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1.

About

the Company

1.1 Corporate officers

Board of Directors

In office until approval of the financial statements for the year ended 31 December 2024

Alessandro Benetton
Chairman

Enrico Laghi
Chief Executive Officer

Christian Benetton
Director

Carlo Bertagnin Benetton
Director

Ermanno Boffa
Director

Irene Boni
Director

Francesca Cornelli
Director

Claudio De Conto
Director

Vittorio Pignatti-Morano Campori
Director

Board of Statutory Auditors

In office until approval of the financial statements for the year ended 31 December 2025

Angelo Casò
Chairman

Aldo Laghi
Standing Auditor

Livia Amidani Aliberti
Standing Auditor

Giorgio Grosso
Alternate Auditor

Gianluca Pivato
Alternate Auditor

Independent Auditor

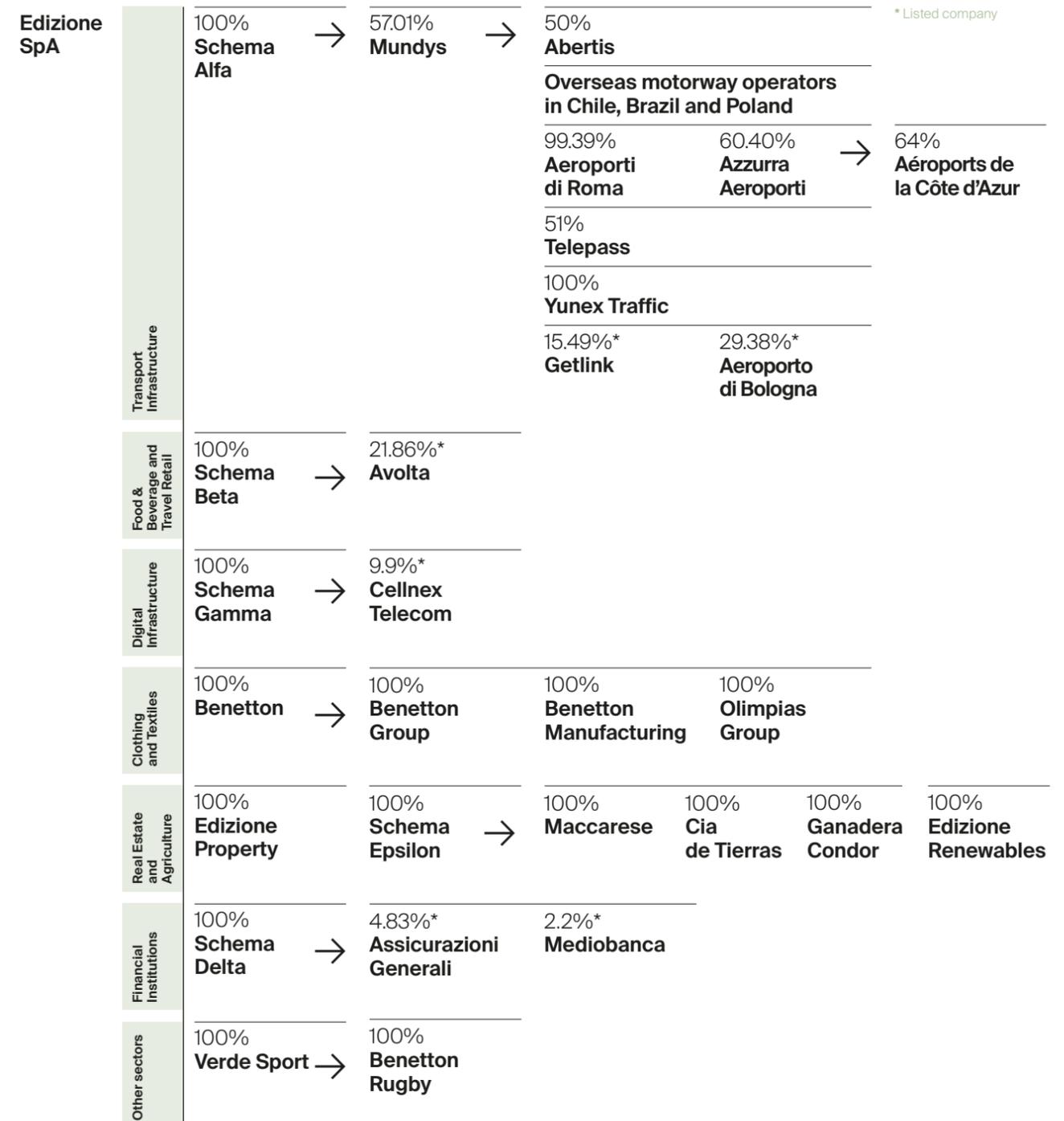
In office until approval of the financial statements for the year ended 31 December 2023

Deloitte & Touche SpA

1.2 Structure of the Group

Edizione SpA (“Edizione” or the “Company”), a company wholly owned by the Benetton family, holds investments in the following sectors: Transport Infrastructure, Food & Beverage and Travel Retail, Digital Infrastructure, Clothing and Textiles, Real Estate and Agriculture, Financial Institutions and Other sectors.

The simplified structure of the Group is as follows:



1.3 Net Asset Value

The table shows a breakdown of Edizione's Net Asset Value ("NAV") as of 31 December 2023, compared with amounts as of 31 December 2022, which have been recalculated by stripping out the value of the demerged properties to ensure a consistent basis of comparison across the two years.

The value of assets was determined as follows:

- investments in listed companies and other listed securities are valued on the basis of the arithmetic average of closing prices in the 20 trading days prior to the measurement date;
- investments in unlisted companies are valued on the basis of the valuation method that best reflects their most recent fair value, which may be (i) a valuation calculated by independent experts, (ii) a valuation that reflects the value of the investee's equity or (iii) a valuation at cost if the investment was recently completed;

- investments in funds or other investment vehicles are valued at NAV or Edizione's share of the value reported by the fund;
- assets and liabilities denominated in a foreign currency are converted at the exchange rate at the date of calculation of NAV.

Net debt includes the debt of Edizione and the wholly-owned financial sub-holding companies at the measurement date, after deducting cash and investments readily convertible into cash as of the same date.

Breakdown of Edizione's NAV (€m)	Company	Measurement criterion	31.12.2023			31.12.2022			Change
			Share as of 31.12.2023	Value (€m)	% of GAV	Share as of 31.12.2022	Value Pro forma	% of GAV	
Transport Infrastructure	Mundys	Fair value	57.01%	6,287	49	57.01%	6,287	52	-
Digital Infrastructure	Cellnex	Fair value	9.9%	2,499	19	8.2%	1,867	16	632
Food & Beverage and Travel Retail	Avolta	Fair value	21.86%	1,155	9	50.32%	1,363	11	(208)
Clothing and Textiles	Benetton Group, Benetton Manufacturing and Olimpias Group	Book value	100%	114	1	100%	312	3	(198)
Real Estate	Edizione Property, San Giorgio	Fair value	100%	1,037	8	100%	570	5	467
Agriculture	Maccarese	Book value	100%	37	0,3	100%	36	0,3	1
Agriculture	Argentine companies	Fair value	100%	73	0,6	100%	72	0,6	1
Financial Institutions	Assicurazioni Generali	Fair value	4.83%	1,438	11	4.75%	1,279	11	159
Financial Institutions	Mediobanca	Fair value	2.2%	206	2	2.19%	169	1	37
Packaging	IMA and ProMach	Fair value	-	39	0,3	-	-	-	39
Investment Funds		Fair value	-	49	0,4	-	38	0,3	11
Sport sector	Verde Sport, Asolo Golf, Benetton Rugby	Book Value	100%	13	0,1	100%	12	0,1	1
Other	Other companies	Book Value	-	5	-	-	5	-	-
Gross Asset Value ("GAV")				12,953	100		12,010	100	942
Net debt				(1,234)			(577)		(658)
Net Asset Value				11,719			11,433		286

2. Directors' Report on Operations

Dear Shareholders,

The financial statements for the year ended 31 December 2023, which we hereby submit for your approval, report a loss of €341.6 million, compared with a profit of €177.6 million for 2022. The loss reflects the one-off impairment loss on the investment in Benetton Srl. Stripping out this impairment results in a profit of €218.3 million for 2023, marking a 23% improvement on 2022.

A description of key events during the year is provided below.

2.1 Key events during the year

In 2023, Edizione completed a number of extraordinary transactions resulting from the decision to break with the past taken by the second generation of the Benetton family in 2022:

- the Public Tender Offer for Atlantia SpA (“Atlantia”);
- the combination of Autogrill SpA (“Autogrill”) with Avolta AG (“Avolta”, formerly Dufry AG, “Dufry”);
- the demerger of real estate assets.

In 2023, Edizione also focused on consolidating the investments in its portfolio and laying the foundations for new investment initiatives as part of the ongoing, progressive process of embedding ESG criteria in our business model.

A more detailed description of events affecting Edizione’s investment portfolio is provided below.

Trilateral merger of Schemaquarantadue and Schema Alfa with and into Mundys

On 14 March 2023, Atlantia assumed its new name of Mundys SpA (“Mundys”).

On 30 April 2023, the reverse merger of Schemaquarantadue SpA and Schema Alfa SpA, the two vehicle companies set up to conduct the Public Tender Offer for Atlantia’s shares in April 2022, with and into Mundys became effective.

Following completion of the merger, Edizione owns 57.01% of Mundys through its direct subsidiary, Sintonia SpA which, in May 2023, changed its name to Schema Alfa.

