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PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE DRAFT CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

GROUP NET PROFIT UP TO EUR 50,5 MLN DUE TO CAPITAL GAIN FROM DIVESTMENT OF GRUPPO ZAFFIRO AND POSITIVE CONTRIBUTIONS FROM INVESTEES

SHARP IMPROVEMENT IN THE CONSOLIDATED NET FINANCIAL POSITION, POSITIVE FOR EUR 74 MLN (BEFORE IFRS 16) / EUR 42 MLN (AFTER IFRS 16)

GROUP SHAREHOLDERS' EQUITY INCREASED TO EUR 259,4 MLN (EUR 3,19 PER SHARE), NET OF 10,0 MLN DIVIDEND PAID AT THE BEGINNING OF 2023

- **Net Group result** amounted to EUR 50.5 million, due to a combined effect of the sale of Gruppo Zaffiro with a revenue impact of EUR 41.8 million and a robust performance of other investment verticals during the reporting period. The Group net profit, excluding the Zaffiro transaction, would have amounted to EUR 8.7 million.
- **Consolidated revenues** amounted to EUR 151.4 million (EUR 155.3 million in the previous year and net of Gruppo Zaffiro's contribution), thanks to the contributions of the industrial investees to the Group consolidated item, in particular: EUR 65.8 million (EUR 75.7 million in the previous year) from the Design sector; EUR 44.0 million (EUR 38.6 million in the previous year) from the Automotive sector, EUR 23.1 million (EUR 23.1 million in 2022) from the Clothing sector and EUR 15.6 million from the Windows sector.
- **Consolidated EBITDA** for the year amounted to EUR 14.9 million (compared to EUR 21.6 million in the comparison period, net of Gruppo Zaffiro). Operating EBITDA amounted to EUR 18.5 million (EUR 21.6 million in the comparison period, net of the contribution from Gruppo Zaffiro).
- **Group Shareholders' equity** as of December 31, 2023 amounted to EUR 259.4 million, an increase of EUR 39.8 million compared to EUR 219.6 million as of December 31, 2022. The net increase is mainly explained by the result for the year, amounting to EUR 50.5 million (including significant contribution from the divestiture of Gruppo Zaffiro), net of the dividend paid by Mittel S.p.A. in February 2023, equal to EUR 10 million (EUR 0,12 per share).
- **Net financial position** of Mittel and of its longstanding shareholdings (system of holdings) was positive for EUR 66.9 million, a sharp increase compared to EUR 53.3 million as of December 31, 2022. **Consolidated net financial position** (excluding IFRS 16 financial liabilities) amounted to positive EUR 74.4 million, a very strong improvement compared to negative EUR 6.4 million as of December 2022, which also incorporates the significant positive net financial position of the Design sector. **Consolidated net financial position (including IFRS 16 financial liabilities)** amounted to positive EUR 42.3 million, compared to negative EUR 271.0 million as of December 31, 2022 (which incorporated the significant IFRS 16 liabilities of the Nursing Home (RSA) sector).
- During the FY2023, Mittel S.p.A. **invested in a new real estate project in Milan/Via Cavriana**, in a highly potential urban area characterised by extensive greenery and urban gardens. In July, the investment portfolio was furtherly expanded and diversified through the **acquisition of Gruppo Finestre**, specialising in **production and distribution of windows & doors**. During the last quarter of FY2023, other three companies operating within the same sector were acquired, namely: Daga S.r.l., Castiglioni Serramenti S.r.l. and Serramenti Verona S.r.l.. These investments fit perfectly into the Group's sustainable development plans.
- Despite the geo-political instability, its unforeseeable duration and effects on the international economy as a whole, Mittel Group firmly confirms its aptitude for growth, by both exogenous and

*endogenous ways. As it clearly emerges from the financial data analysis of the last few years and, in particular, of FY2023, the **Group's solidity demonstrated** in difficult operating contexts highlights its **financial and operational resilience**.*

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Milan, April 24, 2024 – The Board of Directors of Mittel S.p.A., which met today under the chairmanship of Marco Giovanni Colacicco, approved the Directors' report on operations, the draft separate and consolidated financial statements of the year ended December 31, 2023.

Directors' report on operations

The FY2023 The year 2023 marked a further fundamental step in the Group's growth path, i.e. the completion of the sale of the Zaffiro Group, which took place on 28 June 2023. Exit from the Zaffiro Group took place upon completion of a successful build-up process, which was carried out within the nursing home sector during the timeframe in which Mittel held the investment. This process has led the investee to establish itself as one of the most important operators in the sector at national level, moving from the original 8 facilities managed (for about 900 beds) to 31 facilities (for about 2.600 beds).

The sale resulted in a gross capital gain (compared to the value of the original investment) for Mittel of EUR 28,5 million (amount equal to the difference between the sale price of EUR 42 million and the purchase value of the equity interest equal to EUR 13,5 million) and the recognition in the consolidated financial statements of a positive impact on profit attributable to the Group of EUR 45,4 million. At the same time as the aforementioned sale, Mittel also collected from the Zaffiro Group an amount of EUR 26,6 million, by way of repayment of principal and interest on shareholder loans previously granted to it for a principal amount of EUR 25 million. Therefore, the overall transaction led to the collection of financial resources of EUR 68,6 million, in addition to the elimination, at the level of the consolidated financial statements, of the extremely significant negative contribution of the net financial position of the Zaffiro Group, equal to EUR 271,5 million as at 31 December 2022 (amount significantly affected by the application of IFRS 16, equal to EUR 243,6 million). The overall positive impact on the consolidated accounting net financial position was therefore EUR 340,1 million.

With regard to the general market context in which the Mittel Group operated, the instability of the macroeconomic scenario, exacerbated during 2022, continued during 2023: the economic cycle remained weak, however, although remaining at high levels, inflation decreased compared to 2022 thanks to the sharp decrease in the energy component. Monetary restriction policies continued to affect the credit market with inevitable impacts on industrial production and consumption dynamics.

In 2023 the risks deriving from international political tensions, in particular from the Middle East since last October, also remained high; however, the solidity consistently demonstrated in recent years in the industrial sectors in which the Group operates (Design, Automotive and Clothing) has allowed the Group's solid financial and operational stability, limiting, on the whole, the negative impacts on the consolidated economic results achieved (net of significant positive contribution of the deconsolidation of the Zaffiro Group) in the year ended as at 31 December 2023. The sale of the Zaffiro Group finalised in July 2023 led to the exit from an operating segment particularly exposed to the risk of non-reversal of the rising costs, as well as entailing a further and significant increase in cash and cash equivalents.

The Design sector recorded a total turnover of EUR 65,8 million (EUR 75,7 million in the comparison year), maintaining margins (IFRS 16 net EBITDA of EUR 10,1 million, compared to EUR 15,3 million in the comparison year) and confirming the high cash generation capacity. After an extremely positive first quarter in terms of turnover, the companies recorded a slowdown. In the 2023 market context, characterised by persistent inflationary dynamics and the consequences of monetary policy decisions, it is possible to highlight the growing production and commercial synergies that the companies are continuing to achieve, operating as an integrated Group able to offer diversified and complementary products on different customer segments and on different geographical markets.

These aspects, together with the level of industrial, economic and financial solidity achieved with the continuous business growth recorded in recent years thanks to Mittel's investment strategy, should be suitable to limit the negative impacts of the current macroeconomic context in the coming quarters, confirming the important ability to create value in this vertical, demonstrated in recent years and attained through the active and direct management of the investment and the strong commitment of an industrial nature.

During 2023, the Automotive sector confirmed the operational recovery that began in 2022. The investee company IMC achieved a turnover of EUR 44,0 million (compared to EUR 38,6 million in 2022), thanks

to the renewed commercial offer aimed at seizing a wider range of opportunities in the current market context. This result was possible thanks to its high industrial capacity and its economic and financial soundness, also promoted by being part of the Mittel Group. EBITDA before IFRS 16 was EUR 5,8 million, compared to EUR 3,6 million recorded for the entire year 2022. The company benefited from the growth of the top line. After the end of the year, IMC completed a refinancing transaction on the debt deriving from the original acquisition. This transaction is aimed at optimising the company's deleverage process at more advantageous economic conditions.

Lastly, the Clothing sector recorded a turnover of EUR 23,1 million as at 31 December 2023 (in line with the comparison year) and a negative EBITDA before IFRS 16 of EUR 3,3 million (EUR 2,6 million in the comparison year). As is known, the sector investee generated its profit margins in the second half of the year, given the seasonal nature of the Ciesse Piumini brand, and also thanks to the contribution to the margins of the first collection under the new management of the Jeckerson brand, which until now has contributed through the royalties accrued to licensees and the sales made by the two outlets used for the valuation of the inventories acquired together with the brand.

It should also be noted that in the first half of 2023 an interesting investment opportunity in the real estate sector, located in Milan, in Via Cavriana, was identified, which last June led to the purchase by Mittel of 55% of the special purpose vehicle owning the asset to be developed, for an initial investment pertaining to Mittel of EUR 7,7 million. This is an ambitious project (5 buildings for 12.500 square meters of commercial area) in an area with high potential, for the construction of a new and well-structured residential complex surrounded by greenery, in an area subject to intense redevelopment and featuring extensive green areas and urban orchards. The project therefore fits perfectly into the Group's sustainable development plans. It is hoped that the building permit from the Municipality of Milan will be received during the year in order to launch the initiative.

