61 exist for the latter.

The rates applied are specified below:

Ex FIBA building - GAPI bankruptcy building	3%
San Zeno property - CD branch property	1,50%
Generic installations	7,50%
CD branch plants	7,50%
Alarm systems	7,50%
San Zeno plants	3,75%
Refining plants	3,75%
Photovoltaic system	3%
Machinery and plants 4.0	15%
Ingot development machinery	15%
Assay laboratory machinery	7,50%
Ingot production machinery	7,50%
CD branch machinery	10%
CD branch equipment	10%
Miscellaneous equipment	7,50%
Vehicles	25%
Office machines	20%
Furniture	15%
Office furniture	12%

Based on a precise application of the OIC 16 accounting standard, and also following a revision of estimates of the operating properties' useful life, in the fiscal year ended 31 December 2008, the portion of the cost referring to their grounds areas was incorporated.

The value attributed to these areas was identified based on a flat-rate estimation criterion which allows division of the unit cost, making it considered reasonable, to the extent of 20% of the property cost net of capitalized incremental costs and any revaluations made.

Starting from the fiscal year ended 31 December 2008, depreciation quotas regarding the aforementioned land value were no longer allocated, considering them, based on the updated company estimates, assets not subject to deterioration and having an unlimited useful life.

Financial fixed assets

Financial fixed assets are recorded at purchase or subscription cost pursuant to art. 2426 C.C.

Inventories

The valuations were conducted in continuity with the criteria already adopted in previous years. raw materials were valued by applying the metal price AU, AG PT and PD as of 31 December 2022, while for machinery,

consumables and foodstuffs (subject to a previous commercial project) the criterion of specific cost was applied.

Derivative financial instruments

These are financial instruments such as swap contracts to hedge metal purchase and sale transactions. Considering the operations chosen, temporary differences are recorded and settled on a daily basis, with respect to the date on which the purchase and/or sale price was fixed. All these differences regarding contracts that are open as of 31 December 2022 and already completely closed in first months of 2023 were recorded under receivables/payables respectively regarding negative/positive differences. For the purposes of the related income consequences, all these differences are sterilized by an operation that mirrors the sale or purchase of physical metal.

Credits

Receivables are classified under fixed assets or under current assets based on their destination/origin with respect to ordinary activity.

The amounts due within and beyond the fiscal year are subdivided with reference to the contractual or legal maturity, also considering facts and events that may determine a change in the original maturity, the debtor's realistic ability to fulfill the obligation within the contractual terms and time horizon in which it is reasonably believed to be able to request the credit.

Credits pursuant to art. 2426, paragraph 1 number 8 C.C. are recorded according to the amortized cost criterion, with the exception of receivables for which the effects of applying the amortized cost, pursuant to art. 2423 paragraph 4 C.C., are irrelevant (maturity of less than 12 months).

Due to the principle of relevance already mentioned, receivables were not discounted if the interest rate that can be inferred from the contractual conditions is not significantly different from the market interest rate.

Receivables for which the amortized cost criterion was not applied were recognized at their presumed realizable value. Regardless of whether or not the amortized costs are applied, they are shown in the financial statements net of recognition of a bad debt provision to cover receivables deemed uncollectable, as well as the generic risk regarding the remaining receivables. These are based on estimates arising from past experience, the trend of past due loans' seniority indexes, the general economic situation, sector and country risk, as well as on events that occurred after the financial year end and which have an impact on the values on the financial statement date.

Tax receivables and deferred tax assets

The item 'Tax receivables' includes certain and determined amounts deriving from receivables for which a right of realization has arisen through reimbursement or compensation.

The item 'Prepaid taxes' includes the assets for prepaid taxes determined based on the deductible temporary differences or the carry forward of tax losses, applying the estimated rate in force at the moment in which it is believed that these differences will reverse.

Cash and cash equivalents

Cash and cash equivalents are shown at their face value.

Accruals and deferrals

Accruals and deferrals were entered based on the accruals principle and contain the revenues/costs pertaining to the fiscal year and payable in subsequent fiscal years and the revenues/costs incurred by fiscal year end but pertaining to subsequent fiscal years.

Provisions for risks and charges

Provisions for risks represent liabilities associated with situations existing on the balance sheet date, but the occurrence of which is only probable.

Provisions for charges represent certain liabilities, correlated to negative income components pertaining to the fiscal year, but which will manifest themselves numerically in the following fiscal year.

The estimation process is conducted and/or adjusted on the balance sheet date based on past experience and any useful element available.

Pursuant to OIC 31 par.19, since the criterion of cost classification by nature must prevail, the provisions for risks and charges are recorded among the items of the management activity to which the operation refers (typical, ancillary or financial).

Employee severance pay

Employee severance indemnity is recorded in compliance with the provisions of current legislation and corresponds to the Company's effective commitment towards the individual employees on the balance sheet date, minus the advances paid.

Payables

Payables, pursuant to art. 2426, paragraph 1 number 8 C.C., are recorded according to the amortized cost criterion, with the exception of payables for which the effects of applying the amortized cost, pursuant to art. 2423 paragraph 4 C.C., are irrelevant (maturity of less than 12 months). Due to the relevance principle already referred to, payables were not discounted if the interest rate inferable from the contractual conditions is not significantly different from the market interest rate.

The 'time factor' pursuant to art. 2426, paragraph 1 number 8, by discounting payables due beyond 12 months in the event of a significant difference between the effective interest rate and the market rate.

Payables for which the amortized cost criterion was not applied were recognized at face value.

The amounts due within and beyond the fiscal year are subdivided with reference to the contractual or legal maturity, also considering facts and events that may lead to a change in original maturity.

Payables originating from the acquisition of assets are recorded at the moment in which the risks, charges and benefits are transferred; those regarding services are recorded at the time the service is performed; financial and others at the time when the obligation towards the counterpart arises.

Tax payables include liabilities for certain and determined taxes, as well as withholdings made as a substitute, and not yet paid on the balance sheet date, and, where offsetting is permitted, are recognized net of advances, withholdings and tax credits.