Strategic business combination Autogrill-Avolta

On 11 July 2022, Edizione, its subsidiary Schema Beta SpA (“Schema Beta”) and Dufry signed an agreement (the Combination Agreement) to create a global group in food and beverage and retail services for travelers through a strategic business combination between Autogrill and Dufry.

Transaction closing was completed on 3 February 2023:

- Dufry became Autogrill’s majority shareholder with a 50.3% stake;
 - Schema Beta received 30,663,329 newly issued Dufry shares, becoming the main shareholder.
- As a result of the transfer of the 50.3% stake in Autogrill to Dufry, the latter launched a mandatory public exchange offer (the “Dufry Offer”) with an alternative cash consideration for the Autogrill shares other than those involved in the transfer, offering shareholders the option of exchanging their Autogrill shares with Dufry shares (listed in Switzerland on the SIX Swiss Exchange), with the exchange based on the same exchange ratio enjoyed by the majority shareholder or, alternatively, to receive an equivalent cash alternative amounting to €6.33 per share.

The acceptance period for the Dufry Offer, agreed with Borsa Italiana SpA pursuant to art. 40, paragraph 2 of the Regulations for Issuers, corresponded with 21 stock exchange trading days and began on 14 April 2023, ending on 18 May 2023. The period was then reopened from 26 May 2023 to 1 June 2023.

Following settlement of the joint procedure for exercising the purchase right, Dufry’s public exchange offer was successfully completed and, on 24 July 2023, Autogrill’s shares were delisted from the Euronext Milan exchange.

In November 2023, Dufry changed its name to Avolta AG.

As of 31 December 2023, Schema Beta’s total stake in Avolta amounts to 21.86%.

Demerger of real estate assets

The General Meeting of Edizione's shareholders held on 26 May 2023 approved the plan to reorganise the property portfolio. The plan aims, on the one hand, to focus the Group's activities on its core sectors and on the companies in which Edizione directly or indirectly holds a strategic stake and, on the other, to enable its shareholders to pursue their own business strategies in respect of the demerged property assets.

This reorganisation took the form of two demerger transactions: on 1 August 2023, the partial proportional demerger of Edizione Property SpA ("Edizione Property") and the reverse partial non-proportional demerger of Edizione to four newly established beneficiary companies became effective. The new companies are Edizione Prima (now Augusto Imperatore 10 Srl), Edizione Seconda (now Regia Property Srl), Edizione Terza (now Terza Srl) and Edizione Quarta (now Quarta Srl). The assets and liabilities demerged with Edizione Property regarded properties not used in the Group's core activities, payables and receivables, investments and cash. The reverse demerger of Edizione regarded the investment held in Edizione Property.

As part of the reorganisation, Edizione made a capital contribution to Edizione Property amounting to €500 million. The related payments were used to fund repayment of Edizione Property's borrowing of €516 million and cancel the guarantees attaching to the demerged properties.

Demerger of Schema Alfa (formerly Sintonia) and merger of Schema Gamma with and into Edizione

On 17 October 2022, the General Meeting of the shareholders of Schema Alfa SpA ("Schema Alfa", formerly Sintonia SpA) approved a plan for a partial, proportional demerger, involving the transfer of the investment in Connect Due Srl ("Connect Due"), the vehicle that holds the stake in Cellnex Telecom SA ("Cellnex"), and its net assets to a newly established beneficiary company, Schema Gamma Srl ("Schema Gamma"), owned directly by Edizione. This demerger aimed to reorganise the investments held by Schema Alfa to enable it to focus its activities on management of its investment in Mundys.

The transaction was also carried out in view of the complex shareholder agreements governing relations between the partners in this transaction, which could, in future, impact the Company's ability to manage its investments.

The merger deed was executed on 21 December 2022 and became effective 1 January 2023. On 27 June 2023, a General Meeting of Edizione's shareholders then approved the merger of Schema Gamma with and into Edizione, resulting in the latter having a directly held stake in Connect Due.

Finally, on 4 October 2023, the General Meeting of Connect Due's shareholders renamed Schema Gamma.

Increase in the stake in Cellnex

In May and June 2023, Edizione, acting through Schema Gamma, acquired 12,000,000 Cellnex shares, equal to 1.7% of the issued capital, in the market at a cost of €466.9 million.

Investment in the packaging sector

In December 2023, Edizione joined the project promoted by Byron Trott of Bdt & Msd Partners, investing in IMA SpA ("IMA") and ProMach Inc. ("ProMach"), both leaders in the packaging sector, with turnover of approximately €2 billion and US\$1.7 billion, respectively. The investment is part of the portfolio diversification strategy, whilst also being linked to the issue of sustainability in a sector with attractive growth prospects.

Establishment of Edizione Renewables Srl ("Edizione Renewables")

Edizione Renewables, a vehicle company controlled by Edizione through Schema Epsilon Srl ("Schema Epsilon", formerly Edizione Agricola Srl) was established on 11 December 2023. The company will operate in the renewable energy sector.

Investment in Benetton

Benetton Group Srl ("Benetton Group") made a net loss of €235 million in 2023 (€81 million in the prior year) and has negative equity of €63 million as of 31 December 2023 (equity of €142 million as of 31 December 2022), alongside net debt of €460 million (€537 million as of 31 December 2022).

The financial position also includes a medium/long-term loan from a pool of banks and guaranteed by SACE.

As of 31 December 2023, the company was in breach of certain financial covenants attaching to the loan, which may trigger a demand for early repayment, with the resulting presentation of the remaining debt in liabilities falling due within twelve months.

Benetton Group's Directors analysed the key factors leading to this negative performance, which was not in line with the guidance for 2023 contained in the 2021-2026 Business Plan.

In view of this situation, Benetton Group's Directors decided that it was necessary to conduct a major review of the group's strategy and to draw up a new multi-year plan, with the support of a leading strategy consulting firm. Work on preparation of the plan was periodically reviewed by Benetton Group's Board of Directors, who validated the assumptions and, at the meeting of 8 May 2024, subsequently adopted the 2024-2029 Plan as the basis for preparation of the financial statements for 2023. It was also decided to submit the Plan to Edizione as part of a request for financial backing and to immediately enter into discussions with the company's banks. The document marks a major break with the past, as the 2024-2029 Plan includes, on the one hand, measures designed to drive down costs and, on the other, changes to the operating model and a relaunch of the brand.

Benetton Group's Directors took immediate steps to begin implementing the new Plan at operational level. This involved initiating discussions with Edizione and the banks, confident of the fact that the operational levers activated under the Plan will also weigh on the financial considerations involved in the debate that in the coming months will lead the Benetton Group to arrive at a broader definition of its financial structure. This will include adoption of a different method of measuring compliance with the covenants in its loan agreements.

Benetton Group's Directors took into account the company's and the group's financial position, assessments of the underlying causes of the performance, the reasonableness of the assumptions adopted in preparing the new Business Plan and, in part based on the financial support guaranteed by Edizione, came to the reasonable conclusion that the company will be in a position to deliver on the Plan and meet its financial obligations in the normal course of business, over a period of at least twelve months from the reporting date. As a result, the financial statements have been prepared on a going concern basis.

Given the above, in view of the results of the impairment test of Benetton Group's net assets, updated during preparation of the financial statements for the year ended 31 December 2023 based on cash flow forecasts in the 2024-2029 Plan, the subsidiary, Benetton Srl, which directly holds the investment in Benetton Group, has recognised an impairment loss of €560 million on its investment in Benetton Srl in its financial statements. As a result, Edizione has recognised an impairment loss of the same amount on its investment in Benetton Srl.

2.2 Reclassified statement of profit or loss

The operating results for 2023 and 2022 are shown in the reclassified statement of profit or loss.

Dividends from investments in 2023 (amounting to €294 million) were paid by the subsidiaries, Schema Alfa (€200 million) and Schema Delta (€94 million). Dividends paid by Schema Alfa in 2022 amounted to €200 million.

Other revenue and income regards services provided to Group companies.

Operating costs are shown in the relevant table with prior year comparatives.

The increase in Directors' fees and personnel costs reflects the Company's incentive plans and recognition of the charge relating to the agreed termination of employment of an employee.

Donations were made to the Fondazione Benetton Studi Ricerche.

Service costs rose in 2023, above all due to consulting fees (up €1.8 million) linked to the reorganisation that took place during the year and new investment projects.

Depreciation, amortisation and impairments mainly refers to amortisation of the right-of-use assets recognised in application of IFRS 16. The figure for the prior year included the adjustment to the recoverable value of a receivable related to the sale of the investment in Banca Leonardo in April 2018.

The increase in net financial expenses in 2023 is linked to an increase in Edizione's debt and rising interest rates.

Income tax for 2023 has resulted in a benefit of €0.3 million (a benefit of €1 million in 2022) and regards the estimated income on the Company's tax losses used in the tax consolidation arrangement.

Fair value adjustment of investment funds includes the effect of the fair value measurement of investment funds managed by 21 Invest based on their net asset value at the end of the year.

Impairment losses on investments in 2023 regard:
 → the investment in Benetton Srl: €560 million;
 → the subsidiary, Verde Sport Srl: €3.6 million (€3.3 million in 2022), having adjusted the carrying amount of the investment to reflect the value of the company's equity at year end. Edizione supports the subsidiary, a company that promotes sports activities at the "La Ghirada" centre and organises sports and social events, each year covering the losses incurred by the company in carrying out its corporate activities.