The significant financial resources deriving from the Zaffiro sale transaction, which were added to those already available at the holding company level, also made it possible to implement a new investment in July 2023. Through its operating sub-holding Italian Windows Group S.r.l. ("IWG") Mittel acquired the company Gruppo Finestre S.r.l., thus accessing the high-quality technical performance windows and doors production and distribution sector.

The acquisition transaction involved the purchase, through equity, of 100% of Gruppo Finestre S.r.l. for a price of EUR 13,2 million by the vehicle IWG; Stefano Zanasi, an entrepreneur in the sector, reinvested in 30% of the share capital of IWG, sealing a strategic partnership with the entrepreneur aimed at growth.

With the investment in Gruppo Finestre, Mittel has launched a new vertical investment in the sector of windows, doors and other related solutions for energy efficiency, further expanding its portfolio of investments in diversified sectors, continuing along the path of investing in Italian SMEs of excellence, aimed at the creation of sustainable long-term value for all shareholders and other stakeholder categories.

Subsequently, the vehicle IWG continued to scout for new opportunities and acquired the entire share capital of two other entities in the sector, Daga Srl (with accounting acquisition date on 31 October 2023) and Castiglioni Serramenti Srl (with accounting acquisition date on 31 December 2023). In November 2023, Gruppo Finestre Srl also acquired the full share capital of Serramenti Verona Srl.

Among the main characteristics that make Gruppo Finestre a strategic investment, there is its commitment to sustainability, which is perfectly aligned with the objectives of Mittel S.p.A., given the important challenge of energy efficiency and reduction of emissions further promoted by the recent revision of the directive on energy efficiency in buildings (Energy Performance of Buildings Directive) approved by the European Union. In addition, the company has demonstrated solid cash generation and a strong positioning in the market, thanks to a diversified customer base and a direct sales strategy that makes it possible to preserve greater margins and consolidate the brand on the market. Entry into the capital by Mittel is aimed at supporting the growth process of Gruppo Finestre over a long-term time horizon. The prerequisite for development is based on the expansion of the commercial offer and the product distribution network on the various sales channels to further enhance the brand on the national market.

Daga Srl, Serramenti Verona Srl and Castiglioni Serramenti Srl: the entities acquired in the last quarter of 2023 are entities involved in the marketing and installation of windows and doors operating substantially in Emilia Romagna, Veneto and Piedmont respectively. On provisional basis, the goodwill recognised in relation to the aforementioned business combinations is equal to total of EUR 7,4 million.

In 2023, the Windows and Doors sector contributed a turnover of EUR 15,6 million (EUR 52,9 million in the entire 2023 net of intercompany sales) and an EBITDA before IFRS 16 of EUR 2,2 million (EUR 9,8

million in the entire year 2023). The positive result for the year also benefited from tax concessions and the possibility of “invoice discount” linked to the construction and energy efficiency field.

As regards non-core assets in the portfolio, after the constant results already obtained in the process of realisation of these assets in previous years (including the last significant collections in the property sector in 2022, with overall sales of EUR 17,6 million, including those relating to the Regina Teodolinda-Como and Metauro-Milan contracts), in 2023 there were no collections of similar entity.

Lastly, with regard to the holding system, it should be noted that in July 2023 the residual amount of the Mittel SpA 2017-2023 bond loan was fully repaid, completing the process of reducing structural costs, both of a financial and operational nature. The sale of the Zaffiro Group marked a further substantial step in the complete turnaround process of the Mittel Group, which is making it possible to vigorously pursue the process for creating value and increasing the Group size, both by supporting the growth of investment verticals and through the entry into new operating segments, where to best express its skills, as happened in 2023 with the Windows and Doors sector.

Group performance

The Group net profit for the year was EUR 50,5 million, incorporating the effects of the completion of the sale of the Zaffiro Group, which had a total impact on profit of EUR 41,8 million, deriving from: (i) consolidation of the investee until the date of sale, with a loss pertaining to the Group of EUR 2,5 million; (ii) the profit from deconsolidation of EUR 47,9 million (the net effect of the two direct components is therefore EUR 45,4 million); (iii) the indirect effect due to the accrual of the variable remuneration payable to the management of Mittel, as envisaged by the remuneration policy in force, amounting to EUR 2,9 million; (iv) the additional indirect effect due to the accessory costs, of a tax and social security nature, related to the previous point, amounting to EUR 0,7 million.

Net of the important result deriving from the completion of the Zaffiro Group sale, which took place in the first half of the year, the Group's profit is EUR 8,7 million and confirms the robust performance in the year of the profit margins of core assets, attributable to the other investment verticals developed in recent years and present in the Group as at 31 December 2023 (Design, Automotive and Clothing), as well as the recently acquired Windows and Doors sector, even though it only partially contributed to the result, starting from its entry into the scope of consolidation.

This result benefits above all from the important positive contribution of the Design sector, which has an EBITDA before IFRS 16 of EUR 10,1 million (EUR 15,3 million in 2022), in addition to the positive performance of the Automotive sector, which shows an EBITDA before IFRS 16 of EUR 5,8 million (EUR 3,6 million in the comparison year) and of the Clothing sector, which contributes an EBITDA before IFRS 16 of EUR 3,3 million (EUR 2,6 million in the comparison year).

Consolidated revenues amounted to EUR 151,4 million (EUR 155,2 million in the comparison year, net of the contribution of the Zaffiro Group), thanks to the contribution of the industrial investees and in particular of the Design companies, which contribute to the consolidated data with a turnover of EUR 65,8 million (EUR 75,7 million in the comparison year), the Automotive sector, with a turnover of EUR 44,0 million (EUR 38,6 million in the comparison year), the Clothing sector, with a turnover of EUR 23,1 million (EUR 23,1 million in 2022) and the Windows and Doors sector, which contributes EUR 15,6 million to the consolidated data.

Consolidated accounting EBITDA for the year amounted to EUR 14,9 million (compared to EUR 21,6 million recorded in the comparison year net of the Zaffiro Group). The consolidated operating EBITDA before IFRS 16 is equal to EUR 14,9 million (EUR 18,4 million in the comparison year, net of the Zaffiro Group contribution) and includes the allocation to the result from the disposal of the Zaffiro Group of the costs relating to the variable remuneration accrued by Mittel management as a result of the disposal, amounting to EUR 2,9 million, and the related tax and social security charges, amounting to EUR 0,7 million.

The Group equity as at 31 December 2023 amounted to EUR 259,3 million, an increase of EUR 39,8 million compared to EUR 219,6 million as at 31 December 2022. The net increase is mainly explained by the result for the year, amounting to EUR 50,5 million (including the important contribution of the deconsolidation of the Zaffiro Group), net of the dividend distributed by Mittel at the beginning of the half-year, equal to EUR 10 million.

The net operating financial position of Mittel and the holding system, excluding the contribution of industrial investees to IFRS 16 liabilities and including bridge loans to industrial investee companies, was a positive EUR 66,9 million (a positive EUR 53,3 million as at 31 December 2022). The further clear improvement is mainly due to the combined effect of the completion of the sale of the Zaffiro Group, with the consequent collection of the equity component (equal to EUR 42 million, to which the actual translation into cash of the bridge loan component previously granted by Mittel is to be added), already included in the operational Net Financial Position of the original holding system for EUR 26 million), net of cash absorption mainly related to the dividend distributed at the beginning of the half-year by Mittel, equal to EUR 10 million, the investment of EUR 7,7 million made in June in the real estate sector, with the purchase of a majority stake in an important real estate initiative in Milan and the investments in the Windows and Doors sector in July 2023, through the newly established holding and sub-holding companies.

The consolidated net financial position, excluding financial payables recognised pursuant to IFRS 16 in relation to rights of use on lease contracts, became significantly positive in the 2023 financial year, standing at EUR 74,4 million (negative for EUR 6,4 million as at 31 December 2022). During the year, the significant financial exposure of the Nursing Home sector was eliminated, subject to deconsolidation at the end of the first half-year, which frees the Group from a significant financial exposure and which allows the Group to have, in the current market context characterised by strong instability in terms of interest rates and availability of funding sources, significant financial resources to be allocated to new strategic investments.

Lastly, the consolidated accounting net financial position was positive for EUR 42,3 million, compared to the negative EUR 271,0 million recorded as at 31 December 2022, incorporating, in addition to the factors described above, the deconsolidation of the Nursing Home sector which included the significant contribution of IFRS 16 liabilities that were related, as is known, to the long-term lease agreements that characterise the sector in question.

Financial highlights of the Group

The economic, equity and financial tables below are shown in reclassified form with respect to those contained in subsequent paragraphs, in order to highlight certain intermediate results and the equity and financial aggregates deemed most significant for understanding the Group's operating performance. These amounts, even though not provided for by IFRS/IAS, are supplied in compliance with the indications in Consob Communication no. 6064293 of 28 July 2006 and CESR Recommendation dated 3 November 2005 (CESR/05-178b).

This report contains several financial ratios, deriving from the financial statements, which provide an overview of the Group's economic, equity and financial performance. Details of economic items not taken directly from the financial statements, and comments and evaluations, help to better qualify the trends in the different values.

In relation to the sale of the Zaffiro Group, which took place at the end of the first half of 2023, the income statement schedules show in a single item the contribution of these assets to the consolidated net result (*Profit (loss) from discontinued operations*); this item includes both the result for the year attributable to the Zaffiro Group and the result deriving from the deconsolidation carried out in 2023.