Currency values

Monetary assets and liabilities in foreign currency are recorded at the spot exchange rate at fiscal year end, with the related exchange gains and losses recognized in income statement.

Any net profit deriving from the adjustment to exchange rates is recorded, for part not absorbed by any loss for fiscal year, in a special non-distributable reserve until realized.

Non-monetary assets and liabilities in foreign currency are recorded at the exchange rate prevailing at the time of their purchase. When preparing the financial statements, pursuant to OIC 26 paragraph 31, according to the accounting principles of reference, this cost is compared with the recoverable value (fixed assets) or with the value inferable from market trends (current assets).

Costs and revenues

Costs and revenues are recognized on an accruals basis. the revenues from sales and the costs for purchase of goods are recognized at the moment of the ownership transfer, which is normally identified with the goods' delivery. Dividends are recorded in balance sheet according to the cash principle.

Income taxes and Irap

They are recorded based on a prudent interpretation of current tax legislation and considering the tax credits due. Prepaid and deferred taxes are also considered when the conditions for their registration are met. These taxes are calculated on the temporary cumulative differences between the balance sheet results and the fiscally pertinent income components based on the estimated rates at the time of their tax relevance. The net difference between deferred and prepaid taxes is recorded in the balance sheet under a specific income statement item.

INFORMATION ON THE BALANCE SHEET ACTIVE

Intangible

Intangible assets

Intangible fixed assets amount to €8,756,279 (€7,505,476 in previous fiscal year). The individual items' composition and movements are represented as follows:

	START-UP AND EXPANSION COSTS	DEVELOPMENT COSTS	INDUSTRIAL PATENT RIGHTS AND INTELLECTUAL PROPERTY RIGHTS	GRANTS, LICENSES, TRADEMARKS AND SIMILAR RIGHTS	GOODWILL	INTANGIBLE FIXED ASSETS IN PROGRESS AND ADVANCES	OTHER INTANGIBLE FIXED ASSETS	TOTAL INTANGIBLE FIXED ASSETS
Fiscal year start value								
Cost	54.866	710.009	59.245	4.762.123	0	858.394	1.060.839	7.505.476
Book value	54.866	710.009	59.245	4.762.123	0	858.394	1.060.839	7.505.476
Fiscal year variations								
Increases for acquisitions	751	250.834	11.405	1.472	1.419.130	628.830	173.687	2.486.109
Amortization for the fiscal year	18.539	497.537	11.405	250.952	26.254	0	397.350	1.202.037
Write-downs during fiscal year	0	0	33.269	0	0	0	0	33.269
Total variations	-17.788	-246.703	-33.269	-249.480	1.392.876	628.830	-223.663	1.250.803
Fiscal year-end value								
Cost	37.078	463.306	25.976	4.512.643	1.392.876	1.487.224	837.176	8.756.279
Book value	37.078	463.306	25.976	4.512.643	1.392.876	1.487.224	837.176	8.756.279

Tangible fixed assets

Tangible fixed assets amount to €7,896,173 (€6,313,251 in previous fiscal year). The individual items' composition and movements are represented as follows:

	LANDS AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL FACILITIES	OTHER TANGIBLE FIXED ASSETS	TOTAL TANGIBLE FIXED ASSETS
Fiscal year start value					
Cost	3.196.145	6.020.961	203.646	607.629	10.028.381
Depreciation (accumulated depreciation)	586.314	2.518.334	134.823	475.659	3.715.130
Book value	2.609.831	3.502.627	68.823	131.970	6.313.251
Fiscal year variations					
Increases for acquisitions	1.481.928	647.428	0	0	2.129.356
Decreases for disposals and divestments (of book value)	0	0	36.035	48.332	84.367
Amortization for the fiscal year	82.194	336.319	7.660	35.894	462.067
Other variations	0	-1	1	0	0
Total variations	1.399.734	311.108	-43.694	-84.226	1.582.922
Fiscal year-end value					
Cost	4.804.923	6.199.140	167.611	219.957	11.391.631
Depreciation (accumulated depreciation)	795.358	2.385.405	142.482	172.213	3.495.458
Book value	4.009.565	3.813.735	25.129	47.744	7.896.173

Financial fixed assets

Equity investments, other securities and financial derivative instruments

Equity investments included in financial fixed assets amount to €2,702,628 (€2,724,628 in the previous fiscal year). The individual items' composition and movements are represented as follows:

	EQUITY INVESTMENTS IN SUBSIDIARIES	INVESTMENTS IN OTHER COMPANIES	TOTAL INVESTMENTS	ASSET DERIVATIVE FINANCIAL INSTRUMENTS
Fiscal year start value				
Cost	584.793	2.139.835	2.724.628	0
Book value	584.793	2.139.835	2.724.628	0
Fiscal year variations				
Decreases for disposals (of book value)	0	7.791	7.791	0
Write-downs during fiscal year	0	14.209	14.209	0
Other variations	0	0	0	992.254
Total variations	0	-22.000	-22.000	992.254
Fiscal year-end value				
Cost	584.793	2.117.835	2.702.628	992.254
Book value	584.793	2.117.835	2.702.628	992.254

Fixed credits

Receivables included in financial fixed assets amount to €12,989,978 (€12,808,561 in the previous fiscal year). The individual items' composition and movements are represented as follows:

	INITIAL FACE AMOUNT	INITIAL BAD DEBT PROVISION	INITIAL NET VALUE	PROVISIONS TO WRITE-DOWN FUND	USES OF BAD DEBT PROVISION
Due from subsidiaries beyond the next fiscal year	528.319	0	528.319	0	0
Towards other payables within the following fiscal year	256.793	0	256.793	0	0
Towards other receivables beyond the next fiscal year	12.023.449	0	12.023.449	0	0
Total	12.808.561	0	12.808.561	0	0

	(WRITE-DOWNS)/ REVERSAL OF VALUE	RECLASSIFIED FROM/(TO) OTHER ITEMS	OTHER MOVEMENTS INCREASES/(DECREASES)	FINAL FACE AMOUNT	FINAL WRITE-DOWN FUND	FINAL NET VALUE
Due from subsidiaries beyond the next fiscal year	0	0	0	528.319	0	528.319
Towards other payables within the following fiscal year	0	0	66.205	322.998	0	322.998
Towards other receivables beyond the next fiscal year	0	0	115.212	12.138.661	0	12.138.661
Total	0	0	181.417	12.989.978	0	12.989.978