Reclassified statement of profit or loss

(€m)	2023	2022	Change	%
Dividends from investments	294.0	200.0	94.0	47
Income from investment funds	0.1	1.1	(1.0)	(91)
Dividends and income from investment funds	294.1	201.1	93.0	46
Other revenue and income	1.0	0.8	0.2	25
Operating costs	(26.0)	(18.9)	(7.1)	(38)
Depreciation, amortisation and impairments	(1.2)	(1.4)	0.2	14
Financial income/(expenses), net	(51.8)	(6.4)	(45.4)	n/s
Income tax expense for the year	0.3	1.0	(0.7)	(70)
Net operating profit	216.4	176.2	40.2	23
Fair value adjustment of investment funds	5.6	4.7	0.9	19
Impairment losses on investments	(563.6)	(3.3)	(560.3)	n/s
Profit/(Loss) for the year	(341.6)	177.6	(519.2)	n/s

Operating costs

(€m)	2023	2022	Change	%
Directors' fees	(3.3)	(2.7)	(0.6)	22
Personnel costs	(8.4)	(4.5)	(3.9)	86
Donations	(2.4)	(2.3)	(0.1)	4
Service costs	(11.0)	(8.5)	(2.5)	29
Leases	(0.6)	(0.7)	0.1	(14)
Other operating costs	(0.3)	(0.2)	(0.1)	50
Total	(26.0)	(18.9)	(7.1)	38

2.3 Statement of financial position

The financial structure as of 31 December 2023, compared with the situation as of 31 December 2022, is shown in the table on the page beside.

Non-current investments

Non-current investments amount to €5,923.2 million at the end of 2023, a net increase of €1,296.2 million compared with 31 December 2022 (€4,627 million). Further details are provided beside in the table on non-current investment in 2023.

Other non-current securities and receivables

As of 31 December 2023, this item refers to the fair value of investment funds. The change with respect to the prior year reflects subscription for units in two investment vehicles holding investments in IMA and ProMach (€39.9 million), payments made to funds managed by 21 Invest (€4 million net of reimbursements) and the fair value recognised at year end (a gain of €5.6 million).

Equity

As of 31 December 2023, equity amounts to €4,508.2 million (€4,064.4 million as of 31 December 2022). Dividends amounting to €100 million were paid to shareholders during the year.

Net debt/(cash)

As of 31 December 2023, Edizione has net debt of €1,509.7 million, compared with €603.7 million at the end of 2022. The change compared with the prior year reflects the use of two credit facilities agreed by Edizione in 2022. These, together with dividends collected during the year, have been used to provide capital for subsidiaries, to pay dividends to shareholders and meet operating costs.

The increase in the use of credit facilities in 2023 reflects the contribution for future capital increases paid to Edizione Property (€500 million), with the funds to be used to pay off the subsidiary's bank borrowings (€516 million).

Other current financial (assets)/liabilities includes intercompany current accounts held with subsidiaries. The breakdown of Edizione's net debt/(cash) is shown beside.

Reclassified statement of financial position

(€m)	31.12.2023	31.12.2022	Change
Non-current investments	5,923.2	4,627.0	1,296.2
Other non-current securities and receivables	87.5	38.0	49.5
Property, plant and equipment and intangible assets, net	6.0	6.3	(0.3)
Non-current assets	6,016.7	4,671.3	1,345.4
Short-term receivables	7.1	5.5	1.5
Short-term payables	(5.6)	(8.0)	2.4
Net working capital	1.5	(2.5)	3.9
Provisions and medium-term liabilities	(0.3)	(0.7)	0.4
Invested capital	6,017.9	4,668.1	1,349.8
Equity	4,508.2	4,064.4	443.8
Net debt/(cash)	1,509.7	603.7	906.0
Sources of funding	6,017.9	4,668.1	1,349.8

Non-current investments 2023

(€m)	
Value of investments as of 31 December 2022	4,627.0
Schema Alfa demerger	(311.6)
Schema Beta capital increases	1.2
Schema Gamma merger	1,744.3
Edizione reverse demerger	(79.5)
Edizione Property capital increases	500.0
Verde Sport capital increases	5.4
Impairment losses on the investment in Benetton	(560.0)
Impairment losses on the investment in Verde Sport	(3.6)
Value of investments as of 31 December 2023	5,923.2

Net debt/(cash)

(€m)	31.12.2023	31.12.2022	Change
Net cash	(66.5)	(6.5)	(60.0)
Other current financial (assets)/liabilities	265.7	18.7	247.0
Non-current borrowings	1,304.3	585.1	719.2
Net debt/(cash) before IFRS 16	1,503.5	597.3	906.2
Effect of application of IFRS 16	6.2	6.4	(0.2)
Net debt/(cash)	1,509.7	603.7	906.0

2.4 Performance of key subsidiaries and associates

The performance of key investees is briefly described below.

Schema Alfa SpA

(controlling interest as of 31 December 2023: 100%)

As of 31 December 2023, Schema Alfa holds investments in companies operating in the transport infrastructure sector controlled by Mundys. Until 31 December 2022, Schema Alfa also held the investment in Connect Due, the investment vehicle that held the investment in Cellnex, a leading digital infrastructure provider. On 1 January 2023, the partial, proportional demerger of Schema Alfa, involving the transfer of the investment in Connect Due to a newly established beneficiary company, Schema Gamma, owned directly by Edizione, became effective.

On 24 May 2023, the subsidiary Mundys declared a dividend of €1.57 per share, amounting to a total of €429.1 million. In 2022, Mundys paid a dividend of €202.3 million and Connect Due dividends of €144 million.

Operating costs of €0.2 million in 2023 include consultants' fees, administrative expenses and the fee paid to the Sole Director. The majority of operating costs in 2022 regarded consultants' fees linked to corporate actions relating to the investee, Mundys.

Net financial income of €5.8 million in 2023 primarily regards interest accruing on the intercompany current account with the Parent Company, Edizione. In the prior year, net financial expenses referred to interest expense accruing on the Company's borrowing, including non-use fees, which was paid off during the year.

Financial highlights for Schema Alfa

(€m)	Separate financial statements			
	2023	2022	Change	%
Dividends and other income from investments	429.1	346.3	82.8	24
Operating costs	(0.2)	(0.6)	0.4	(67)
Financial income/(expenses), net	5.8	(4.3)	10.1	n/s
Income tax expense for the year	(0.4)	0.1	(0.5)	n/s
Profit/(Loss) for the year	434.3	341.5	92.8	27

	31.12.2023	31.12.2022	Change
Equity	3,209.3	4,252.3	(1,043.0)
Net debt/(cash)	(241.1)	(5.8)	(235.3)

Income tax expense for 2023 regards IRAP (€0.3 million), with the remaining tax determined on the basis of relations between the Edizione Group companies included in the tax consolidation arrangement, in which Schema Alfa participates.

As of 31 December 2023, Schema Alfa's equity amounts to €3,209.3 million (€4,252.3 million as of 31 December 2022), a decline of €1 billion compared with the prior year due to the demerger of the investment in Connect Due. The change also reflects the result for the year and payment of the dividend to the shareholder (€200 million).

As of 31 December 2023, Schema Alfa has cash reserves of €241.1 million, compared with €5.8 million at the end of the prior year. The change reflects the balance on the intercompany current account held with Edizione. This has risen compared with the prior year following collection of the dividend from Mundys, after payment to Edizione of the dividend approved by the General Meeting of Schema Alfa's shareholder (€200 million).

Mundys SpA (formerly Atlantia SpA)

(controlling interest as of 31 December 2023: 57.01% through Schema Alfa)

2023 was a transformative year for Mundys. Having completed the change in ownership structure initiated in 2022, the company embarked on a new path. In July, a new strategic collaboration agreement for Abertis with the partner, ACS, was signed with the aim of strengthening the company's global leadership. The agreement sets out a new governance model and renews the shareholders' commitment to accelerating value creation through an ambitious investment plan. The plan aims to expand the portfolio of assets under management and increase their average life, whilst at the same time retaining the company's investment grade credit rating. Having concluded the new agreement, Mundys carried out a number of major transactions involving Abertis (in response to which the agencies S&P and Fitch have reaffirmed the company's investment grade ratings):

- the acquisition of a 57% stake in the SH-288 motorway in Houston, Texas;
- the award of a contract to modernise and operate four new sections of toll motorway in Puerto Rico;
- the conclusion of an agreement to acquire a 100% stake in Autovia del Camino in Spain.

In addition, with the goal of optimising overall earnings, work continued on rationalising the investment portfolio, with the signature of an agreement (expected to complete in the first half of 2024) for the sale of the company's entire interest (50% plus one share) in AB Concessões and the related Brazilian motorway assets.

Revenue of €8,625 million is up €1,198 million (16%) compared with 2022 (€7,427 million) and includes the contribution from the Yunex Traffic group for the full year in 2023, amounting to €743 million (€351 million in 2022). Revenue growth was also driven by tariff increases applied by overseas operators and the upturn in air traffic.

EBITDA of €5,053 million for 2023 is up €555 million compared with 2022 (€4,498 million, up 12%).

Financial highlights for the Mundys group

(€m)	Consolidated financial statements			
	2023	2022	Change	%
Revenue	8,625	7,427	1,198	16
EBITDA	5,053	4,498	555	12
Profit/(Loss) for the year attributable to owners of the parent	124	5,791	(5,667)	n/s

	31.12.2023	31.12.2022	Change
Equity	13,838	21,446	(7,608)
Net debt/(cash)	30,355	17,484	12,871

Profit for 2023 attributable to owners of the parent amounts to €124 million (€5,791 million in 2022). After excluding the contribution from discontinued operations, profit attributable to owners of the parent amounts to €106 million (€37 million in 2022).