As envisaged by IFRS 5, the contribution to the consolidated result of the discontinued operations of the comparison year was also included in the same item; therefore, as a result of this restatement, the income statement figures for 2022 differ from those published originally.

Main economic figures of the Group

(Thousand of EUR)	31.12.2023	31.12.2022
Revenues and other income	157.281	163.134
Increases (decreases) in inventories	236	(9.493)
Net revenue	157.517	153.641
Purchase, provision of services, sundry costs	(107.912)	(101.960)
Personnel costs	(34.697)	(30.079)
Operating costs	(142.609)	(132.040)
Operating margin (EBITDA)	14.908	21.602
Amortisation/depreciation, allocations & adjustments to non-current assets	(9.499)	(9.092)
Share of income (loss) of investments	(1.217)	-
Operating result (EBIT)	4.192	12.510
Profit (loss) from financial management	2.260	2.747
Result of management and valuation of financial assets and receivables	(1.408)	(8.704)
Profit (loss) before taxes	5.044	6.553
Taxes	473	(839)
Profit (loss) from continuing operations	5.517	5.714
Profit (loss) from discontinued operations	44.409	(7.487)
Net profit (loss) for the year	49.926	(1.773)
Profit (loss) pertaining to non-controlling interests	(575)	(2.424)
Profit (loss) pertaining to the Group	50.500	651

For greater clarity, the following table shows the impact of IFRS 16 application on EBITDA.

(Thousand of EUR)	31.12.2023	31.12.2022 Restated
Operating margin (EBITDA) post IFRS 16	14.908	21.602
Lease payments	(3.606)	(3.177)
Operating margin (EBITDA) before IFRS 16 before capital gain	11.302	18.425

Similarly, a reconciliation of the Group result, that would have been recorded without the applications of IFRS 16 is reported below.

(Thousands of EUR)	31.12.2023	31.12.2022 Restated
Profit (loss) pertaining to the Group, after IFRS 16	50.500	651
Lease payments	(3.606)	(3.177)
Amortisation/depreciation	3.109	2.756
Financial charges	681	582
Deferred tax assets	(37)	(95)
Profit (loss) pertaining to non-controlling interests	(20)	(9)
Result of discontinued operations	336	-
Profit (loss) pertaining to the Group before IFRS 16	50.964	709

Before moving on to analyse the most significant individual items of the consolidated income statement, it should be noted that the revenue of the consolidated industrial sectors as at 31 December 2023 (represented by the Design sector, which is headed by Ceramica Cielo S.p.A., Galassia S.r.l. and Disegno Ceramica S.r.l., the Clothing sector, in which Sport Fashion Service S.r.l. operates, by the Automotive sector, in which IMC S.p.A. operates, and by the newly acquired Windows and Doors sector, although only partially consolidated from the date of acquisition of control of the individual entities) was significant and amounted to EUR 155,0 million (EUR 148,3 million in the previous year, net of contribution of the Nursing Home sector), corresponding to approximately 98% of the consolidated revenue totalling EUR 157,5 million (compared to EUR 153,6 million in the previous year, net of the Nursing Home contribution).

Below are the main economic results for 2023 and the comparative values for 2022 which, as previously indicated, are shown net of the Nursing Home sector contribution since it was sold in the first half of 2023 and, therefore, the related contribution to the 2023 income statement balances in the consolidated income statement is not included in the individual income statement items but, pursuant to IFRS 5, is represented in the single item "*Profit (loss) from discontinued operations*".

During the year under review, despite the significant negative impacts of the geopolitical and market context, the Group's industrial sectors contributed to generating a significant consolidated operating margin, equivalent to EUR 14,9 million (EUR 21,6 million as at 31 December 2022), as a result of the following net contributions by sector:

- *Design*: EBITDA amounted to EUR 11,1 million (EUR 16,0 million as at 31 dicembre 2022), despite a slowdown in turnover for the year as a whole due to macroeconomic environment, after an extremely positive first quarter; the sector investees (Ceramica Cielo, Galassia and Disegno Ceramica) maintained their high margins;
- *Clothing*: EBITDA amounted to EUR 3,8 million (EUR 3,3 million in the comparison period), confirming the operational recovery recorded in 2022, after a very difficult 2021 and notwithstanding the unfavourable geopolitical and market situation;
- *Automotive*: EBITDA amounted EUR 7,3 million (EUR 5,0 million as at December 31, 2022), which confirms its operational recovery started in 2022 against the renewed commercial offer;
- *Windows & doors*: EBITDA of EUR 2,3 million; this sector contributed only partially to the Group's results, starting from the acquisition of control on each investee (these companies generated EBITDA of approx. EUR 10,0 million in the course of 2023);
- *Real Estate*: negative EBITDA of EUR 1,5 million (positive for EUR 1,6 million as of December 31, 2022), with insignificant volumes in terms of sales in the reporting period, as the main valorisation efforts were carried out in previous years, in 2022 in particular, when the Como (Via Regina) residential initiative was successfully completed;
- *Equity and investments*: negative EBITDA of EUR 8,1 million (negative EUR 4,2 million as of December 31, 2022) which benefited from a sharp reduction of *holding* costs, implemented in previous years but included the component of variable remuneration paid with respect to the sale of Gruppo Zaffiro.

Details on the most significant items are presented below.

Revenue and other income: this reclassified item includes the financial statement items for revenue and other income, amounting to EUR 157,3 million at December 31, 2023 (EUR 163,1 million in the comparison period). This balance was the combined result of:

- (i) revenue recognition for EUR 151,4 million (EUR 155,3 million as at December 31, 2022); mainly composed of the contributions from:
 - Design sector (Ceramica Cielo, Galassia and Disegno Ceramica) for EUR 65,8 million (EUR 75,7 million in the previous period);
 - Automotive sector (IMC) for EUR 44,0 million (EUR 38,6 million in the comparison period)
 - Clothing sector for EUR 23,1 million (EUR 23,1 million in the comparison period);
 - Windows & doors, a recently acquired sector, for EUR 15,6 million;
 - Real Estate sector for EUR 2,8 million (EUR 17,8 million in the comparison period);

- (ii) Recognition of other income for EUR 5,9 million (EUR 7,9 million in the comparison period), mainly attributable to the Design sector.
- **Increase/(decrease) in inventories:** the positive contribution recorded in the reporting period and equal to EUR 0,3 million (negative EUR 9,5 million in the comparison period) is due to the net effect of:
 - (i) net increase in inventories, as detailed by sector: EUR 0,2 million in Clothing, EUR 1 million in Design and EUR 0,8 million in Automotive;
 - (ii) net decrease in property inventories of EUR 0,8 million in the Real Estate sector explained for EUR 2,5 million by the cancellation of the cost of goods sold, only partially offset by capitalised costs of EUR 2,0 million and other changes.

The Windows & Doors sector contributed to the change in inventories with a decrease of EUR 1 million, starting from the consolidation date of each investee.
- **Costs for purchase, provision of services, sundry costs:** this item, totalling EUR 107.9 million (EUR 102.0 million as at December 31, 2022), was heavily influenced by the operating costs of the industrial investees and included costs for purchase costs of EUR 68.2 million (EUR 65.2 million in the comparison period), costs for services of EUR 36.4 million (EUR 34.5 million as at December 31, 2022) and sundry costs of EUR 3.2 million (EUR 2.2 million in the previous year). The main contributors to the overall item were:
 - (i) the Design sector for EUR 40,9 million (EUR 47,8 million in the comparison year);
 - (ii) the Automotive sector for EUR 31,1 million (EUR 29,6 million in the comparison year);
 - (iii) the Clothing sector for EUR 16,7 million (EUR 18,6 million in the comparison year);
 - (iv) the recently acquired Windows and Doors sector, for EUR 9,6 million;
 - (v) the Real Estate sector for EUR 3,4 million (EUR 3,2 million in the comparison year);
 - (vi) the Parent Company Mittel for EUR 4,8 million which include EUR 2,9 million relating to the portion of the variable remuneration - accrued, as required by the remuneration policy, for the sale of the Zaffiro Group - referring to directors (EUR 2,3 million in gross remuneration and EUR 0,6 million in ancillary charges relating to tax and social security contributions).
- **Personnel costs:** the item shows a balance of EUR 34,7 million (EUR 30,1 million as at 31 December 2022), EUR 19,1 million regarding the Design sector (EUR 19,5 million in the comparison year), EUR 7,0 million attributable to the Automotive sector (EUR 5,9 million in the comparison year), EUR 2,8 million relating to the Parent Company Mittel (EUR 2,1 million in the comparison year), of which EUR 0,7 million relating to the portion of the variable remuneration - accrued, as required by the remuneration policy, for the sale of the Zaffiro Group - referring to employees (EUR 0,6 million in gross remuneration and EUR 0,1 million in ancillary social security contribution charges), and EUR 3,0 million relating to the Clothing sector (EUR 2,6 million in the comparison year), EUR 2,7 million relating to the newly acquired Windows and Doors sector.
- **Amortisation/depreciation, allocations and adjustments to non-current assets:** the item showed a total balance as at 31 December 2023 of EUR 9,5 million (EUR 9,0 million as at 31 December 2022), explained by amortisation on rights of use in application of IFRS 16 (EUR 3,1 million in 2023 compared to EUR 2,8 million in 2022); for the remaining portion amortisation/depreciation refers to the property, plant and equipment held by the operating companies (EUR 5,5 million for the Design sector, EUR 5,5 million for the Automotive sector and EUR 2,6 million for the Clothing sector).
- **Profit (loss) from financial operations:** the item shows an overall positive balance of EUR 2,3 million (compared to EUR 2,7 million in 2022), explained by the net effect of:
 - (i) financial income of EUR 4,9 million, of which EUR 3,2 million relating to the holding company (written down, however, for EUR 1,7 million in the item "Income from management and measurement of financial assets and receivables"), accrued during the year on receivables and time deposits held, and EUR 0,4 million to the Design sector (attributable to the remuneration of the liquidity held by Ceramica Cielo and to a price adjustment item accrued on the purchase of Disegno Ceramica);
 - (ii) financial charges of EUR 2,6 million, of which EUR 0,8 million relating to financial charges recognised in accordance with IFRS 16, EUR 0,5 million relating to the banking debt of the Automotive sector and EUR 0,3 million to cost of the Mittel bond loan (repaid in July 2023).
- **Income from management and measurement of financial assets and receivables:** the item as a whole makes a negative contribution to the consolidated income statement for EUR 1,8 million (negative contribution of EUR 8,7 million as at 31 December 2022) and is mainly explained by the