The summary transactions are shown below:

	FISCAL YEAR START VALUE	FISCAL YEAR VARIATIONS	FISCAL YEAR-END VALUE	AMOUNT DUE WITHIN FISCAL YEAR	AMOUNT DUE BEYOND FISCAL YEAR	INCLUDING RESIDUAL TERM EXCEEDING 5 YEARS
Fixed receivables from subsidiaries	528.319	0	528.319	0	528.319	0
Fixed receivables from others	12.280.242	181.417	12.461.659	322.998	12.138.661	0
Total fixed receivables	12.808.561	181.417	12.989.978	322.998	12.666.980	0

Non-current receivables for 315,2017 euros relate to the receivable from the investee Mintata SAS and, for 12,138,661 euros, refer to the portion due beyond one fiscal year from the receivable from Tuscany Group Srl originating from sale of the investment in Intertuscany Srl.

Equity investments in subsidiaries

The data relating to shareholdings in subsidiaries are reported below, pursuant to art. 2427, paragraph 1 number 5 C.C.:

	NAME	CITY, IF IN ITALY, OR FOREIGN COUNTRY	TAX CODE (FOR ITALIAN COMPANIES)	CAPITAL IN EUROS	PROFIT (LOSS) FOR THE LAST FISCAL YEAR IN EUROS	EQUITY IN EUROS	SHARE HELD IN %	BOOK VALUE OR CORRESPONDING CREDIT
	GOLD LAKE IP SRL	AREZZO	01947210512	120.000	8.799	250.291	100,00	584.793
Total								584.793

This company aims to design supply chain traceability, from mining to refining and the subsequent exclusive sale to Cartier of ethical gold. However, it is currently not operational. The data indicated in the table above refer to the financial statements as of 31 December 2021 because the financial statements as of 31 December 2022 have not yet been filed.

Fixed receivables - Breakdown by geographical area

The data regarding the subdivision of long-term receivables by geographical area is shown below, pursuant to art. 2427, paragraph 1 number 6 C.C.:

	GEOGRAPHICAL AREA	FIXED RECEIVABLES FROM SUBSIDIARIES	FIXED RECEIVABLES FROM OTHERS	TOTAL FIXED RECEIVABLES
	ITALY	528,319	12.138.661	12.666.980
	ABROAD	0	322.998	322.998
Total		528,319	12.461.659	12.989.978

DETAILS OF THE INVESTMENT VALUE HELD IN OTHER COMPANIES

	DESCRIPTION	ACCOUNTING VALUE
	BANCO POPOLARE	4,241
	PRATACCI SHOPPING CENTER	276
	CONAI CONSORTIUM	281
	COOPERATIVE CREDIT BANK OF ANGHIARI AND STIA	10,296
	STARCORE INTERNATIONAL MINES	1,225,270
	ARIS MINING CORP	873,631
	MINTATA SAS	3,840
Total		2,117,835

Current Assets

Inventories

The quantities were recorded through a physical inventory drawn up at fiscal year-end.

Inventories included in current assets amount to €19,733,058 (€33,333,292 in previous fiscal year).
The individual items' composition and movements are represented as follows:

	VALORE DI INIZIO ESERCIZIO	VARIAZIONE NELL'ESERCIZIO	VALORE DI FINE ESERCIZIO
Finished products and goods	33.333.292	-13.600.234	19.733.058
Total inventories	33.333.292	-13.600.234	19.733.058

Credits

Receivables included in current assets amount to €19,796,401 (€19,993,845 in previous fiscal year).

Receivables - Distinction by maturity

The data regarding the subdivision of receivables by maturity, pursuant to art. 2427, paragraph 1 number 6 C.C.:

	FISCAL YEAR START VALUE	FISCAL YEAR VARIATION	FISCAL YEAR-END VALUE	AMOUNT DUE WITHIN FISCAL YEAR	AMOUNT DUE BEYOND FISCAL YEAR	INCLUDING WITH A RESIDUAL TERM OF MORE THAN 5 YEARS
Receivables from customers entered under current assets	9.648.028	-326.689	9.321.339	9.321.339	0	0
Receivables from subsidiaries entered under current assets	273.109	-273.109	0	0	0	0
Tax receivables entered under current assets	1.063.172	-641.952	421.220	421.220	0	0
Deferred tax assets recorded under current assets	242.214	151.200	393.414			
Receivables from others included in current assets	8.767.322	893.106	9.660.428	9.648.517	11.911	0
Total receivables entered under current assets	19.993.845	-197.444	19.796.401	19.391.076	11.911	0

The tax credits item pertains to advances paid on income taxes and VAT credits.

The deferred tax assets item for €393,414.00 pertains to the discrepancy between the fiscal and statutory accruals on the amortization of the trademark revaluation for €72,000.00 and the difference of €321,414.00 due to provisions on the taxed risk provision.

Receivables - Breakdown by geographical area

The data regarding the subdivision of receivables entered under current assets by geographical area, pursuant to art. 2427, paragraph 1 number 6 C.C.:

	TOTAL		
Geographical area		ITALY	ABROAD
Receivables from customers entered under current assets	9.321.339	2.775.527	6.545.812
Tax receivables entered under current assets	421.220	421.220	0
Deferred tax assets recorded under current assets	393.414	393.414	0
Receivables from others included in current assets	9.660.428	6.475.310	3.185.118
Total receivables entered under current assets	19.796.401	10.065.471	9.730.930

Cash and cash equivalents

Cash and cash equivalents included in current assets amount to €55,488,753 (€53,026,553 in previous fiscal year). The individual items' composition and movements are represented as follows:

	FISCAL YEAR START VALUE	FISCAL YEAR VARIATION	FISCAL YEAR-END VALUE
Bank and postal deposits	53.016.427	2,456,898	55,473,325
Cash and other valuables on hand	10.126	5.302	15,428
Total cash and cash equivalents	53.026.553	2,462,200	55,488,753