Equity amounts to €13,838 million (€21,446 million as of 31 December 2022), a reduction due essentially to the impact of the trilateral reverse merger of Schemaquarantadue SpA and Schema Alfa SpA with and into Mundys (a decrease of €8,059 million).

Net debt as of 31 December 2023 amounts to €30,355 million, an increase of €12,871 million compared with 31 December 2022 (€17,484 million). This reflects debt resulting from the trilateral reverse merger (€8,038 million) and M&A transactions during the year (€4,480 million).

On 28 March 2024, the Texas Transportation Commission authorized the Texas Department of Transportation to take the necessary steps to terminate for convenience the SH-288 concession awarded to Blueridge Transportation Group LLC, a company controlled by Abertis group and in which Mundys indirectly owns a 28.11% stake. On 8 April 2024, the start of the termination for convenience procedure was notified. This is expected to be completed by 8 October 2024 and will be effective after the payment of the indemnity equal to USD1.7 billion for the entire concession, gross of any costs connected with the transfer to the incoming operator. The operator entered into negotiations with the Texas Department of Transportation to evaluate alternative options aimed at finalizing an agreement in the best interests of the state of Texas and the operator itself with a view to avoiding the termination.

Schema Beta SpA

(controlling interest as of 31 December 2023: 100%)

Schema Beta holds the investment in Avolta, a company operating in the food & beverage and travel retail sectors.

Schema Beta did not receive dividends in 2023 and 2022.

Operating costs regard the fees charged by the legal advisors who assisted Schema Beta with regard to the combination of Autogrill and Avolta.

Net financial income includes the net gain resulting from the exchange of Autogrill shares with those of Avolta.

As of 31 December 2023, Schema Beta's equity amounts to €1,400 million, an increase compared with 31 December 2022 (€1,364.1 million). This primarily reflects recognition of the gain on the exchange of Autogrill shares with those in Avolta recognised at the transaction closing date (€28.3 million). The increase also includes the positive effect, totalling €7.3 million, of fair value measurement, at the same date, of the 2,700,000 Avolta shares acquired by Schema Beta in 2022.

Financial highlights for Schema Beta

(€m)	Separate financial statements			
	2023	2022	Change	%
Dividends and other income from investments	-	-	-	n/s
Operating costs	(0.6)	(1.2)	0.6	50
Financial income/(expenses), net	28.3	-	28.3	n/s
Income tax expense for the year	(0.3)	-	(0.3)	n/s
Profit/(Loss) for the year	27.4	(1.2)	28.6	n/s

	31.12.2023	31.12.2022	Change
Equity	1,400.0	1,364.1	35.9
Net debt/(cash)	0.1	-	0.1

Avolta AG

(percentage interest as of 31 December 2023: 21.86% through Schema Beta)

In 2023, Avolta completed the business combination with Autogrill, transforming the group and contributing to the restructuring of the food & beverage and travel retail businesses at global level.

The Avolta group generated core revenue of CHF12,534 million in 2023, an increase of 16% (compared with the core proforma figure for 2022). This reflects a solid recovery in passenger demand, a broadening of the offer with the addition of new product lines and other commercial initiatives.

Core EBITDA for 2023 amounts to CHF1,130 million, compared with core proforma EBITDA of CHF941 million for 2022 (an increase of 20%), resulting in a core EBITDA margin of 9% (compared with a core proforma margin of 8.7% in 2022). The improvement is due to cost efficiencies achieved at group level and synergies deriving from the combination with the Autogrill group, despite approximately CHF25 million in costs relating to the combination.

As of 31 December 2023, Avolta has net debt of CHF10,549 million (including CHF7,853 million in lease liabilities), compared with CHF5,813 million as of 31 December 2022 (including CHF3,003 million in lease liabilities).

The Avolta group's equity as of 31 December 2023 amounts to CHF2,495 million, compared with CHF966 million as of 31 December 2022. The change reflects the capital increases carried out in order to complete the business combination with Autogrill and consolidate the latter.

Financial highlights for the Avolta group

(CHFm)	Consolidated financial statements					
	2023	2023 Core	2022 Core Proforma	2022	Change Core	%
Revenue	12,789	12,534	10,805	6,878	1,729	16
EBITDA	2,475	1,130	941	1,597	189	20
Profit/(Loss) attributable to owners of the parent	87	308	126	58	182	n/s

	31.12.2023	31.12.2022	Change
Equity	2,495	966	1,529
Net debt	10,549	5,813	4,736

Core revenue: does not include revenue from the sale of fuel, the value of which less costs is presented in other operating income; EBITDA, EBIT and profit attributable to owners of the parent primarily do not include the impact of applying IFRS 16 and adjustments due to acquisitions. A specific reconciliation is provided in Avolta's Annual Report for 2023.

Proforma: based on the Autogrill group's contribution for a period of 11 months (from February 2022 to December 2022).

Schema Gamma Srl

(controlling interest as of 31 December 2023: 100%)

Schema Gamma directly holds the investment in Cellnex, a digital Infrastructure provider.

In May and June 2023, Schema Gamma acquired 12,000,000 Cellnex shares in the market in a series of tranches. This amounts to a 1.7% stake in the issuer, acquired at a cost of €466.9 million. These purchases were carried out with financial support from Edizione. As of 31 December 2023, Schema Gamma holds 9.9% of Cellnex.

Dividends and other income from investments refers to dividends received from Cellnex in June and November of each year.

Operating costs include consultants' fees, administrative expenses and Directors' fees. Net financial income primarily includes interest income accruing on intercompany current accounts. The company was not liable to income tax expense for the year, having recorded a tax loss.

As of 31 December 2023, the company's equity amounts to €2,660.9 million (€1,795.8 million as of 31 December 2022). The change compared with as of 31 December 2022 is primarily due to the capital contributions made by Edizione (€467 million) and remeasurement of the fair value of the investment in Cellnex, resulting in a gain of €394.4 million.

Financial highlights for Schema Gamma

(€m)	Separate financial statements			
	2023	2022	Change	%
Dividends and other income from investments	3.9	3.1	0.8	26
Operating costs	(0.3)	(0.1)	(0.2)	n/s
Financial income/(expenses), net	0.2	0.4	(0.2)	(50)
Profit/(Loss) for the year	3.8	3.4	0.4	12

	31.12.2023	31.12.2022 ^R	Change
Equity	2,660.9	1,795.8	865.1
Net debt/(cash)	(7.6)	(3.7)	(3.9)

Cellnex Telecom SA

(percentage interest as of 31 December 2023: 9.90% through Schema Gamma)

Revenue for 2023 amounts to €4,049 million, an increase of 16% compared with the prior year. This reflects both the full-year consolidation of the acquisition of Hutchison United Kingdom, completed in the second half of 2022, and organic growth.

Adjusted EBITDA for 2023 amounts to €3,008 million, an increase of 14% compared with the prior year, partly due to operating cost efficiencies.

The loss attributable to owners of the parent amounts to €297 million, unchanged with respect to the comparative year. In addition to the depreciation of assets, the loss reflects increased financial expenses (up 11%) due to M&A activity.

As of 31 December 2023, equity amounts to €15,147 million, compared with €15,189 million as of 31 December 2022.

Net debt as of 31 December 2023 amounts to €20,102 million, compared with €19,738 million as of 31 December 2022.

Financial highlights for the Cellnex Telecom group

(€m)	Consolidated financial statements			
	2023	2022	Change	%
Revenue	4,049	3,495	554	16
Adjusted EBITDA	3,008	2,630	378	14
Profit/(Loss) attributable to owners of the parent	(297)	(297)	-	-

	31.12.2023	31.12.2022 ^R	Change
Equity	15,147	15,189	(42)
Net debt/(cash)	20,102	19,738	364

^R As permitted by IFRS 3, certain amounts in the statement of financial position for 2022 have been remeasured following completion of the process of measuring and allocating the assets and liabilities resulting from the business combination of CK Hutchison.

Benetton Srl

(controlling interest as of 31 December 2023: 100%)

Benetton Srl ("Benetton") is a holding company that directly controls the following wholly-owned subsidiaries:

- Benetton Group Srl, which is responsible for commercial activities ("Benetton Group");
- Olimpias Group Srl, responsible for the Textiles business ("Olimpias Group");
- Benetton Manufacturing Srl, responsible for the Clothing operations of the various overseas manufacturers ("Benetton Manufacturing").

Net adjustments to the value of investments regards the impairment loss on the investment in Benetton Group Srl recognised in the two years.

Financial highlights for Benetton

(€m)	Separate financial statements		
	2023	2022	Change
Revenue and other income	-	-	-
Operating costs	(1)	(1)	-
Net adjustments to the value of investments	(560)	(80)	480
Profit/(Loss) for the year	(561)	(81)	(480)
	31.12.2023	31.12.2022	Change
Equity	163	725	(562)
Net debt/(cash)	-	(44)	44

Benetton Group Srl

(controlling interest as of 31 December 2023: 100% through Benetton)

In 2023, difficulties caused by macroeconomic and market trends, adverse weather conditions that hit the market in both seasons, and the volatility of certain key currencies for the Benetton group, almost completely eroding constant currency growth with respect to 2022, compromised the company's ability to deliver on the financial targets set in the Benetton group's 2021-2016 Business Plan. As a result, the company was in breach of the covenants provided for in the loan agreement with SACE at the measurement date of 31 December 2023.