combined effect of net value adjustments on receivables and financial assets partially offset by the positive effects recorded on financial assets.

- **Taxes:** this item contributed a positive EUR 0,5 million to the consolidated income statement (negative contribution of EUR 0,8 million in the comparison year) and is mainly explained by the net effect of: (i) the current IRAP cost for EUR 0,7 million (EUR 0,8 million in 2022) and the current IRES cost for EUR 0,5 million; (ii) deferred tax assets, of which EUR 2,0 million recognised on previous years tax losses; deferred tax liabilities and the recognition of charges pertaining to previous years contribute to the item in a marginal way.
- **Profit (loss) from discontinued operations:** this item shows a balance of EUR 44,4 million (EUR 3,6 million in the comparison year), relating to the Nursing Home operating segment, subject to disposal in the half-year. The item is attributable to the net effect: (i) of the loss for the year (until the date of sale) of EUR 4,1 million (EUR 2,5 million net of minority interests, equal to EUR 1,6 million, shown in the specific financial statement item); (ii) of the result from deconsolidation, equal to EUR 48,5 million. Therefore, the overall contribution to the Group result for the year from the Zaffiro Group is equal to EUR 46,0 million (EUR 45,4 million net of the effect of the intercompany items accrued by Mittel in the year on existing loans to the investee, fully repaid with the sale).

Main financial and equity figures of the Group

(iThousand of EUR)	31.12.2023	31.12.2022
Intangible fixed assets	68.981	109.734
Property, plant & equipment	70.991	302.091
- of which IFRS 16 rights of use	30.890	233.457
Investments	2.266	3.483
Non-current financial assets (financial receivables and other financial assets)	21.864	27.576
Provisions for risks, employee severance indemnity & employee benefits	(8.226)	(9.071)
Other non-current assets (liabilities)	13.113	1.122
Tax assets (liabilities)	11.701	19.396
Net working capital (*)	60.469	46.682
Net invested capital	241.158	501.013
Equity pertaining to the Group	(259.400)	(219.620)
Noon-controlling interests	(24.024)	(10.355)
Total equity	(283.423)	(229.975)
Net Financial Position	42.266	(271.038)
- of which IFRS 16 financial liabilities	(32.141)	(264.622)
Net Financial Position before IFRS16	74.407	(6.416)

(*) sum of real estate inventories and sundry receivables (payables) and other current assets (liabilities)

With reference to the equity figures, it should be noted that the breakdown of the items shown above reflects the scope of consolidation at the respective dates in application of the international accounting standards; in particular, the values as at 31 December 2023, compared with the values relating to 31 December 2022, include the effects of the changes in the scope of consolidation during 2023, thus reflecting i) the sale of the Zaffiro Group (Nursing Home sector), ii) the acquisition of the controlling interest in Cascina Canavese Srl (Real Estate sector) and iii) the acquisition of the equity investments in companies operating in the Windows and Doors sector.

Intangible assets amounted to EUR 69,0 million (EUR 109,7 million as at 31 December 2022), which is almost entirely attributable to goodwill and trademarks, which are broken down as follows:

- EUR 18,4 million relating to the Design sector, of which EUR 12,1 million for goodwill of the sector entities: i) EUR 5,6 million for the acquisition of Ceramica Cielo S.p.A. (in June 2017); ii) EUR 4,4 million for the acquisition of Galassia S.r.l. in 2019; (iii) EUR 2,1 million for Disegno Ceramica S.r.l. in 2019.
Trademarks amounting to EUR 6,3 million relate to Cielo for EUR 4,3 million and to Galassia for EUR 2,0 million.

- EUR 19,3 million relating to the acquisition of IMC S.p.A. at the end of 2017.
- EUR 23,6 million relating to the Clothing sector: the acquisition of Sport Fashion Service S.r.l. in November 2019 resulted in the recognition, with continuity of values, of goodwill (EUR 18,4 million) and trademarks (EUR 1,8 million) recognised in the package for the initial IFRS consolidation of the company at the acquisition date. The purchase value of the Jeckerson brand was recognised in 2021, equal to approximately EUR 3,4 million.
- EUR 7,4 million relating to the Windows and Doors sector for the acquisitions made in 2023; at present, the Purchase Price Allocation (“PPA”) process has not yet been completed, therefore, the recognition of this goodwill is not to be considered definitive; in this regard, it should be noted that, in application of IFRS 3, the Company is required to complete the PPA process and the allocation of the consolidation deficit within a maximum of 12 months from the date of the business combination.

For completeness, it should be noted that the value as at 31 December 2022 includes EUR 48 million for the Nursing Home sector, EUR 39,3 million of which attributable to the goodwill relating to the acquisition (in November 2016) of the Zaffiro Group, increased by EUR 1,1 million relating to the value attributed to the trademark upon conclusion of the purchase price allocation (completed as at 31 December 2017). Also in the Nursing Home sector, the recognition of additional goodwill, for a total of EUR 7,5 million, for the build-up transactions carried out starting from the acquisition date, is attributable.

Property, plant and equipment amounted to EUR 71,0 million (EUR 302,1 million as at 31 December 2022), of which EUR 30,9 million for rights of use recognised pursuant to IFRS 16 (EUR 233,5 million as at 31 December 2022 mainly pertaining to the Nursing Home sector, characterised by long-term lease contracts on properties used as residences). The residual portion of this item’s balance was heavily influenced by the contribution from the Automotive sector, amounting to EUR 13,8 million (including the partial allocation of goodwill recognised at the time of the acquisition to IMC S.p.A.’s presses), from the Nursing Home sector, which contributed EUR 28,4 million, and from the Design sector, which contributed EUR 25,0 million.

Investments measured using the equity method totalled EUR 2,3 million (EUR 3,5 million as at 31 December 2022) and refer to the investment held by the Parent Company Mittel S.p.A. in Mittel Generale Investimenti S.r.l., which decreased as a result of the loss made by the investee company in 2023.

Non-current financial assets amounted to EUR 21,8 million (EUR 27,6 million as at 31 December 2022) and refer for EUR 9,9 million (EUR 15,8 million in the comparison year) to credit positions held by the Parent Company and other non-current financial assets, represented mainly by real estate UCITS units held by the Parent Company and by interests in investment vehicles held by the subsidiary Earchimede S.p.A.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 8,2 million (EUR 9,1 million as at 31 December 2022). In particular, as at 31 December 2023, this item consisted of:

- for EUR 6,4 million for *Provisions for personnel* (EUR 7,5 million in the comparison year), with contributions from the Design sector (EUR 2,9 million), the Parent Company Mittel S.p.A. (EUR 1,1 million), the Automotive sector (EUR 0,4 million) and the Clothing sector (EUR 0,2 million). The Nursing Home sector contributed to the item *Provisions for personnel* in the comparison year (for EUR 2,9 million).
- for EUR 1,8 million for *Provisions for risks and charges* (EUR 1,6 million in the comparison year), mainly contributed to by the Clothing sector (for EUR 0,8 million).

The item **Net tax assets (liabilities)** was positive for EUR 11,7 million (EUR 19,3 million as at 31 December 2022), and is composed of the sum of current tax assets of EUR 1,2 million (EUR 1,0 million as at 31 December 2022) and deferred tax assets of EUR 13,3 million (EUR 20,7 million in the comparison year), offset by deferred tax liabilities for EUR 1,2 million (EUR 1,8 million in the comparison year) and current tax liabilities for EUR 1,6 million (EUR 0,5 million in the comparison year).