Prepayments and Accrued Income

Accrued income and prepaid expenses amount to €485,316 (€377,941 in the previous fiscal year). The individual items' composition and movements are represented as follows:

	FISCAL YEAR START VALUE	FISCAL YEAR VARIATION	FISCAL YEAR-END VALUE
Accrued income	2.054	7,822	9,876
Active prepayments	375,887	99,553	475,440
Total accrued income and prepaid expenses	377,941	107,375	485,316

Breakdown of accrued income:

	DESCRIPTION	AMOUNT
	Interest income	7.822
	Others of no appreciable amount	2.054
Total		9.876

Composition of prepayments:

	DESCRIPTION	AMOUNT
	Interest coverage premiums	290.227
	Interest expense ADE	20.578
	Insurance	99.233
	Legal fees	28.072
	Expenses costs certif.	19.013
	Maintenance contracts	6.109
	Software fees	5.451
	Others of no appreciable amount	6.757
Total		475.440

INFORMATION ON THE BALANCE SHEET LIABILITIES AND SHAREHOLDERS' EQUITY

Net Assets

The existing shareholders' equity at fiscal year-end amounted to €35,328,852 (€31,987,783 in the previous fiscal year).

The tables below show the movements undergone during the fiscal year by the individual items that make up the shareholders' equity:

	FISCAL YEAR START VALUE	ALLOCATION OF DIVIDENDS	OTHER DESTINATIONS	INCREASES
Capital	16.000.000	0	0	9.000.000
Legal reserve	1.553.084	0	83.000	0
Statutory reserves	8.121.066	0	1.076.568	0
Other reserves				
Miscellaneous other reserves	4.829.301	0	0	0
Total other reserves	4.829.301	0	0	0
Reserve for hedging transactions of expected cash flows	-175.236	0	0	0
Profits (losses) carried forward	0	0	500.000	0
Fiscal year profit (loss)	1.659.568	0	-1.659.568	0
Total net equity	31.987.783	0	0	9.000.000

	DECREASES	RECLASSIFICATIONS	OPERATING RESULT	FISCAL YEAR-END VALUE
Capital	0	0		25.000.000
Legal reserve	0	0		1.636.084
Statutory reserves	4.170.700	0		5.026.934
Other reserves				
Miscellaneous other reserves	4.829.302	0		-1
Total other reserves	4.829.302	0		-1
Reserve for hedging transactions of expected cash flows	0	1.167.490		992.254
Profits (losses) carried forward	160.000	0		340.000
Fiscal year profit (loss)	0	0	2.333.581	2.333.581
Total net equity	9.160.002	1.167.490	2.333.581	35.328.852

Availability and use of equity items

In the tables below, the information can be inferred as required by article 2427, paragraph 1 number 7-bis C.C.; it specifies equity items with reference to their origin, possibility of use and distributability, as well as their use in the previous fiscal years:

	AMOUNT	POSSIBILITY OF USE	QUOTA AVAILABLE
Capital	25.000.000		0
Legal reserve	1.636.084	AB	1.636.084
Statutory reserves	5.026.934	ABCD	5.026.934
Other reserves			
Miscellaneous other reserves	-1		0
Total other reserves	-1		0
Reserve for hedging transactions of expected cash flows	992.254		0
Profits carried forward	340.000		0
Total	32.995.271		6.663.018
Residual share distributable			6.663.018
Legend: A: for capital increase B: to cover losses C: for distribution to shareholders D: for other statutory restrictions E: other			

As highlighted above, the company's extraordinary shareholders' meeting held on 15 February 2022 approved a free share capital increase from €16,000,000.00 to €25,000,000.00 released through the use:

as for Euro 4,829,299.35 of the entire revaluation reserve amount formed pursuant to art. 110 of Legislative Decree 14 August 2020 no. 104, converted into Law 13 October 2020 no. 126;

as for Euro 4,170,700.65 of a part of the statutory reserve set up with profits allocated to it over time.

Consequently, 1,800,000 new shares were issued with a par value of €5.00 each. They were assigned to the shareholders in proportion to those held by them.

Reserve for hedging transactions of expected cash flows

The table below summarizes information required by article 2427-bis, paragraph 1 number 1 item b-quater) of the Italian Civil Code regarding the specification of the movements that occurred during the fiscal year:

	RESERVE FOR EXPECTED CASH FLOW HEDGING TRANSACTIONS.
Fiscal year start value	-175.236
Fiscal year variations	
Increase due to change in fair value	1.167.490
Fiscal year-end value	992.254

The reserve represents the positive change between the fair value at fiscal year end and the notional value of the three-fiscal year IRS interest rate hedging contract on 90% of the loan taken out in a banking pool with a SACE guarantee.

Provisions For Risks and Charges

Provisions for risks and charges are recorded under liabilities for a total of €1,339,224 (€1,034,460 in the previous fiscal year). The individual items' composition and movements are represented as follows:

	PROVISION FOR RETIREMENT BENEFITS AND SIMILAR OBLIGATIONS	PROVISION FOR TAXES, INCLUDING DEFERRED	PASSIVE DERIVATIVE FINANCIAL INSTRUMENTS	OTHER FUNDS	TOTAL PROVISIONS FOR RISKS AND CHARGES
Fiscal year start value	0	0	175.236	859.224	1.034.460
Fiscal year variations					
Provision during the year	0	0	0	500.000	500.000
Use in fiscal year	0	0	0	20.000	20.000
Other variations	0	0	-175.236	0	-175.236
Total variations	0	0	-175.236	480.000	304.764
Fiscal year-end value	0	0	0	1.339.224	1.339.224

The provision for a generic risk provision amounting to Euro 500,000.00 was entered.

Tfr

Employee severance indemnities are recorded under liabilities for a total of €706,672 (€608,412 in the previous fiscal year).