The Benetton group's management hired an independent strategy consultant to assist it in drawing up a new business plan (the "2024-2029 Plan"), the final form of which was presented to Benetton Group Srl's Board of Directors on 8 May 2024 and has been used as the basis for preparation of the financial statements for 2023.

Revenue rose 1.1% in 2023 to €1,015 million. 2023 was marked by a positive first half, with sales rising 4.6%, followed by a second half slowdown due primarily to macroeconomic influences.

Negative EBIT for 2023 amounts to €122 million (negative EBIT of €43 million in 2022). This includes non-recurring items attributable to the Benetton group, amounting to €91 million, regarding significant impairment losses on non-current assets, based on cash flow forecasts in the 2024-2029 Plan.

The loss attributable to owners of the parent for 2023 amounts to €235 million, compared with a loss of €81 million for the prior year. In addition to the above impairment losses, this result reflects the impact of the write-down of deferred tax assets, amounting to €87 million, following the Directors' assessment of the non-recoverability of such assets based on projected taxable income in the new 2024-2029 Plan.

Financial highlights for Benetton Group

(€m)	Consolidated financial statements			
	2023	2022	Change	%
Revenue	1,015	1,004	11	1
EBIT	(122)	(43)	79	184
Profit/(Loss) attributable to owners of the parent	(235)	(81)	(154)	190
	31.12.2023	31.12.2022	Change	
Equity	(63)	142	(205)	
Net debt/(cash)	460	537	(77)	

Benetton Manufacturing Srl

(controlling interest as of 31 December 2023: 100% through Benetton)

On 1 October 2022, the demerger involving the transfer of certain of the Olimpias Group's assets to Benetton Manufacturing Srl ("Benetton Manufacturing") became effective. The following assets were also transferred at the same time:

- investments in Aerre Srl, S.C. Anton Industries Srl, Olimpias Tekstil Doo, Olimpias Industrielle Tunisie Sàrl, Olimpias Manufacturing Tunisie Sàrl and Olimpias Serbia Doo;
- loans and receivables of certain of these companies;

→ trade receivables due from the Benetton Group. Following this transaction, Benetton Manufacturing is now responsible for the overseas manufacturing operations that make up the Clothing business that serves the Benetton group. As set out in the demerger deed, the company has prepared its first financial statements for the year ended 31 December 2023.

Financial highlights for the Benetton Manufacturing group

	Consolidated financial statements	
	(€m)	2023
Revenue		133
EBIT		4
Profit/(Loss) attributable to owners of the parent		1
		31.12.2022
Equity		115
Net debt/(cash)		(14)

Olimpias Group Srl

(controlling interest as of 31 December 2023: 100% through Benetton)

Following the extraordinary transactions that took place in 2022, resulting in the reorganisation of the operations of the Olimpias and Benetton groups, in 2023 the Olimpias group was responsible for managing the Textiles business alone.

The operating results and financial position in 2023 regard the Textiles business, whilst the figures for 2022 also include the results of the Clothing manufacturing operations.

Financial highlights for the Olimpias group

	Consolidated financial statements				
	(€m)	2023	2022	Change	%
Revenue		83	238	(155)	(65)
EBIT		6	9	(3)	n/s
Profit/(Loss) attributable to owners of the parent		5	4	1	n/s
		31.12.2023	31.12.2022	Change	
Equity		62	170	(108)	
Net debt/(cash)		(23)	(40)	17	

Edizione Property SpA

(controlling interest as of 31 December 2023: 100%)

In addition to the above partial, proportional demerger of the company, as part of a reorganisation of its property portfolio, in 2023 the company proceeded to sell properties in Taranto, Treviso Isola di Mezzo, Belluno and Chieti and land at Pederobba. On 5 October 2023, a preliminary agreement for the sale of the investment in Monaco Collection Srl (formerly Edizione Alberghi Srl) was signed. The sale was completed in January 2024. The restructuring and development of the remaining properties in the portfolio also continued.

As of 31 December 2023, the Edizione Property group's property portfolio consists of 76 properties, including 40 in Italy and 12 in other countries, with a market value of more than €1 billion.

Rental income of €37.4 million in 2023 primarily regarded the management of commercial properties. This figure is down compared with the prior year due to the impact of the demerger.

The loss attributable to owners of the parent amounts to €29.3 million for 2023, compared with a loss of €7.4 million for 2022. The result includes current tax expense of €22.4 million.

The Edizione Property group's net debt at the end of 2023 amounts to €11.4 million. Financial support from Edizione (€500 million) has enabled the company to repay debt and obtain a new revolving credit facility. During the year, Edizione recapitalised Edizione Property through contributions for future capital increases amounting to €500 million.

Financial highlights for the Edizione Property group

	Consolidated financial statements				
	(€m)	2023	2022 ^R	Change	%
Rental income		37.4	46.2	(8.8)	(19)
EBITDA		22.1	28.2	(6.1)	(22)
Profit/(Loss) attributable to owners of the parent		(29.3)	(7.4)	(21.9)	n/s
		31.12.2023	31.12.2022	Change	
Equity		443.1	534.6	(91.5)	
Net debt/(cash)		11.4	485.3	(473.9)	

^R Edizione Property's consolidated financial highlights for 2022 differ from those published due to the presentation of amounts relating to Edizione Alberghi Srl in accordance with IFRS 5.

Schema Epsilon Srl

(controlling interest as of 31 December 2023: 100%)

On 27 June 2023, the General Meeting of Edizione Agricola Srl's shareholders approved the proposed change in the company's name to Schema Epsilon Srl ("Schema Epsilon").

Schema Epsilon holds 100% interests in Maccarese SpA Società Agricola Benefit ("Maccarese"), Compañía de Tierras Sud Argentino SA ("Cia de Tierras") and Ganadera Condor SA ("Ganadera") and has equity of €93.5 million.

Maccarese SpA Società Agricola Benefit

(controlling interest as of 31 December 2023: 100% through Schema Epsilon)

Financial highlights for Maccarese

(€m)	Separate financial statements			
	2023	2022	Change	%
Revenue	15.8	15.1	0.7	5
Profit/(Loss) for the year	0.8	1.1	(0.3)	(27)
	31.12.2023	31.12.2022	Change	
Equity	37.2	36.5	0.7	
Net debt/(cash)	7.4	7.9	(0.5)	

Compañía de Tierras Sud Argentino SA

(controlling interest as of 31 December 2023: 100% through Schema Epsilon)

Financial highlights for Compañía de Tierras Sud Argentino

(€m)	Separate financial statements			
	2023	2022	Change	%
Revenue	11.7	18.8	(7.1)	(38)
Profit/(Loss) for the year	25.2	(0.6)	25.8	n/s
	31.12.2023	31.12.2022	Change	
Equity	62.0	55.7	6.3	
Net debt/(cash)	1.7	0.7	1.0	

Ganadera Condor SA

(controlling interest as of 31 December 2023: 100% through Schema Epsilon)

Consolidated financial highlights for Ganadera Condor

(€m)	Consolidated financial statements			
	2023	2022	Change	%
Revenue	5.8	11.9	(6.1)	(51)
Profit/(Loss) attributable to owners of the parent	-	(1.0)	1.0	(100)
	31.12.2023	31.12.2022	Change	
Equity	10.3	15.6	(5.3)	
Net debt/(cash)	0.4	0.5	(0.1)	

Schema Delta SpA

(controlling interest as of 31 December 2023: 100%)

As of 31 December 2023, Schema Delta holds a 4.83% stake in Assicurazioni Generali SpA ("Assicurazioni Generali") and a 2.20% stake in Mediobanca SpA ("Mediobanca").

In the current and previous years, Schema Delta received dividends from its investments in Assicurazioni Generali and Mediobanca. With regard to Assicurazioni Generali, in May 2023 the investee paid a dividend of €1.16 per share, making a total of €87.3 million. The investee, Mediobanca, paid a dividend of €0.85 per share in November 2023, making a total of €15.8 million. In the comparative period, dividends received from Assicurazioni Generali amounted to €80.6 million, whilst dividends received from Mediobanca amounted to €14 million.

Operating costs include the fees paid to members of the Board of Directors, the Board of Statutory Auditors and the Independent Auditor.

Net financial income regards interest income accruing on the intercompany current account with Edizione. This item also includes financial income accruing in the form of guarantee fees receivable in return for the pledge of up to a maximum 51,000,000 Assicurazioni Generali shares under

the guarantee agreement entered into by Schema Delta and Edizione on 28 July 2022. The contract has a three-year duration and is aligned with the duration of the loan agreement signed by Edizione and secured by the Assicurazioni Generali shares.

Income tax expense for the year (€0.4 million) includes the return on the tax losses of companies participating in the tax consolidation arrangement, used by Schema Delta to offset its taxable income, as provided for under the tax consolidation scheme headed by the Parent Company, Edizione, and the cost of IRAP for the year.

The change in equity as of 31 December 2023 compared with the prior year reflects the fair value measurement of the investments in Assicurazioni Generali and Mediobanca (a gain of €225.6 million) and profit for the period (€103.8 million), after dividends paid (€94 million).

Cash reserves as of 31 December 2023 primarily regard the balance on the intercompany current account with Edizione, which is in credit following the collection of dividends from Assicurazioni Generali and Mediobanca, less the dividends paid to Edizione in April 2023.