Net working capital amounted to EUR 60,5 million (EUR 46,7 million as at 31 December 2022) and breaks down as follows:

- inventories of EUR 70,4 million (EUR 55,7 million as at 31 December 2022), attributable for EUR 35,6 million to real estate inventories (EUR 26,0 million in 2022), for EUR 16,4 million to the Design sector (EUR 15,6 million in 2022), for EUR 8,2 million to the Automotive sector (EUR 7,4 million in the comparison year), for EUR 6,7 million to the Clothing sector (EUR 6,5 million in the comparison year) and for EUR 3,1 million to the Windows and Doors sector;
- sundry receivables and other current assets for EUR 56,7 million (EUR 53,5 million in the comparison period), mainly with contributions from the Design sector for EUR 16,9 million (EUR 21,7 million as

at 31 December 2022), the Automotive sector for EUR 8,9 million (EUR 8,4 million as at 31 December 2022), the Clothing sector for EUR 11,9 million (EUR 11,8 million in the previous year) and the Windows and Doors sector for EUR 14,8 million, mainly for trade receivables; the balance as at 31 December 2022 includes EUR 10,7 million relating to the Nursing Home sector;

- sundry payables and other current liabilities for EUR 66,5 million (EUR 62,5 million in the comparison year), mainly with contributions from the Design sector for EUR 20,5 million (EUR 24,6 million as at 31 December 2022), the Automotive sector for EUR 11,4 million (EUR 11,5 million as at 31 December 2022), the Clothing sector for EUR 5,6 million (EUR 5,3 million in the previous year) and the Windows and Doors sector for EUR 22,5 million, mainly for advances and deposits from customers; the balance as at 31 December 2022 includes EUR 17,0 million relating to the Nursing Home sector.

As a result, **net invested capital** amounted to EUR 241,2 million (EUR 501,0 million as at 31 December 2022), a figure that includes the rights of use recognised pursuant to IFRS 16 for a total of EUR 30,9 million (EUR 233,5 million as at 31 December 2022), as previously explained. Invested capital is financed by equity for EUR 283,4 million (EUR 229,9 million in the comparison year); as at 31 December 2022, the Group net financial position is positive for EUR 42,3 million (EUR 271,0 million as at 31 December 2022), also influenced by the application of IFRS 16 (financial payables for leases totalling EUR 30,9 million as at 31 December 2023, EUR 265,6 million in the comparison year).

Equity pertaining to the Group amounted to EUR 259,4 million (EUR 219,6 million as at 31 December 2022), while that pertaining to non-controlling interests amounted to EUR 24,0 million (EUR 10,3 million as at 31 December 2022).

Given the performance of consolidated equity and profit figures described above, the active **net financial position** amounted to EUR 42,3 million (negative for EUR 271,0 million as at 31 December 2022, attributable to the application of IFRS 16) mainly related to the Nursing Home sector. During the year, in fact, the significant financial exposure of the Nursing Home sector was eliminated, subject to deconsolidation at the end of the first half-year, which frees the Group from a significant financial exposure and which allows the Group to have, in the current market context characterised by strong instability in terms of interest rates and availability of funding sources, significant financial resources to be allocated to new strategic investments.

Statement relating to the Group Net Financial Position

(in Thousands of EUR)	31.12.2023	31.12.2022
Cash	117	178
Other cash and cash equivalents	87.171	61.538
Securities held for trading	1.187	-
Current liquidity	88.474	61.716
Current financial receivables	270	-
Bank loans and borrowings	(13.008)	(43.036)
Bonds	-	(15.435)
Other financial payables	(33.470)	(274.283)
Financial debt	(46.478)	(332.754)
Net financial position	42.266	(271.038)
- of which IFRS 16 liabilities	(32.141)	(264.622)
Net financial position before IFRS 16	74.407	(6.416)

Significant events during the year

Governance and corporate events

The Shareholders' Meeting of Mittel S.p.A. - which met on 21 June 2023 - unanimously expressed its opinion on the matters dealt with as follows:

- *Directors' Report on Operations, report of the Board of Statutory Auditors, financial statements as at 31 December 2022:* the Shareholders' Meeting resolved to approve the financial statements for the financial year from 1 January 2022 to 31 December 2022, as well as the proposal to offset the loss for the year of EUR 9.915.828 through the use of available reserves.
- *Report on the remuneration policy and on compensation paid pursuant to art. 123 ter of the Consolidated Law on Finance (TUF):* considering the favourable binding vote cast on 15 December 2021 on the "Remuneration Policy for the 2022-2024 financial years", the Shareholders' Meeting resolved in an advisory manner to vote in favour of the "Compensation paid in the 2022 financial year" set out in Section II of the "Report on the remuneration policy and on compensation paid".

On 12 September 2023, the Shareholders' Meeting of Mittel S.p.A. approved the Remuneration Policy, as integrated with the 2022-2024 Policy, contained in Section I of the "Report on the Remuneration Policy and remuneration paid" (the "Report"), and the related adoption and implementation procedures. In particular, the integration of the M/L Incentive (which will continue to apply, with some changes, to the investments held in the Design, Automotive and Clothing sectors) with a new mechanism which, exclusively for the new Mittel shareholdings acquired and to be acquired from the beginning of June 2023, provides for a co-investment capable of generating in the Beneficiaries themselves an exposure to the risk of loss of invested capital. The Policy, as a result of the changes that have been better outlined in it, is functional to further aligning the interests of all shareholders and stakeholders with those of the Company's management, through the described share of the latter in the risk capital of the SPVs that the Company controls and will control in the course of the investment process in the various industrial targets.

On 29 December 2023, the Board of Directors of Mittel S.p.A. approved the proposed policy of equity reserves distribution as dividends for 2024 and 2025.

For 2024, the Board of Directors resolved to propose to the Shareholders the distribution of part of the Retained Earnings Reserve, through the payment of a dividend per share to be considered ordinary in stock exchange terms. Therefore, gross of any applicable substitute tax, the payment of the dividend is equal to EUR 0,12293 for each of the 81.347.368 ordinary shares with no nominal value currently in circulation, and thus for a total of EUR 10.000.031,95, in line with the amount already distributed in February 2023.

The date of detachment of coupon no. 55 is on 5 February 2024, with right to payment on 6 February 2024 (record date) and payment of the dividend on 7 February 2024.

Therefore, the Board of Directors called the Shareholders' Meeting on 31 January 2024 to resolve on the proposed distribution proposal (this Shareholders' Meeting approved the aforementioned proposal). For 2025, the Board of Directors intends to propose to the Shareholders - except for unforeseen changes in the Group's economic, equity and financial situation - the same dividend distribution transaction, for the same amount and with a similar payment timetable (i.e. January/February 2025).

The distribution proposals referred to above represent a form of remuneration of the shareholders' investment in the Company and do not compromise the equity, financial and economic balance of the same. In fact, the Company's significant financial and equity soundness which makes these distribution proposals sustainable is confirmed.

Additional significant events

Change in equity investments in the Design sector

On 27 January 2023, with the aim of concentrating in IBD Group S.r.l. 100% of the equity investments held in the operating companies of the Design sector Galassia S.r.l. (for the residual amount held by the CEO of the same company) and Disegno Ceramica S.r.l. (for the residual amount held by the company's Chief Executive Officer), the resolution of the Extraordinary Shareholders' Meeting of 20 January 2023 relating to the increase in the share capital of IBD Group S.r.l. reserved for the transferees, carried out through the contribution in kind of their respective investments in Galassia S.r.l. and Disegno Ceramica S.r.l., became effective. Specifically, the transaction involved an exchange of equity interests through the contribution of a 10% interest in the capital of Galassia S.r.l. and a 15% interest in the capital of Disegno Ceramica S.r.l., in exchange, respectively, for equity interests in the capital of IBD Group S.r.l., corresponding to 2,65% to the Chief Executive Officer of Galassia S.r.l. and 0,85% to the Chief Executive Officer of Disegno Ceramica S.r.l..

As a result of the above transaction, IBD Group S.r.l. holds 100% of Disegno Ceramica S.r.l. and Galassia S.r.l., in addition to the already held 100% of Ceramica Cielo S.p.A..

The transfer of the shares of the two companies resulted in a share capital increase from EUR 10.000,00 to EUR 10.363,00 and a total share premium reserve of EUR 5.369.637,00.

Disbursement of dividend in February 2023

On 10 February 2023, the Shareholders' Meeting of Mittel S.p.A. unanimously resolved to approve the distribution, by way of extraordinary dividend, of part of the retained earnings reserve for a total of EUR 10.000.031,95 for the 81.347.368 ordinary shares with no nominal value in issue, corresponding to EUR 0,12293 per eligible ordinary share.

The dividend was settled at the intermediaries participating in the centralised share management system, Monte Titoli S.p.A., on 22 February 2023, with ex-dividend date of 20 February 2023 and record date of 21 February 2023.

Payment of the Sport Fashion Service Earn Out (related party transaction)

With reference to the transaction with a related party of greater importance – concerning the purchase, on 15 November 2019, by Mittel S.p.A., of an equity investment representing 70% of the share capital of Sport Fashion Service S.r.l. from Blue Fashion Group S.p.A. and, upon appointment of the latter, of an investment representing 20% of the share capital of Fremil International S.r.l. – which had been disclosed to the market through the publication of an information document (drawn up pursuant to art. 5 of the Regulation containing the provisions on related party transactions - adopted by Consob with resolution no. 17221 of 12 March 2010 and subsequent amendments), disclosed on 20 November 2019 (the "Information Document"), subsequently supplemented and updated with: (i) the Supplement to the Information Document published on 7 February 2020 (the "First Supplement") and (ii) the Second Supplement to the Information Document published on 16 July 2020 (the "Second Supplement") – on 16 February 2023 Mittel S.p.A. signed an addendum to the purchase agreement which involved Mittel S.p.A. paying to Blue Fashion Group S.p.A. - in advance and, therefore, in derogation of the provisions contained in the article 3 of the contract for the purchase of the equity investment Sport Fashion Service S.r.l. – a total and all-inclusive amount, by way of Earn-out, conventionally agreed upon between Mittel S.p.A. and Blue Fashion Group S.p.A., and equal to EUR 2.000.000,00 by publishing, on 21 February 2023, the Third Supplement to the Information Document.