The individual items' composition and movements are represented as follows:

	EMPLOYEE SEVERANCE PAY
Fiscal year start value	608.412
Fiscal year variations	
Provision during the year	180.348
Use in fiscal year	67.564
Other variations	-14.524
Total variations	98.260
Fiscal year-end value	706.672

Payables

Payables are recorded under liabilities for a total of €91,202,293 (€102,177,991 in the previous fiscal year).

Payables - Distinction by maturity

The data regarding the breakdown of payables by maturity, pursuant to art. 2427, paragraph 1 number 6 C.C.:

	FISCAL YEAR START VALUE	FISCAL YEAR VARIATION	FISCAL YEAR-END VALUE	AMOUNT DUE WITHIN FISCAL YEAR	AMOUNT DUE BEYOND FISCAL YEAR	INCLUDING WITH A DURATION OF MORE THAN 5 YEARS
Payables to banks	61.996.569	7.802.040	69.798.609	51.708.661	18.089.948	0
Advance payments	21.743.882	-19.386.502	2.357.380	2.357.380	0	0
Payables to suppliers	17.321.945	-132.080	17.189.865	17.189.865	0	0
Tax payables	181.783	700.910	882.693	882.693	0	0
Payables to welfare and social security institutions	105.144	26.910	132.054	132.054	0	0
Other payables	828.668	13.024	841.692	841.692	0	0
Total payables	102.177.991	-10.975.698	91.202.293	73.112.345	18.089.948	0

The item “payable to banks” is equal to €69,798,608 and includes mortgages payable. The banking syndicate transaction with SACE guarantee for residual amount of €35,000,000 expresses the effective debt for accrued and payable principal and ancillary charges.

The item “Tax payables” includes only the liabilities for certain and determined taxes, being the liabilities for taxes that are probable or uncertain in amount or date of occurrence. In detail, the taxes for employee and professional withholdings the company made and the residual payable in installments on substitute tax for brand revaluation are ascribed to this item.

Payables - Breakdown by geographical area

The data regarding the breakdown of payables by geographical area, pursuant to art. 2427, paragraph 1 number 6 C.C.:

	TOTAL		
Geographical area		ITALY	ABROAD
Payables to banks	69.798.609	59.724.103	10.074.506
Advance payments	2.357.380	752.989	1.604.391
Payables to suppliers	17.189.865	10.554.323	6.635.542
Tax payables	882.693	882.693	0
Payables to welfare and social security institutions	132.054	132.054	0
Other payables	841.692	841.692	0
Payables	91.202.293	72.887.854	18.314.439

Payables secured by real guarantees on corporate assets

Below is the information concerning real guarantees on corporate assets, pursuant to art. 2427, paragraph 1 number 6 C.C.:

	PAYABLES NOT SECURED BY REAL GUARANTEES	TOTAL
Payables to banks	69.798.609	69.798.609
Advance payments	2.357.380	2.357.380
Payables to suppliers	17.189.865	17.189.865
Tax payables	882.693	882.693
Payables to welfare and social security institutions	132.054	132.054
Other payables	841.692	841.692
Total payables	91.202.293	91.202.293

Accrued Payables and Deferred Income

Accrued expenses and deferred income are recorded under liabilities for a total of €263,799 (€274,901 in the previous fiscal year). The individual items' composition and movements are represented as follows:

	FISCAL YEAR START VALUE	FISCAL YEAR VARIATION	FISCAL YEAR-END VALUE
Accrued liabilities	186.638	31.473	218.111
Deferred income	88.263	-42.575	45.688
Total accrued expenses and deferred income	274.901	-11.102	263.799

Composition of accrued expenses:

	DESCRIPTION	AMOUNT
	Bank interest expense	198.161
	Fund availability commissions	9.938
	Bank charges	10.207
	Others of no appreciable amount	195
Total		218.501

Breakdown of deferred income:

	DESCRIPTION	AMOUNT
	Credit tax new investments	34.288
	Property tax credit 4.0	8.287
	Rents	2.870
	Others of no appreciable amount	243
Total		45.688

INFORMATION ON INCOME ACCOUNT

Production Value

Revenues from sales and services - Breakdown by category of activity

Pursuant to art. 2427, paragraph 1 number 10 C.C., the breakdown of revenues by category of activity is shown in following tables:

	ACTIVITY CATEGORY	CURRENT FISCAL YEAR VALUE
	Merchandise sales	3.564.396.364
	Provision of services	2.460.000
	Other	853.657
Total		3.567.710.021

Revenues from sales and services - Breakdown by geographical area

Pursuant to art. 2427, paragraph 1 number 10 C.C., the following tables show breakdown of revenues by geographical area:

	GEOGRAPHICAL AREA	CURRENT FISCAL YEAR VALUE
	ITALY	1.367.051.115
	ABROAD	2.200.658.906
Total		3.567.710.021

Production costs

Production costs went from €3,574,756,922 in 2021 to €3,563,691,428 in 2022 with a decrease of €11,065,494; these present the subdivision best highlighted in income statement.

Financial Income and Expenses

Interest and other financial charges - Breakdown by payable type

Pursuant to art. 2427, paragraph 1 number 12 C.C., the breakdown of the item “interest and other financial charges” is shown in following table:

	INTEREST AND OTHER FINANCIAL CHARGES
Payables to banks	3.340.123
Totale	3.340.123

Gains and losses on foreign exchange

Below is the information concerning the breakdown of exchange gains and losses deriving from the fiscal year-end valuation compared with those actually realized:

	EVALUATION PART	MANUFACTURED PART	TOTAL
Profits on foreign exchange	0	565.393	565.393
Exchange losses	0	455.831	455.831

Current, Deferred and Prepaid Income Taxes

The composition of the individual items is represented as follows:

	CURRENT TAXES	TAXES RELATING TO PREVIOUS YEARS	DEFERRED TAXES	ADVANCE TAXES	INCOME (CHARGES) FROM PARTICIPATION IN CONSOLIDATED TAX/FISCAL TRANSPARENCY REGIME
IRES	903.058	0	0	151.200	
IRAP	353.864	0	0	0	
Totale	1.256.922	0	0	151.200	0

The deferred taxes also contain the reversals on initial recognitions of the 'Deferred tax provision' which directly affected the shareholders' equity.