Financial highlights for Schema Delta

(€m)	Separate financial statements		
	2023	2022	Change
Dividends from investments	103.2	94.6	8.6
Operating costs	(0.1)	(0.1)	-
Financial income/(expenses), net	1.1	(0.3)	1.4
Income tax expense for the year	(0.4)	(0.2)	(0.2)
Profit/(Loss) for the year	103.8	94.0	9.8
	31.12.2023	31.12.2022	Change
Equity	1,666.6	1,431.2	235.4
Net debt/(cash)	(23.1)	(13.7)	(9.4)

2.5 Other information

No research and development costs were incurred during the year given Edizione's activities as a holding company. At 31 December 2023, Edizione owned no treasury shares, either directly or through trust companies or other intermediaries, and did not buy or sell any such shares during the year. The Directors have opted for the extended deadline of 180 days from the end of the year to hold the Annual General Meeting of shareholders, as permitted by art. 7 of the Company's Articles of Association and by art. 2364 of the Italian Civil Code. Extending the deadline was necessary to obtain all the information required for preparation of the Group's consolidated financial statements.

Reference should be made to the notes to the financial statements for the following aspects:

- note 36 – Financial risk management, covering the Company's financial risks;
- note 37 – Related party transactions, providing details of transactions with the Company's related parties.

2.6 Outlook

We expect an increase in dividends received from subsidiaries in 2024 compared with 2023. Edizione is committed to providing financial support for the restructuring and relaunch of its indirect subsidiary, Benetton Group. Edizione is specifically committed:

- as sole shareholder, to making a capital contribution to Benetton Srl in a series of tranches amounting to up to €150 million, based on the financial needs of Benetton Group Srl as they arise;
- to issuing a letter of financial support for the benefit of Benetton Srl and Benetton Group, guaranteeing that these companies are able to continue to operate as going concerns over the period of 12 months.

3.

Separate financial statements

as of and for the year ended

31 December 2023

3.1 Financial statements

Statement of financial position

(€)	31.12.2023	31.12.2022	Note
Assets			
Non-current assets			
Property, plant and equipment	122,442	152,455	1
Right-of-use assets	5,846,476	6,148,014	2
Intangible assets (concession rights)	-	-	
Goodwill and other intangible assets with indefinite useful lives	-	-	
Other intangible assets	17,880	13,229	3
Investments in subsidiaries	5,917,927,162	4,621,782,153	4
Investments in associates and joint ventures	5,229,976	5,229,976	5
Investments in other companies	-	-	
Non-current securities	87,520,826	37,959,181	6
Non-current financial right-of-use assets	-	-	
Other non-current financial assets	-	-	
Other non-current receivables	1,663	1,663	7
Deferred tax assets	-	-	
Total non-current assets	6,016,666,425	4,671,286,671	
Current assets			
Inventories	-	-	
Trade receivables	623,307	408,566	8
Tax assets	231,036	527,355	9
Other current receivables, accrued income and prepaid expenses	6,266,433	4,617,251	10
Other current financial assets	863,942	1,004,626	11
Other investments and securities	-	-	
Cash and cash equivalents	66,492,450	6,500,837	12
Total current assets	74,477,168	13,058,636	
Assets held for sale	-	-	
TOTAL ASSETS	6,091,143,593	4,684,345,306	

(€)	31.12.2023	31.12.2022	Note
Equity			
Issued capital	1,500,000,000	1,500,000,000	13
Legal reserve	137,220,472	128,341,885	14
Fair value reserve	1,009,462	(222,759)	15
Other reserves	3,211,579,026	2,258,729,134	16
Profit/(Loss) for the year	(341,625,273)	177,571,742	
Total equity	4,508,183,687	4,064,420,002	
Liabilities			
Non-current liabilities			
Provisions and other non-current liabilities	300,710	679,208	17
Bond issues	-	-	
Non-current borrowings	1,304,291,156	585,103,074	18
Non-current lease liabilities	5,101,756	5,457,898	19
Other non-current financial liabilities	-	-	
Deferred tax liabilities	-	-	
Other non-current payables	-	-	
Total non-current liabilities	1,309,693,622	591,240,180	
Current liabilities			
Trade payables	1,173,653	5,836,550	20
Provisions and other current liabilities	-	-	
Current portion of bond issues	-	-	
Current portion of borrowings	-	-	
Current lease liabilities	1,059,688	977,462	19
Other current financial liabilities	266,559,229	19,667,441	21
Bank borrowings	-	-	
Tax liabilities	-	-	
Other current payables	4,473,714	2,203,671	22
Total current liabilities	273,266,284	28,685,123	
Liabilities held for sale	-	-	
Total liabilities	1,582,959,906	619,925,304	
TOTAL EQUITY AND LIABILITIES	6,091,143,593	4,684,345,306	

Statement of profit or loss

(€)	2023	2022	Note
Revenue	955,379	805,093	23
Other income and operating revenue	34,431	7,712	24
Personnel costs	(11,482,249)	(7,190,347)	25
Service costs	(11,109,133)	(8,504,098)	26
Leases and rentals	(624,522)	(654,866)	27
Other operating costs	(2,731,793)	(2,534,405)	28
Depreciation and amortisation of property, plant, equipment, intangible assets and right-of-use assets	(1,177,448)	(1,070,915)	29
Impairment losses on property, plant, equipment, intangible assets and right-of-use assets	-	-	
Provisions for doubtful accounts	-	(320,960)	30
Provisions for risks	-	-	
Operating profit/(loss)	(26,135,336)	(19,462,785)	
Financial income	294,218,125	201,485,245	31
Impairment losses on investments and investment funds	(558,016,878)	1,384,505	32
Financial expenses	(51,986,503)	(6,811,246)	33
Net gains/(losses) on translation differences and currency hedges	(13,666)	(5,985)	34
Profit/(Loss) before tax	(341,934,258)	176,589,733	
Income tax expense	308,985	982,009	35
Profit/(Loss) from discontinued operations and assets held for sale	-	-	
Profit/(Loss) for the year	(341,625,273)	177,571,742	

Statement of comprehensive income

(€)	2023	2022
Profit/(Loss) for the year	(341,625,273)	177,571,742
Profit/(Loss) on fair value measurement of investments	-	-
Net gains/(losses) on the sale of investments measured at fair value	-	-
Total other comprehensive income	-	-
Comprehensive income/(loss) for the year	(341,625,273)	177,571,742

Statement of changes in equity

(€)	Issued capital	Legal reserve	Fair value reserve	Other reserves	Profit/(Loss) for the year	Total
Balance as of 31.12.2021	1,500,000,000	127,477,587	(222,759)	2,342,307,512	17,285,970	3,986,848,310
Appropriation of profit for 2021	-	864,298	-	16,421,672	(17,285,970)	-
Payment of dividends	-	-	-	(100,000,050)	-	(100,000,050)
Increases in/(Returns of) capital	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Comprehensive income/(loss) for the year	-	-	-	-	177,571,742	177,571,742
Balance as of 31.12.2022	1,500,000,000	128,341,885	(222,759)	2,258,729,134	177,571,742	4,064,420,002
Appropriation of profit for 2022	-	8,878,587	-	168,693,155	(177,571,742)	-
Payment of dividends	-	-	-	(100,000,050)	-	(100,000,050)
Increases in/(Returns of) capital	-	-	-	-	-	-
Other movements	-	-	1,232,221	884,156,787	-	885,389,008
Comprehensive income/(loss) for the year	-	-	-	-	(341,625,273)	(341,625,273)
Balance as of 31.12.2023	1,500,000,000	137,220,472	1,009,462	3,211,579,026	(341,625,273)	4,508,183,687
Note	13	14	15	16		

Statement of cash flows

	(€)	2023	2022
Operating activities	Profit/(Loss) for the year	(341,625,273)	177,571,742
	Income tax expense	(308,985)	(982,009)
	Profit before tax	(341,934,258)	176,589,733
	Adjusted by:		
	- depreciation and amortisation	1,177,448	1,070,915
	- provisions for doubtful accounts	-	320,960
	- provisions for employee termination benefits	301,361	283,550
	- income from investment funds	81,725	1,075,026
	- dividends from subsidiaries	(293,961,438)	(200,000,000)
	- dividends from other companies	-	-
	- impairment losses on investments and investment funds	625,600,000	3,300,000
	- (gains)/losses on the sale of investment funds	-	-
	- fair value adjustments	(5,583,121)	(4,684,504)
	- financial expenses/(income), net	51,648,091	4,251,038
	Cash flows from/(for) operating activities before changes in working capital	(37,329,808)	(17,793,282)
	Cash generated by/(used in) changes in working capital	(5,938,562)	2,322,569
	Cash generated by/(used in) changes in non-current assets and liabilities	-	(220)
	Remuneration from tax consolidation arrangement	533,479	915,580
	Payment of employee termination benefits	(679,860)	(219,041)
	Interest received/(paid), net	(41,793,864)	(2,478,213)
	Cash generated by/(used in) operating activities	(10,548,999)	(17,252,607)
Investing activities	Capital expenditure	(157,917)	(119,324)
	Operating divestments	-	-
	(Acquisitions)/Sales of investments	(62,400,000)	-
	(Payments to)/Returns from investment funds	(43,978,525)	2,687,874
	Capital contributions	(973,556,000)	(591,770,000)
	Liquidation of investment funds	-	-
	Dividends from subsidiaries and other companies and income from investment funds	294,043,162	1,075,026
	Cash generated by/(used in) investing activities	(786,049,280)	(588,126,424)
Financing activities	Change in equity	(400,000)	-
	New medium/long-term borrowings	1,253,000,000	749,000,000
	Repayment of medium/long-term borrowings	(535,000,000)	(159,000,000)
	Net changes in other sources of funding	238,989,943	79,956,189
	Payment of dividends and capital reserves	(100,000,050)	(100,000,050)
	Cash generated by/(used in) financing activities	856,589,893	569,956,139
	Net increase/(decrease) in cash and cash equivalents	59,991,614	(35,422,892)
	Cash and cash equivalents at the beginning of the year	6,500,837	41,923,729
	Cash and cash equivalents at the end of the year	66,492,450	6,500,837

3.2 Notes

About the Company

Established in 1981, Edizione SpA, a company wholly-owned by the Benetton family, as of 31 December 2023 holds controlling and non-controlling interests in companies operating in the following sectors:

- Transport Infrastructure;
- Food & Beverage and Travel Retail;
- Digital Infrastructure;
- Clothing and Textiles;
- Real Estate and Agriculture;
- Financial Institutions;
- Other sectors.