The Information Document, the First Supplement, the Second Supplement and the Third Supplement are all documents available on the Mittel S.p.A. website at: <https://www.mittel.it/category/parti-correlate-documenti/>

Exit from Nursing Home (RSA) sector, divestment of Gruppo Zaffiro (related party transaction)

On 3 February 2023, Mittel S.p.A. announced to the market that it had signed with Sarafin S.p.A. (a company reporting to the Chief Executive Officer of Gruppo Zaffiro S.r.l., Mr Gabriele Ritossa, who holds, through Blustone S.r.l., an interest representing 40% of the share capital of Gruppo Zaffiro S.r.l.) a binding preliminary agreement subject to conditions precedent relating to: (i) the sale by Mittel S.p.A. to Sarafin S.p.A. of 60% of the share capital of Gruppo Zaffiro S.r.l., an important player in the Italian healthcare sector; (ii) the sale by Mittel S.p.A. to Sarafin S.p.A. of all receivables owed by Mittel S.p.A., under shareholder loan agreements, to Gruppo Zaffiro S.r.l.

The contract between Mittel S.p.A. and Sarafin S.p.A. was subject to the signing, by 15 March 2023, by Sarafin S.p.A., of a binding investment agreement with a leading institutional investor, aimed at financially supporting the transaction; Sarafin S.p.A. signed a non-binding term-sheet with the aforementioned institutional investor, who carried out ordinary due diligence activities and contractual negotiations.

On 16 March 2023, Mittel S.p.A. informed the market that the deadline for fulfilling the condition precedent of 15 March 2023 was extended to 31 March 2023. On 31 March 2023, Mittel S.p.A. communicated to the market the fulfilment of the condition precedent for the sale of the majority stake held in the share capital of Gruppo Zaffiro S.r.l.

Lastly, on 28 June 2023, Mittel S.p.A. informed the market that it had completed the sale of the entire majority stake (equal to 60%) held in the share capital of Gruppo Zaffiro S.r.l. for a consideration of EUR 42 million. The transaction was completed through the sale to Sarafin S.p.A. and to the funds called "Eurizon Iter" as well as "Eurizon Iter Eltif" managed by Eurizon Capital SGR S.p.A. The sale transaction involved the recognition of a gross capital gain in the separate financial statements for Mittel S.p.A. of EUR 28,5 million (amount equal to the difference between the sale price of EUR 42 million and the book value of the investment of EUR 13,5 million) and the recognition on the consolidated financial statements of a positive impact on profit pertaining to the Group of EUR 45,4 million (deriving from the comparison of the sale price with the book value implicit in the consolidated financial statements as at 28 June 2023). At the same time as the aforementioned sale, Mittel S.p.A. also collected from Gruppo Zaffiro S.r.l. an amount of EUR 26,6 million, by way of repayment of principal and interest on shareholder loans previously

granted to it for a principal amount of EUR 25 million. The overall transaction, therefore, involves the collection of financial resources of EUR 68,6 million.

Investment expansion in Real Estate sector

On 12 June 2023, Mittel S.p.A. acquired 55% of the share capital of the company Cascina Canavese s.r.l., active in the real estate development sector. The purchase was completed through the payment by Mittel S.p.A. of EUR 7,7 million, of which EUR 0,6 million for the purchase of the shares and the remaining EUR 7,1 million as a shareholder loan. The partnership between Mittel and other shareholders is aimed at implement a real estate project for five residential buildings in Milan.

Investments in Windows & Doors sector

On 26 July 2023, Mittel S.p.A. continued the diversification of investments in Italian companies of excellence, entering the sector of production and distribution of PVC windows and doors with high quality technical performance through the acquisition of a shareholding in the company "Gruppo Finestre S.r.l.", which was established in 2005 thanks to Stefano Zanasi's acquisition of the Italian window production division of a multinational company and the consequent merger with the Fersina brand. The company specialises in the production of PVC windows and doors (80% of revenues), aluminum shutters (12%) and armored doors/interior doors (8%). The acquisition involved the purchase, through equity, of 100% of Gruppo Finestre S.r.l. for a price of EUR 13,2 million by the vehicle Italian Windows Group S.r.l. (IWG) established by the Mittel Group as the holding company of the new window and door investment sector; Stefano Zanasi invested in 30% of the capital of IWG (the remaining 70% of which is therefore held by Mittel), sealing a strategic partnership with the entrepreneur aimed at growth. Among the main characteristics that make Gruppo Finestre a strategic investment, there is its commitment to sustainability, which is perfectly aligned with the objectives of Mittel S.p.A., given the important challenge of energy efficiency and reduction of emissions further promoted by the recent revision of the directive on energy efficiency in buildings (Energy Performance of Buildings Directive) approved by the European Union. In addition, the company has demonstrated solid cash generation and a strong positioning in the market, thanks to a diversified customer base and a direct sales strategy that makes it possible to preserve greater margins and consolidate the brand on the market.

Subsequently, the vehicle IWG continued to scout for new opportunities and acquired the entire share capital of two other entities in the sector, Daga Srl (with accounting acquisition date on 31 October 2023) and Castiglioni Serramenti Srl (with accounting acquisition date on 31 December 2023). In November 2023, Gruppo Finestre Srl also acquired the full share capital of Serramenti Verona Srl.

Through the IWG sector sub-holding, the vertical investment is held for 67,9% and is dedicated to the production and distribution of windows and other related energy efficiency solutions with high technical performance.

Repayment of the Mittel S.p.A. 2017–2023 bond loan

On July 27, 2023, Mittel S.p.A. fully repaid the "Mittel SpA 2017-2023" bond loan by paying EUR 15.2 million as principal and EUR 0.3 million as interest.

Significant events after December 31, 2023

In relation to the provisions of IAS 10, subsequent to 31 December 2023, the reference date of the Half-Yearly Financial Report, and until 24 April 2024, the date on which the Report was approved by the Board of Directors, no events have occurred that would lead to an adjustment of the data presented.

On 31 January 2024, the Mittel Shareholders' Meeting unanimously resolved to approve the distribution, by way of an ordinary dividend, of part of the Retained Earnings Reserve for a total of EUR 10.000.031,95 for the 81.347.368 ordinary shares with no nominal value in issue, corresponding to EUR 0,12293 per eligible ordinary share (regulation on 7 February 2024, date of coupon detachment on 5 February 2024 and record date on 6 February 2024).

As is well known, international geopolitical tensions have recently intensified following the attacks between Israel and Iran. At present, it is not possible to predict how these conflicts will evolve, however, the Group's management monitors their developments to mitigate their potential effects on the Group and on its operating subsidiaries. Although there are currently no direct effects on the economy, it cannot be excluded that the general slowdown of the economy may continue, with potential effects on the Group's

main business areas and more generally on the extent of the effects (inflation dynamics, increase in raw material prices).

Business outlook

The evolution of the Group's results is related to the performance of the sectors in which the strategic equity investments operate as well as the reference macroeconomic context. Although the macroeconomic projections currently formulated by the central authorities of the Eurozone, prior to the last conflict between Israel and Iran, whose effects are - at present - unpredictable and not quantifiable, indicate a slower recovery for the short term than expected in the December 2023 projections and a gradual acceleration of economic activity, a recovery is expected for the medium term, supported by the gradual ending of the impact of ECB monetary policy tightening.

The inflationary trend is also declining, albeit at a modest pace, thanks to the continuing softening of inflationary pressures (drop in energy prices, robust labour cost dynamics) and the impact of the monetary policy tightening; disruptions in maritime transport in the Red Sea are considered likely to have only a limited upwards impact on prices.

Even in an unstable geopolitical context, characterised by the unpredictability of the duration and repercussions that could ensue on the international economy, the Mittel Group intends to confirm its attitude to growth, both internally and externally. As it is also clear from the analysis of the financial data of the last few years and, in particular, of the financial year ended as at 31 December 2023, the strong solidity demonstrated by the Group in this difficult context is highlighted by its sound financial and operational stability.

The sale of the Zaffiro Group, in addition to resulting in the exit (with an important economic result achieved compared to the original investment made) from an operating segment that, in the current economic situation, was particularly penalised (both for the difficulties in passing on operating costs and for the high absorption of financial resources), has further and significantly increased liquidity at holding system level. The strong independence of the Group from the banking system and from external sources of financing will therefore make it possible to limit the impacts of the current market situation also on the financial management front, allowing it to continue with the path of investment undertaken in the Windows and Doors sector as well as further strengthening of existing ones and possible new investments in other operating sectors.

Moreover, the investments made in the Windows and Doors sector in the second half of the year resulted in a further increase in the level of diversification of investments, favouring the mitigation of the market phenomena analysed also through the contribution of the new operating sector to the Group profitability results which, from the 2024 financial year, will fully contribute to the accounting results.

Therefore, the results of the Group in the next financial year should reflect, compatibly with the uncertainty relating to the duration of the current market context and within the limits of the actions taken to contain its negative effects, the effects of the important growth path achieved to date as a dynamic and efficient industrial holding company, with a strong focus on further enhancing the significant investments made in recent years and on further development strategies, also in the Windows and Doors sector, and with the aim of creating long-term sustainable value for shareholders and all stakeholders.