The following tables, drafted based on the indications suggested by OIC 25, contain the information required by art. 2427, paragraph 1 number 14, item a) and b) C.C.. They contain information on the summary values of the fiscal year movement of 'Total prepaid and deferred taxes' and on the composition of the deductible temporary differences which gave rise to 'Prepaid tax assets.'

	IRES
A) Temporary differences	
Total deductible temporary differences	630.000
Total taxable temporary differences	0
Net temporary differences	-630.000
B) Tax effects	
Provision for deferred (prepaid) taxes at fiscal year start	-242.214
Deferred (prepaid) taxes for the fiscal year	-151.200
Provision for deferred (prepaid) taxes at fiscal year end	-393.414

DESCRIPTION	AMOUNT AT PRIOR FISCAL YEAR-END	VARIATION OCCURRING DURING THE FISCAL YEAR	AMOUNT AT FISCAL YEAR END	IRES RATE	IRES TAX EFFECT	IRAP RATE	IRAP TAX EFFECT
Bad debts and provisions for non-deductible credit risks	0	480.000	480.000	24,00	115.200	0	0
Brand name	0	150.000	150.000	24,00	36.000	0	0

Based on the pertinent regulatory provisions, the tax receivable and payable amounts are shown in financial statements considering the compensation between them according to the following detail:

A) Offset tax credits	
R&D tax credit	125.771
VAT credit	301.630
GSE withholdings	1.874
Interest withholdings	5.665
Ires advances	240.032
Irap advances	235.139
B) Offset tax payables	
TFR tax advance	6.182
IRES debt	903.058
Irap debt	353.864

OTHER INFORMATION

Research and development activities

Also during the 2022 fiscal year, our company conducted research and development activities for technological innovation and focused its efforts in particular on projects that are considered particularly innovative, in the Arezzo plant, Loc. San Zeno.

The individual projects developed are summarized below:

Study and development of BPMN models for “management of financial flows” of “physical metal” and algorithms integrated into the platform’s blockchain to manage transaction hedging and information exchange with the current accounting system;

Study and experimental development of innovative Sustainable Gold projects: from the “responsible supply chain” to laboratory tests to evaluate plant solutions with physical methods to contain the costs of separating “sustainable” gold and precious metals without using chemicals;

Study and development of an operating model by analyzing the review of existing company procedures and processes.

It is hoped that these innovations’ positive outcome will generate results in terms of increased turnover and enhancement of company efficiency with favorable effects on management economy.

The Company, as required by Legislative Decree no. 14/2019 (Crisis and business insolvency code), adopts an organizational, administrative and accounting structure appropriate to the company’s nature, also as a function of timely detection of the business crisis and taking suitable initiatives.

With the Board of Directors resolution of 26 October 2022, the Company adopted the “Prevention Model” pursuant to Legislative Decree no. 231/2001,”

Employment data

Below is the information concerning personnel, pursuant to art. 2427, paragraph 1 number 15 C.C.:

	AVERAGE NUMBER
Executives	10
Employees	33
Workers	33
Total Employees	76

Fees to corporate bodies

Below is the information concerning the directors and statutory auditors, pursuant to art. 2427, paragraph 1 number 16 C.C.:

	ADMINISTRATORS	AUDITORS
Compensation	350.000	36.400

Fees to the statutory auditor or to the auditing firm

Below is the information concerning the statutory auditor or auditing company fees pursuant to art. 2427 paragraph 1 number 16 bis C.C.:

	VALUE
Statutory audit of annual accounts	34.400
Total fees due to the statutory auditor or auditing firm	34.400

Categories of shares issued by the company

The information required by article 2427, paragraph 1 number 17 C.C. regarding the data on the shares that make up the company's capital, the number and face value of the shares subscribed during the fiscal year can be inferred from the following tables:

	DESCRIPTION	INITIAL AMOUNT, NUMBER	SHARES SUBSCRIBED DURING THE FISCAL YEAR, NUMBER	SHARES SUBSCRIBED DURING THE FISCAL YEAR, FACE VALUE	FINAL AMOUNT, NUMBER	FINAL AMOUNT, FACE VALUE
	ORDINARY SHARES	3.200.000	1.800.000	5	5	5
Total		3.200.000	1.800.000	5	5	5

Commitments, guarantees and contingent liabilities not shown in balance sheet

There are no commitments, guarantees and contingent liabilities not shown in balance sheet.

Transactions with related parties

It is specified, pursuant to art. 2427, paragraph 1 no. 22-bis C.C., that the company, during the 2022 fiscal year, did not conduct transactions with related parties to be reported pursuant to this provision.

Information pursuant to art. 1 paragraph 125, of Law 4 August 2017 no. 124

Pursuant to art. 1, paragraph 125-bis, of Law 4 August 2017, no. 124, the company has received subsidies, subsidies, advantages, contributions or aid, in cash or in kind, not of a general nature and without consideration, remuneration or compensation, from public administrations referred to in article 1, paragraph 2, of legislative decree 30 March 2001, no. 165 and by the subjects referred to in art. 2-bis of Legislative Decree 14 March 2013, no. 33. These aids, disbursed under the de minimis regime, are fully published in the National Register of State aids, therefore, as provided for by paragraph 125-quinquies of the Law of 4 August 2017, said publication replaces the obligations referred to in paragraphs 125 and 125-bis.