The Company's registered office is at Piazza del Duomo 19, Treviso, Italy and it has a branch in Corso di Porta Vittoria 16, Milan, Italy. The Company's duration is currently until 31 December 2050. These financial statements as of and for the year ended 31 December 2023 were approved by the Company's Board of Directors at the meeting of 30 May 2024.

As the Company holds controlling interests in other companies, it also prepares consolidated financial statements for the Group, published together with these separate financial statements.

Basis of preparation

The financial statements as of and for the year ended 31 December 2023 have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and approved by the European Commission, and in force at the reporting date. These include the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as well as the previous International Accounting Standards (IAS) and the interpretations issued by the Standard Interpretations Committee (SIC) still in force at that date.

These financial statements consist of the accounts (statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows) and these notes, applying the provisions of IAS 1 "Presentation of Financial Statements" and the general historical cost convention, with the exception of financial statement items which, in accordance with IFRS, are measured at fair value, as specified in the individual accounting policies. The statement of financial position follows the format whereby assets and liabilities are classified as current and non-current, while in the statement of profit or loss costs are classified by nature of expense. The statement of cash flows has been prepared using the indirect method. IFRS were applied in line with the indications provided in the Framework for the Preparation and Presentation of Financial Statements. No critical issues events have arisen that would require exemptions pursuant to IAS 1. The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows are presented in euros. The notes are presented in thousands of euros, unless otherwise indicated. The euro is both Edizione's functional currency and the currency of presentation of the financial statements.

Each item in the accounts is compared with the corresponding amount for the previous year. In addition to the information provided in the Directors' Report on Operations, in 2023, as in 2022, no atypical or unusual transactions were entered into, either with third or related parties, with significant effects on the Company's operating performance or financial position.

Accounting standards and policies

International accounting standards

In preparing its annual financial statements, the Company has used the International Accounting Standards and the International Financial Reporting Standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and approved by the European Union, and the interpretations issued thereby (IFRIC and SIC). IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), previously called the Standard Interpretations Committee (SIC).

The Company's financial statements for 2023 and the comparable years were prepared in accordance with the aforesaid standards and interpretations.

Application of IFRS

The first table below provides information on the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in the financial statements for annual reporting periods beginning on or after 1 January 2023.

The second table provides information on the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in the financial statements for annual reporting periods beginning on or after 1 January 2023.

The third table provides information on new accounting standards and the respective applications, not yet effective or endorsed by the European Union, that may be applied in the future.

Description	Effective date of IASB document	Date of EU endorsement
IFRS 17 - Insurance Contracts (including amendments published in June 2020)	1 January 2023	19 November 2021
Initial application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)	1 January 2023	8 September 2022
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023	2 March 2022
Disclosure of Accounting Policies (Amendments to IAS 1)	1 January 2023	2 March 2022
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023	11 August 2022
International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)	1 January 2023	8 November 2023

Description	Effective date	Date of endorsement
Lease Liability in a Sale and Leaseback Transaction (Amendments to IFRS 16)	1 January 2024	20 November 2023
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	January 2020, July 2020, October 2022

Description	Effective date of IASB document	Date of issue by IASB
Standards		
IFRS 14 Regulatory Deferral Accounts	1 January 2016	January 2014
Amendments		
Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred	September 2014
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 9)	1 January 2024	May 2023
Lack of Exchangeability (Amendment to IAS 21)	1 January 2025	August 2023

Accounting policies

The most important accounting standards and policies applied in the preparation of the separate financial statements as of and for the year ended 31 December 2023 are described below.

These financial statements have been prepared on a going concern basis, matching costs and revenue to the accounting periods to which they pertain and applying the historical cost convention to all items except those that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies. The statement of financial position follows the format whereby assets and liabilities are classified as current and non-current, while in the statement of profit or loss costs are classified by nature of expense. The statement of cash flows has been prepared using the indirect method.

Property, plant and equipment

These are recognised at purchase cost, including directly attributable incidental expenses. The cost of assets with finite useful lives is systematically depreciated each year on a straight-line basis, applying rates that represent the expected useful life of the asset.

The residual value and useful life of an asset is reviewed at least at the end of each annual reporting period. If, irrespective of any depreciation already accounted for, an impairment loss is recognised in accordance with IAS 36, the value of the asset is correspondingly written down. If, in subsequent years, the circumstances giving rise to the impairment cease to exist, the impairment loss is reversed. Property, plant and equipment is derecognised on its sale or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in the profit or loss in the year in which the asset is sold.

Intangible assets

Intangible assets are initially measured at cost, normally defined as their purchase price, inclusive of any incidental expenses. After initial recognition, intangible assets are accounted for at cost, less accumulated amortisation and any accumulated impairment losses calculated in accordance with IAS 36. Intangible assets are amortised unless they have indefinite useful lives. Amortisation, which starts from the time the intangible asset begins to produce the related economic benefits, is applied systematically over the intangible asset's useful life based on its estimated future economic use.

Right-of-use assets

Right-of-use assets are recognised on the commencement date of the lease agreement, i.e. the date on which the lessor makes the underlying

asset available to the lessee. This item is initially measured at cost, and includes the initial valuation of the lease liability, lease payments made prior to or at the commencement date and any other initial direct costs.

The item may be subsequently adjusted further to reflect any remeasurement of the leased asset/lease liability.

The right-of-use asset is systematically depreciated each year on a straight-line basis based on the lower of the contractual lease term and the residual useful life of the underlying asset.

Depreciation begins from the lease commencement date. If, irrespective of any depreciation already accounted for, an impairment loss is recognised in accordance with the criteria described in the standard for onerous contracts, the asset is correspondingly written down.

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost, including any directly attributable incidental expenses. The cost is adjusted to reflect any impairment losses recognised in accordance with IAS 36. If, in subsequent years, the circumstances giving rise to the impairment cease to exist, the impairment loss is reversed, without exceeding the original cost of the investment.

The investment in Benetton Group SpA (now Edizione Property SpA) was revalued in 1983 in application of Law 72 of 19 March 1983, using the indirect method. The amount of the residual revaluation is €407,177 and is currently included in the cost of the following investments:

- Edizione Property SpA (€22,045);
- Schema Epsilon Srl (€5,879);
- Benetton Srl (€379,253).

Investments in other companies, classified in the residual category envisaged by IFRS 9, are measured at fair value through profit or loss. In the event of investments in equity instruments not held for trading, on initial recognition, the entity may irrevocably choose to measure these at fair value, recognising any subsequent changes in the statement of comprehensive income. If the fair value cannot be reliably measured, investments are valued at cost, less impairment losses. Held-for-sale investments or those acquired as a temporary investment are recognised at the lower of their carrying amount and fair value, less any costs to sell.

Financial assets

The classification and related measurement of financial assets is carried out considering both the management model and the contractual nature of the cash flows obtainable from the assets. Financial assets are measured at amortised cost where the objective is to hold them for the purpose of collecting the cash flows generated at specified dates. Financial assets are measured at fair value through other comprehensive income if the aim of the management model is to hold the financial asset

to obtain its related contractual cash flows or to sell it. Lastly, a residual category of financial asset is measured at fair value through profit or loss. This category includes assets held for trading.

Trade receivables

Receivables are initially recognised at fair value and are subsequently stated at amortised cost, using the effective interest rate method, less any impairment losses recognised in specific provisions for doubtful accounts. The amount of the provisions is based on the present value of expected future cash flows. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in profit or loss and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Cash and cash equivalents

These include cash, bank and post office current accounts, demand deposits and other short-term financial investments that are highly liquid, readily convertible to cash and subject to insignificant risk of any change in value. These assets are accounted for at nominal value.

Trade payables

Payables are initially recognised at cost, which corresponds to fair value, less any directly attributable transaction costs. They are subsequently recognised at amortised cost, using the effective interest rate method.

The implicit interest component included in medium/long-term payables is recognised separately using an appropriate market rate.

Financial liabilities

Financial liabilities break down into three categories:

- liabilities acquired with the intention of making a profit from short-term price movements or that are part of a portfolio held for short-term gain. These are recognised at fair value, with the related gains and losses recognised in profit or loss;
- other liabilities (bank overdrafts, loans, bonds, bank borrowings), initially recognised at fair value on the basis of the amounts received less transaction costs; they are subsequently accounted for at amortised cost using the effective interest rate method;
- convertible bonds, which are financial instruments consisting of a liability component and an equity component. The fair value of the liability component is estimated as of the issue date using the going market interest rate for similar non-convertible bonds. The difference between the net amount raised from the issue and the fair value attributed to the liability component, representing the implicit option to convert the bonds into the Company's shares, is included in equity under other reserves.