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Economic and financial summary of the parent company Mittel S.p.A.

The Company closed the financial statements as at 31 December 2023 with a profit of EUR 19,8 million (loss of EUR 9,9 million as at 31 December 2022), which benefits from the significant capital gain realised on the sale of the Zaffiro Group finalised in the first half of 2023.

More specifically, the result for the year derives from the combined effect of:

- the capital gain realised on the sale of Gruppo Zaffiro Srl, a gross gain deriving from the difference between the sale price of EUR 42,0 million and the carrying amount of the equity investment of EUR 28,5 million
- net operating expenses of EUR 8,0 million, which include the effects of the variable remuneration accrued by the management of Mittel for the sale of the Zaffiro Group for a total of EUR 2,9 million as required by the remuneration policy (in addition to EUR 0,7 million relating to accessory costs of a tax and social security nature);
- net financial income of EUR 3,7 million;

- net write-downs of EUR 8,0 million made on non-core assets (receivables, financial assets and equity investments);
- taxes for the year, which made a positive contribution to the recognition of income from tax consolidation as well as deferred tax assets.

Disregarding the described net write-downs of non-core assets, substantially attributable to a single historical credit position subject to impairment during the year, the economic performance of the holding company benefited from the effects of the equity investments valuation strategies as well as, to a lesser extent, from the rationalisation measures implemented in previous years in terms of financial and structural costs.

Shareholders' equity amounted to EUR 207,9 million as at 31 December 2023, compared to EUR 198,1 million for the year ended 31 December 2022, with a net increase attributable to the result for the year of EUR 19,8 million, partially offset by the distribution of the extraordinary dividend for a total of EUR 10,0 million carried out in February 2023.

The **net financial position** was positive by EUR 52,8 million (positive for EUR 48,9 million as at 31 December 2022) and was affected by financial payables recognised as a result of the provisions of IFRS 16 for EUR 4,1 million as at 31 December 2023 (EUR 4,6 million as at 31 December 2022). As at 31 December 2023, it included significant cash and cash equivalents as well as a material amount of current loans substantially relating to the subsidiaries.

Financial Highlights of the Parent Company Mittel S.p.A.

Main economic figures of Mittel S.p.A.

(in Thousand EUR)	31.12.2023	31.12.2022
Revenue and other income	861	931
Purchases, provision of services, sundry costs	(6.056)	(2.411)
Personnel costs	(2.803)	(2.067)
Net Operating Costs	(7.998)	(3.547)
Dividends	-	664
Profit (loss) from investments and financial assets	28.500	137
Operating Margin (EBITDA)	20.502	(2.746)
Amortisation, allocation & adjustments on non-current assets	(353)	(357)
Operating result (EBIT)	20.149	(3.102)
Profit (loss) from financial management	3.676	1.935
Value adjustments to financial assets, loans and receivables	(8.030)	(9.595)
Result from trading financial assets	-	-
Result from non-current transactions	-	-
Profit (loss) before taxes	15.795	(10.762)
Taxes	3.955	847
Profit (loss) from continuing operations	19.750	(9.916)
Profit (loss) from discontinued operations	-	-
Net Profit (loss) for the year	19.750	(9.916)

Details on the most significant of above shown items are presented below:

- **Revenue and other income:** EUR 0,9 million, in line with the comparison year, essentially explained by servicing activities and recharges made to the investee companies;
- **Purchases, provisions of services, sundry costs:** EUR 6,0 million, an increase compared to the previous year as the item includes the effects of the variable remuneration accrued by the management of Mittel for the sale of the Zaffiro Group and the related accessory costs of a tax and social security nature;
- **Personnel costs:** EUR 2,8 million, up compared to the previous year due to variable remuneration related to the sale of the Zaffiro Group;
- **Profit (loss) from equity investments and financial assets:** EUR 28,5 million, includes the gross gains realised on the sale of Gruppo Zaffiro Srl;

- **Profit (loss) from financial operations:** EUR 3,7 million, includes net financial income determined by the net effect of financial income on receivables for EUR 4,2 million and financial charges for EUR 0,5 million, the latter essentially attributable to the reducing bond loan compared to the previous year following its settlement;
- **Value adjustments to financial assets and receivables:** EUR 8,0 million made on non-core assets (receivables, financial assets and equity investments);
- **Taxes:** they make a positive contribution to the result for the year of EUR 4,0 with respect to income from the tax consolidation pertaining to the financial year and the allocation of deferred tax assets for EUR 2,0 million, due to the significant changes in the Group's perimeter that occurred with the acquisitions of the Windows and Doors sector, which resulted in the inclusion in the scope of tax consolidation companies with taxable incomes that will contribute together with the entities in the other operational sector to the recovery of latent tax benefits for the Company, mainly represented by substantial tax losses in prior years were carried forward by the Group.

Key balance sheet data of Mittel S.p.A.

(Thousands of EUR)	31.12.2023	31.12.2022
Intangible fixed assets	1	2
Property, plant & equipment	4.008	4.569
- of which IFRS 16 rights of use	3.728	4.235
Investments	118.316	108.873
Non-current financial assets	23.982	30.537
Provisions for risks, severance pay and employee benefits	(1.177)	(1.096)
Other non-current assets (liabilities)	553	553
Tax assets (liabilities)	9.107	6.606
Net working capital (*)	217	(843)
Net invested capital	155.007	149.200
Total equity	(207.820)	(198.079)
Net Financial Position	52.813	48.879
- of which IFRS 16 financial liabilities	(4.094)	(4.570)
Net Financial Position before IFRS16	56.907	53.449

(*) resulting from the sum of Real Estate inventories, sundry receivables (payables) and other current assets (liabilities)

Property, plant and equipment and intangible assets amounted to EUR 4,0 million (EUR 4,6 million in the previous year) and refer primarily to rights of use recognised as a result of the application of IFRS 16.

Investments amounted to EUR 118,3 million, compared to EUR 108,9 million in the year ended as at 31 December 2022. The increase is due to the net effect of:

- the decrease deriving from the sale of the Zaffiro Group (previously with a recognised book value of EUR 13,5 million) in June 2023;
- the increase of EUR 7,7 million for the acquisition of the 55% interest in Cascina Canavese Srl in June 2023;
- the increase for a total of EUR 14,5 million following the establishment of Verticale Finestre SpA, a holding company created by the recently acquired Windows and Doors sector and subsequent capital payments subscribed to support the investment;
- the increase of EUR 2,0 million in the equity investment in SFS following the payment of the established earn-out
- the decreases of EUR 0,7 million due to value adjustments made on the investee company Mittel Generale Investimenti.

Non-current financial assets amounted to EUR 24,0 million, compared to EUR 30,5 million in the year ended as at 31 December 2022. The item is composed of:

- Non-current financial receivables of EUR 13,8 million (EUR 20,4 million as at 31 December 2022), down significantly due to write-downs for the year;
- Financial assets measured at fair value, equal to EUR 10,2 million (substantially in line with the previous year).

Provision for risks, severance pay & employee benefits amounted to EUR 1.2 million (EUR 1.1 million in the previous year). Specifically, as at December 31, 2023, this item consisted of EUR 1.1 million in personnel provisions and EUR 0.1 million in provisions for risks and charges.

Net tax assets amounted to EUR 9,1 million, compared to EUR 6,6 million in the prior year. This item is essentially comprised of deferred tax assets recognised in recent years as a result of the growth in the Group companies' taxable income following the acquisition of new companies with significant taxable incomes which will make it possible to recover additional latent tax benefits, mainly represented by the substantial tax losses in prior years and, to a lesser extent, by interest expenses that can be carried forward, accrued by the Company in the previous years.

Net working capital was positive for EUR 0,2 million (negative for EUR 0,8 million in the previous year). The reclassified item is a result of the net effect (i) of the change in sundry receivables and other current assets due mainly to receivables due from subsidiaries (primarily tax items, largely attributable to the receivables from tax consolidation or Group VAT); ii) of sundry payables and other current liabilities represented mostly by trade payables and intercompany tax items (for tax consolidation or Group VAT).

Shareholders' equity amounted to EUR 207,9 million as at 31 December 2023, compared to EUR 198,1 million for the year ended 31 December 2022, with a net increase attributable to the result for the year of EUR 19,8 million, partially offset by the distribution of the extraordinary dividend for a total of EUR 10,0 million carried out in February 2023.

The **net financial position** was positive by EUR 52,8 million (positive for EUR 48,9 million as at 31 December 2022) and was affected by financial payables recognised as a result of the provisions of IFRS 16 for EUR 4,1 million as at 31 December 2023 (EUR 4,6 million as at 31 December 2022). It should be noted that the current loans substantially relate to the subsidiaries (EUR 56,7 million as at 31 December 2022) and decreased due to the collection of the receivable due from the Zaffiro Group of approximately EUR 26 million. Note also the settlement of the 2017-2023 bond loan, which as at 31 December 2022 amounted to EUR 15,4 million.

In terms of components, the following table provides a breakdown of changes in values in the company's net financial position.

Statement relating to the net financial position of Mittel S.p.A.