The details of the related amounts are shown below:

DELIVERY SUBJECT	CONTRIBUTION VALUE	APPLICATION STATUS (APPLIED/ DISPENSED/DETERMINED/ COMPENSATED) *	DATE	REGULATORY REFERENCE
Italian state	28.436,11€	Partially residual plywood to compensate 1/3	19/AUG/2021 15/FEB/2022	Research & Development L. 190 and subsequent amendments 2020
Italian state	32.014,67€	Partially residual plywood to be compensated 2/3	16/MAY/2022	Research & Development L. 190 and subsequent amendments 2021
Italian state	5.036,00€	Compensation	15/FEB/2022	Sanitization & PPE credit (art.125 DL 34/2020)
Italian state	35.532,00€	Partially residual plywood to compensate 1/3	16/MAY/2022 15/FEB/2023	Credit 10% capital goods Law 232 of 11/12/2016
Italian state	55.248,00€	Determined 2021 to be compensated		Tax credit for investments in capital goods 4.0
Italian state	16.012,91€	Determined		Credit 6% capital goods Law 232 of 11/12/2016

Allocation of fiscal year result

Pursuant to the law and the articles of association, we submit the financial statements as of 31 December 2022 for your approval, as well as the proposal to allocate the profit for the fiscal year, equal to €2,333,580.79, as follows:

1. 5% rounded up, equal to €117,000.00, to the legal reserve;
2. €1,716,580.79 to the statutory reserve;
3. carry forward the remainder, equal to €500,000.00.

Declaration of Compliance

Copy corresponding to the documents kept at the company.

REPORT OF
THE BOARD OF
STATUTORY
AUDITORS TO THE
SHAREHOLDERS'
MEETING
PURSUANT TO ART.
2429, PARAGRAPH
2, OF THE CIVIL
CODE

Dear shareholders of ITALPREZIOSI SPA,

This report was approved collectively and in good time for its filing at the company's headquarters, in the 15 days preceding the date of the first call to the shareholders' meeting to approve the financial statements under comment.

The administrative body thus made available the following documents approved on 30/MAR/2023, regarding the financial year ending 31/DEC/2022:

- draft budget, complete with explanatory notes;
- management report.

During the financial year ending 31/DEC/2022, our activity was inspired by the provisions of the law and the rules of conduct of the board of statutory auditors issued by the National Council of Chartered Accountants and Accounting Experts, in compliance with which we conducted the self-assessment, with a positive outcome, for each member of the board of statutory auditors.

Since the Board of Statutory Auditors was not in charge of the statutory audit, it conducted the supervisory activities envisaged in Rule 3.8 of the "Rules of conduct of the board of statutory auditors of unlisted companies" consisting of an overall summary check aimed at verifying that the financial statements were correctly edited. The person in charge of the statutory audit is responsible for verifying compliance with the accounting data.

As regards the duties of the Statutory Audit of Accounts, with the approval of the Financial Statements for the year ending 31 December 2022, the audit assignment entrusted to BDO Italia SpA will expire, having been appointed by shareholders' meeting resolution on 19 May 2020 for the three-year period 2020-2022.

As for the process of renewing the Independent Auditors, based on the offers collected by the Board of Directors, the Board of Statutory Auditors issued, on 31 March 2023, the reasoned proposal, pursuant to art. 13, co. 1, of Legislative Decree 27 January 2010, No. 39 for the appointment of the statutory auditor of the accounts.

Therefore, the Shareholders' Meeting convened on 21 April 2023 will be called upon to confer the task of statutory auditing of the accounts for the financial years 2023-2025.

Now therefore, we give an account of our work for the year ending 31 December 2022.

Supervisory activity pursuant to art. 2403 et seq., Civil Code.

We have supervised compliance with the law and the deed of incorporation and compliance with the principles of correct administration.

We have participated in shareholders' meetings and board of directors' meetings, regarding which, based on the information available, we did not find any violations of the law or of the articles of association, or operations that are manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company's assets.

During the meetings held, we acquired information from the directors on the general management performance and its foreseeable evolution, as well as on the most significant transactions, due to their size or characteristics, conducted by the company and its subsidiaries. Based on the information acquired, we have no particular observations to report.

We met the person in charge of the statutory audit. We promptly exchanged data and information relevant to the performance of our supervisory activity.

Furthermore, given that the company adopted the Organizational Model pursuant to Legislative Decree 8 June 2001, No. 231 and approved by the administrative body on 26/OCT/2022, the supervisory body was appointed on the same date in the persons of Dr. Nannini Luca, Atty. Vezzosi Fabio, Dr. Faltoni Umberto. We met the Supervisory Body and read its reports. No critical issues emerged regarding proper

implementation of the organizational model that need to be highlighted in this report.

We acquired knowledge and supervised, as far as we are responsible, the company organizational structure's adequacy and functioning, also through collection of information from the heads of the functions. In this regard, we have no particular observations to report.

To the extent of our competence, we acquired knowledge and supervised the administrative-accounting system's adequacy and functioning, as well as its reliability in correctly representing management events, by obtaining information from the heads of the functions and through examination of corporate documents. In this regard, we have no particular observations to report.

The Auditor received no complaints from the shareholders pursuant to Civil Code article 2408.

The Auditor issued no legal opinions during the fiscal year.

During the supervisory activity, as described above, no further significant facts emerged requiring inclusion in this report.

Observations regarding financial statements

From that is reported by the entity in charge of the statutory audit, “The financial statements provide a true and fair view of the equity and financial situation of Italpreziosi SpA on 31/DEC/2022, of the economic result and cash flows for the year ending on such date in compliance with the Italian regulations governing the drafting criteria.”

As far as we are aware, the directors, in preparing the financial statements, did not deviate from the provisions of the law pursuant to art. 2423, paragraph 4, C.C.

Pursuant to art. 2426, no. 5 of the civil code, we have expressed our consent to the recognition of development costs of € 250,833 in the statement of assets and liabilities.

Pursuant to art. 2426, no. 6 c.c., we expressed our consent to the entry of goodwill in the statement of assets and liabilities for € 1,419,130.

The net result ascertained by the administrative body for the year ending 31/DEC/2022, as also evident from reading the financial statements, is positive for Euro

2,333,581.

As for the revaluation of the assets conducted pursuant to and for the purposes of Law 126/2020, we certify that it does not exceed the value actually attributable to the assets themselves as determined pursuant to a specific expert assessment performed by the international firm Crowe Bompani SpA, which used the Relief from Royalty criterion.

As mentioned, the Company conferred the task of the statutory account audit to the statutory auditing firm BDO, recorded in the registry set up at the Ministry of Justice, pursuant to article 2409-bis and following of the Civil Code.