(Thousands of EUR)	31.12.2023	31.12.2022
Cash	12	12
Other cash and cash equivalents	30.354	13.066
Held-for-trading securities	-	-
Current liquidity	30.366	13.078
Current financial receivables	27.453	56.706
Bank loans or borrowings	-	-
Bond loans	-	(15.435)
Other financial payables	(5.006)	(5.470)
Financial debt	(5.006)	(20.905)
Net Financial Position	52.813	48.879

Board of Directors' Proposal

The Board of Directors proposes to the Shareholders to carry forward the profit for the year of EUR 19.749.765; therefore, the item *Profit (loss) of previous years* will amount to EUR 44.914.842.

*** **

Approval of Corporate Governance Report and Remuneration Policy Report

The Board of Directors approved the Report on Corporate Governance and Report on Remuneration Policy and Compensation Paid Pursuant to Article 123 ter of the Consolidated Law on Finance (TUF). In this regard, the Board of Directors expressed its opinion on Section II concerning the remuneration paid in the FY2023, taking into account that Section I of the Remuneration Policy Report, containing the principles of the policy having a three-year duration (2022-2024) were approved in a binding manner by the Shareholders at the Shareholders' Meeting of December 15, 2021 and, with reference to principles and supplementary implementation methods, by the Shareholders' Meeting of September 12, 2023.

The Report on Corporate Governance and the Report on Remuneration Policy and Remuneration Paid Pursuant to Article 123 ter TUF will be made available to the public in the manner and within the timeframe established by law and applicable regulatory provisions.

*** **

Calling of Shareholders' Meeting

The Board of Directors resolved to convene the Shareholders' Meeting on June 19, 2024 to (i) approve the annual financial report, (ii) appoint the statutory auditors for the period 2025 – 2033 (iii) approve, in a non-binding manner, Section II of the report on remuneration policy and compensation paid pursuant to Article 123 ter, TUF.

MITTEL S.p.A.

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Consolidated Statement of Financial Position

Values in EUR

	31.12.2023	31.12.2022
Non-current Assets		
Intangible fixed assets	68.980.566	109.734.195
Propoerty, plant & equipment	70.990.664	302.091.338
<i>- of which IFRS 16 rights of use</i>	30.889.905	233.457.260
Investments accounted for under the equity method	2.265.645	3.483.000
Financial receivables	11.075.078	15.836.052
Other financial assets	10.788.596	11.739.916
Sundry receivables and other assets	13.158.120	1.291.738
Deferred tax assets	13.306.567	20.737.209
Total Non-Current Assets	190.565.236	464.913.448
Current Assets		
Inventories	70.362.615	55.664.525
Financial receivables	269.554	-
Other financial assets	1.186.726	-
Current tax assets	1.239.563	955.959
Sundry receivable and other assets	56.655.777	53.484.280
Cash and cash equivalents	87.287.130	61.715.966
Total Current Assets	217.001.365	171.820.730
Discontinued operations	-	-
Total Assets	407.566.601	636.734.178
Shareholders' Equity		
Share Capital	87.907.017	87.907.017
Share premium	53.716.218	53.716.218
Treasury shares	-	-
Reserves	67.276.101	77.345.442
Profit (loss) for the period	50.500.265	650.867
Equity pertaining to the Group	259.399.601	219.619.544
Equity pertaining to non-controlling interest	24.023.862	10.355.210
Total Net Equity	283.423.463	229.974.754
Non-Current Liabilities		
Bond loans	-	-
Financial payables	31.225.175	282.697.614
<i>- of which IFRS 16 financial liabilities</i>	29.226.270	255.405.690
Other financial liabilities	1.315.668	2.009.314
Provisions for personnel	6.402.809	7.496.108
Deferred tax liabilities	1.200.392	1.821.297
Provisions for risks & charges	1.823.477	1.575.289
Sundry payables and other liabilities	44.663	170.074
Total Non-Current Liabilities	42.012.184	295.769.696
Current Liabilities		
Bond loans	-	15.435.091
Financial payables	13.924.504	32.611.959
<i>- of which IFRS 16 financial liabilities</i>	2.915.219	9.216.262
Other financial liabilities	12.490	-
Current tax liabilities	1.644.652	475.633
Sundry payables and other liabilities	66.549.308	62.467.045
Total Current Liabilities	82.130.954	110.989.728
Liabilities held for sale	-	-
Total Equity and Liabilities	407.566.601	636.734.178

Consolidated Income Statement

Values in EUR

	31.12.2023	31.12.2022 (*)
Revenue	151.387.136	155.251.771
Other income	5.893.648	7.882.459
Variations in inventories	236.473	(9.492.809)
Purchase costs	(68.179.400)	(65.227.820)
Provision for services	(36.439.089)	(34.486.340)
Personnel costs	(34.696.691)	(30.079.144)
Other costs	(3.293.666)	(2.246.277)
Amortisation/depreciation & value adjustments of intangible assets	(9.449.420)	(8.855.103)
Allocation to provision for risks	(50.033)	(236.616)
Share of profit (loss) of investments accounted for using the equity method	(1.217.355)	-
Operating Result	4.191.603	12.510.121
Financial income	4.905.272	5.407.640
Financial charges	(2.645.050)	(2.660.871)
Profit (loss) from the management of financial assets and investments	6.569.697	301.914
Value adjustments to financial assets and receivables	(7.977.755)	(9.005.664)
Profit (loss) from trading financial assets	-	-
Profit (loss) before tax	5.043.767	6.553.140
Income tax	473.199	(839.236)
Result from continuing operations	5.516.966	5.713.904
Result from discontinued or held for sale operations	44.408.500	(7.487.365)
Profit (loss) for the year	49.925.466	(1.773.461)
Attributable to:		
Profit (loss) pertaining to non-controlling interests	(574.799)	(2.424.328)
Profit (loss) pertaining to the Group	50.500.265	650.867
(*) Some amounts shown in this column do not coincide with the amounts reported in the Financial Report as of December 31, 2022 as they reflect reclassifications related to the sale of Gruppo Zaffiro, in accordance with IFRS 5		
Profit (loss) per share (in EUR)		
From ordinary continuing operations:		
- Basic	0,621	0,008
- Diluted	0,621	0,008

Mittel S.p.A. – Statement of Financial position

Values in units of EUR

	31.12.2023	31.12.2022
Non-current assets		
Intangible fixed assets	1.073	2.130
Production, plant and equipment	4.007.840	4.568.616
- of which IFRS 16 rights of use	3.728.209	4.235.434
Investments	118.316.111	108.872.976
Financial receivables	13.810.364	20.359.276
Other financial assets	10.171.692	10.177.553
Sundry receivables and othe assets	552.919	552.919
Deferred tax assets	8.219.811	6.224.025
Total Non-Current Assets	155.079.810	150.757.495
Current Assets		
Financial receivables	27.452.698	56.705.660
Current tax assets	887.482	404.379
Sundry receivables and other assets	3.265.605	3.635.211
Cash and cash equivalents	30.366.183	13.077.983
Total Current Assets	61.971.968	73.823.233
Assets hold for sale	-	-
Total Assets	217.051.778	224.580.728
Shareholders' equity		
Share capital	87.907.017	87.907.017
Share premium	53.716.218	53.716.218
Treasury shares	-	-
Reserves	46.446.684	66.371.806
Profit (loss) for the year	19.749.765	(9.915.828)
Total Shareholders' Equity	207.819.684	198.079.213
Non-Current Liabilities		
Financial payables	3.831.868	4.323.924
- of which IFRS 16 financial liabilities	3.831.868	4.323.924
Provisions for personnel	1.077.426	996.405
Deferred tax liabilities	-	22.467
Provisions for risks and charges	100.000	100.000
Total Non-Current Liabilities	5.009.294	5.442.796
Current Liabilities		
Bond loans	-	15.435.091
Finanacial payables	1.161.821	1.145.870
- of which IFRS 16 financial liabilities	261.821	245.870
Other financial liabilities	12.490	-
Sundry payables and other liabilities	3.048.489	4.477.758
Total Current Liabilities	4.222.800	21.058.719
Liabilities held for sale	-	-
Total Shareholders' Equity and Liabilities	217.051.778	224.580.728

Mittel S.p.A. – Income Statement

Values in units of EUR

	31.12.2023	31.12.2022
Revenue	461.641	484.043
Other income	399.411	447.348
Service costs	(4.689.417)	(1.839.546)
Personnel costs	(2.803.346)	(2.067.156)
Other costs	(1.366.452)	(571.287)
Dividends	-	663.978
Profit (loss) from management of financial assets and investments	28.500.000	136.777
Amortisation/depreciation & value adjustments to intangible assets	(352.944)	(356.529)
Allocation to provision for risks	-	-
Operating Result	20.148.893	(3.102.372)
Financial income	4.196.873	2.694.503
Financial charges	(520.478)	(759.346)
Value adjustments to financial assets and receivables	(6.805.853)	(8.930.207)
Value adjustments to investments	(1.224.355)	(665.000)
Profit (loss) before tax	15.795.080	(10.762.422)
Income tax	3.954.685	846.594
Profit (loss) for the year	19.749.765	(9.915.828)
Profit (loss) per share (in EUR)		
- Basic	(0,243)	(0,122)
- Diluted	(0,243)	(0,122)

The Manager in charge of drafting corporate accounting documents, Mr. Pietro Santicoli, declares hereby, pursuant to paragraph 2, art. 154-bis of the Consolidated Law on Finance (TUF), that the accounting information contained in this release corresponds to the documentary evidence, books and underlying accounting records.