Independent Auditors report pursuant to art. 14 Legislative Decree 27 January 2010, no. 39 relating to the financial statements as of 12/31/2022 was prepared on 06/APR/2023 and does not highlight any findings for significant deviations, negative judgments, or the impossibility of expressing an opinion or disclosures. Therefore, the opinion issued is positive.

Observations and proposals regarding approval of the financial statements

Considering the results of the activity we conducted as well as the results of the activity the independent auditors conducted on the statutory audit of accounts contained in the report pursuant to art. 14 Legislative Decree 27 January 2010, No. 39, a report which expresses a positive opinion, the Board of Statutory Auditors proposes to the shareholders’

meeting to approve the financial statements for the year ending 31 December 2022, as prepared by the directors.

The board agrees with the directors’ proposal for allocation of the operating result in the explanatory note.

REPORT OF THE
INDEPENDENT
AUDITING FIRM
PURSUANT TO
ART. 14 OF
LEGISLATIVE
DECREE 27 JANUARY
2010, NO. 39



ITALPREZIOSI S.P.A.

Independent auditor's report
pursuant to art. 14 of
Legislative Decree 27 January 2010,
Financial statements on 31 December 2022

Protocol No RC053592022BD1270

Report of the independent auditing firm pursuant to art. 14 of Legislative Decree 27 January 2010, No. 39

To the Shareholders of
Italpreziosi SpA

Report on the fiscal year statement audit

Opinion

We conducted the fiscal year statement audit for Italpreziosi SpA (Company) consisting of the statement of assets and liabilities on 31 December 2022, the income statement and the cash flow statement for the year ending on that date and the explanatory notes.

In our opinion, the separate financial statements provide a true and fair view of the Company's equity and financial position on 31 December 2022 and of the economic result and cash flows for the fiscal year ending on that date, in compliance with Italian regulations that govern the drafting criteria.

Basis for opinion

We conducted the audit pursuant to international auditing standards (ISA Italia). Our responsibilities under these standards are further described in this report's *Responsibility of the independent auditors for auditing the fiscal year statements section*. We are independent of the Company in compliance with the rules and principles on ethics and independence applicable in the Italian legal system to auditing of financial statements. We believe that we obtained sufficient appropriate audit evidence upon which to base our opinion.

Responsibility by the directors and the board of statutory auditors for the fiscal year statements

The directors are responsible for preparing the fiscal year statements that provide a true and fair view in compliance with the Italian regulations governing the preparation criteria and, within the terms established by law, for that part of the internal control they deem necessary to allow the preparation of fiscal year statements that do not contain significant errors due to fraud or unintentional behavior or events.

The directors are responsible for assessing the Company's ability to continue to operate as a going concern and, in preparing the fiscal year statements, for the appropriateness of using the going concern assumption, as well as for adequate information on matter. The directors use the going concern assumption in preparing the fiscal year statements unless they assess that the conditions exist for Company liquidation or for the interruption of the activity or they have no realistic alternatives to such choices.

The board of statutory auditors is responsible for supervising, within the terms established by law, the process of preparing the Company's financial information.



Independent auditors' responsibility for auditing the fiscal year statements

Our objectives are to acquire reasonable assurance that the fiscal year statements as a whole do not contain significant errors, due to fraud or unintentional behavior or events, and to issue an audit report that includes our opinion. Reasonable certainty means a high level of certainty which, however, does not provide the guarantee that an audit conducted pursuant to international auditing standards (ISA Italia) will always identify a significant error, if any. Errors can derive from fraud or from unintentional behavior or events and are considered significant if they, individually or as a whole, can reasonably be expected to influence users' economic decisions based on the fiscal year statements.

As part of the audit conducted pursuant to international auditing standards (ISA Italia), we exercised professional judgment and maintained professional skepticism throughout the audit. Furthermore:

- we identified and assessed the risks of significant errors in the fiscal year statements, due to fraud or unintentional behavior or events; we designed and performed audit procedures in response to these risks; we obtained sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional behavior or events, as fraud may involve the existence of collusion, forgery, intentional omissions, misrepresentations or overrides of internal control;
- we acquired an understanding of the internal control relevant for audit purposes to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the Company's internal control;
- we assessed the appropriateness of the accounting principles used as well as the reasonableness of the accounting estimates the directors made, including the related disclosures;
- we reached a conclusion on the appropriateness of the directors' use of the going concern assumption and, based on the audit evidence obtained, on the possible existence of a significant uncertainty regarding events or circumstances that could give rise to significant doubts on the Company's ability to continue to operate as a going concern. In the presence of a material uncertainty, we are required to draw attention in the audit report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to reflect this circumstance in formulating our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may cause the Company to cease to operate as a going concern;
- to provide a fair representation, we evaluated the presentation, structure and content of the fiscal year statements as a whole, including the disclosures, and whether the fiscal year statements represent the underlying transactions and events.

We communicated to those charged with governance, identified at an appropriate level as required by the Italy ISAs, among other matters, the planned scope and timing of the audit and the significant findings, including any significant deficiencies in internal control identified during the audit.

Report on other legal and regulatory provisions

Opinion pursuant to art. 14, paragraph 2, item e), of Legislative Decree 27 January 2010, No. 39

The directors of Italtreppiosi SpA are responsible for preparation of the Italtreppiosi SpA management report on 31 December 2022, including its consistency with the related fiscal year statements and its compliance with the law.

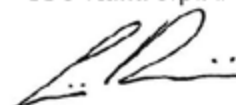
We have conducted the procedures indicated in the auditing principle (SA Italia) No. 720B to express an opinion on the consistency of the management report with the Italtreppiosi SpA fiscal year statements on 31 December 2022 and on its compliance with the law, as well as to issue a statement on any material errors.

In our opinion, the management report is consistent with the Italtreppiosi SpA fiscal year statements on 31 December 2022 and is drafted in compliance with the law.

With reference to the declaration pursuant to art. 14, paragraph 2, item e), of Legislative Decree 27 January 2010, No. 39, issued based on the knowledge and understanding of the company and its context acquired during the auditing activity, we have nothing to report.

Florence, 6 April 2023.

BDO Italia S.p.A.



Luigi Riccetti
Socio

Notes

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