Employee benefits

All employee benefits are recognised and disclosed on an accruals basis.

Following the changes to the legislation governing employee termination benefits payable to the employees of Italian companies, introduced by Law 296 of 27 December 2006 and subsequent decrees and regulations (the Pensions Reform) issued in early 2007, the Company adopted the following accounting treatment:

- termination benefits accruing as of 31 December 2006 are treated as a defined-benefit plan in accordance with IAS 19. The related benefits, paid on termination of service, are recognised in the period when the rights vest;
- termination benefits accruing from 1 January 2007 are treated as a defined-contribution plan, with contributions accruing during the period fully expensed and shown as a liability under employee termination benefits and other provisions for employee benefits, less any contributions previously paid.

Financial income and expenses

Financial income and expenses are accounted for on an accruals basis.

Dividends

Dividends are recognised when the shareholders' right to receive payment is established, following approval of a resolution by the investee's shareholders.

Cost recognition

Costs and expenses are recognised on an accruals basis. The recovery of costs borne on behalf of others is recognised as a reduction of the related cost.

Income taxes

Taxes recognised in profit or loss represent the amount of current income taxes and deferred taxes. The charge for income taxes pertaining to the year is determined based on current regulations, and is recognised in profit or loss, with the exception of amounts relating to items directly debited from or credited to equity (in such cases, the taxes are directly recognised in equity). Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases and in relation to deferral of the taxation or deduction of revenue and costs. Deferred tax assets are recorded for all temporary differences to the extent it is probable that taxable income will be available against which the deductible temporary difference can be recovered. The same principle is applied to the recognition of deferred tax assets on the carryforward of unused tax losses. The carrying amount of deferred tax assets is reviewed at every reporting date and, if necessary, reduced to the extent that it is no longer probable that sufficient taxable income will be available to recover all or part of the asset. Except in certain specific cases,

deferred tax liabilities are always recognised.

Deferred tax assets and liabilities are calculated on the basis of the tax rate expected to be in effect at the time the related temporary differences will reverse, taking into account any legislation enacted by the end of the reporting period. Current tax assets and liabilities are only offset if there is a legally enforceable right to offset the recognised amounts and if it is intended to settle or pay on a net basis or to realise the asset and settle the liability at the same time.

Deferred tax assets and liabilities may only be offset if it is possible to offset current tax assets and liabilities and if the deferred taxes refer to taxes levied by the same tax authority.

Since 2007, the Company has adopted, as the consolidating entity, a tax consolidation arrangement (pursuant to art. 114 et seq. of the Consolidated Income Tax Act - TUIR). The Group taxation arrangement is currently binding for the three-year period covering 2022, 2023 and 2024. Participation in the tax consolidation arrangement entails recognition in the financial statements of amounts receivable and payable from and to participating companies based on the tax assets or liabilities transferred by them.

Tax credits, withholding taxes and payments on account made by subsidiaries are also transferred. Transactions between the companies participating in the tax consolidation arrangement are governed by a set of "Regulations" agreed to by all participants.

As of 31 December 2023, the following companies participate in the tax consolidation arrangement:

1	Benetton Srl
2	Benetton Group Srl
3	Retail Italia Network Srl
4	Villa Minelli società agricola arl
5	Fabrica Srl
6	Ponzano Children Srl
7	Benetton Manufacturing Srl
8	Verde Sport Srl
9	Olimpias Group Srl
10	Maccarese SpA Società Agricola Benefit
11	San Giorgio Srl
12	Schema Delta SpA
13	Schema Alfa SpA
14	Schema Beta SpA
15	Edizione Property SpA
16	Edizione Alberghi Srl
17	Schema Epsilon Srl
18	Schema Gamma Srl

Estimates and judgements

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are primarily used in measuring depreciation and amortisation, the fair value of financial assets and liabilities and current and deferred tax assets and liabilities.

The amounts subsequently recognised may, therefore, differ from these estimates. As a result, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Statement of cash flows

In compliance with IAS 7, the statement of cash flows, prepared using the indirect method, represents the Company's ability to generate "cash and cash equivalents". Other cash equivalents consist of highly liquid short-term investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short term to maturity, being when the original maturity is shorter than three months. Bank overdrafts are usually classed as borrowings, unless they are repayable on demand and form an integral part of an entity's management of its cash and cash equivalents, in which case they are classified as a reduction in cash and cash equivalents. Cash and cash equivalents included in the statement of cash flows consist of the amounts for this item shown in the statement of financial position at the reporting date. Foreign currency cash flows are translated at the average exchange rate for the period. Income and expenses relating to interest, dividends received and income taxes are included in cash flows from operating activities.

The format adopted by the Company provides separate disclosure of the following:

- cash generated by/(used in) operating activities: cash flow from operating activities is recognised using the indirect method; under this method, profit/(loss) for the year is adjusted for the effects of items that did not involve cash outflows or generate inflows (i.e. non-cash transactions);
- cash generated by/(used in) investing activities: investing activities are reported separately, in part because they indicate investments/divestments designed to ensure the future generation of revenue and positive cash flows;
- cash generated by/(used in) financing activities: financing activities consist of cash flows that determine changes in the amount and composition of equity and borrowings.

3.2.1 Notes to assets

Non-current assets

1 - Property, plant and equipment

The gross amount, accumulated depreciation and impairments and the related carrying amount of "Property, plant and equipment" are detailed in table 1A.

Table 1B shows the changes in property, plant and equipment in 2023, shown net of accumulated depreciation.

2 - Right-of-use assets

This item refers to the right to use assets under lease agreements entered into by the Company, recognised in accordance with IFRS 16. The Company is party to three lease agreements for properties in which its offices are located. These are:

→ the lease agreement for the Treviso office, with a duration of six years up to 31 December 2022, renewed for a further six years in return for payment of a fixed annual rental plus variable expenses;

→ the lease agreement for the Milan office, with a duration of six years up to 31 October 2022, renewed for a further six years in return for payment of a fixed annual rental plus variable expenses;

→ the lease agreement for the Rome office, with a duration of six years up to 30 June 2025, tacitly renewable for a further six years in return for payment of a fixed annual rental plus variable expenses.

The Company also has nine long-term car rental agreements for vehicles used by employees. These agreements have a duration of four years and entail the payment of a fixed monthly rental. Changes during the year in right-of-use assets are shown in table 2.

The increases recognised in 2023 refer to the value of the right-of-use relating to three new long-term car rental agreements.

1A - Gross amount, accumulated depreciation and impairments and the carrying amount of property, plant and equipment	(€000)	31.12.2023	31.12.2022
Cost		1,729	1,856
Accumulated depreciation		(1,606)	(1,704)
Total		123	152

1B - Changes in property, plant and equipment in 2023

(€000)	Land and buildings	Investment property	Plant, machinery and equipment	Furniture, fittings and electronic devices	Other PPE	PPE under construction and advance payments	Total
Opening balance	-	-	3	149	-	-	152
Additions	-	-	-	20	-	-	20
Reductions	-	-	-	-	-	-	-
Depreciation	-	-	(3)	(47)	-	-	(50)
Impairments	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Closing balance	-	-	-	122	-	-	122

2 - Changes in right-of-use assets in 2023

(€000)	Land and buildings	Other assets	Total
Opening balance	6,061	87	6,148
Additions	-	128	128
Reductions	-	-	-
Depreciation	(1,059)	(63)	(1,122)
Other changes	693	-	693
Closing balance	5,695	152	5,847

3 - Other intangible assets

The Company purchased software licences at a total cost of €16 thousand during the year. The closing balance includes annual amortisation of €5 thousand.

4 - Investments in subsidiaries

Changes in investment in subsidiaries during the year are shown in table 4A.

The partial, proportional demerger of Schema Alfa, involving the transfer of the investment in Connect Due, the vehicle that holds the stake in Cellnex to a newly established beneficiary company, Schema Gamma, owned directly by Edizione, became effective on 1 January 2023. This transaction resulted in a reduction of €312 million in the value of the investment in Schema Alfa based on the economic value of the demerged assets.

In May and June 2023, Edizione paid a capital contribution to Schema Gamma amounting to €467 million to fund the subsidiary's acquisition of Cellnex shares.

Subsequently, on 1 October 2023, the merger of Schema Gamma with and into Edizione became effective, giving the latter direct ownership of the investment in Connect Due. On 4 October 2023, Connect Due changed its name to Schema Gamma. The merger of Schema Gamma with and into Edizione resulted in a merger surplus of €966 million.

In February 2023, Edizione made a capital contribution to the subsidiary, Schema Beta, to provide it with the financial support necessary to cover the cost of the consulting fees relating to the business combination with Avolta.

On 1 August 2023, the partial, proportional demerger of Edizione Property and the reverse partial, non-proportional demerger of Edizione became effective, with the transfer of assets to four newly established beneficiary companies.

4A - Changes in investments in subsidiaries in 2023

(€000)	Amounts as of 01.01.2023			Additions Capital increases and other additions	Reclassifications Demergers/ Mergers	Reductions Sales, capital reductions and other	Amounts as of 31.12.2023	
	Cost	Revaluations/ (Impairments)	Value as of 1 January 2023				% direct interest	Carrying amount
Edizione Property SpA	82,438	52	82,490	500,000	(79,549)	-	100	502,941
Schema Epsilon Srl	10,523	-	10,523	-	-	-	100	10,523
San Giorgio Srl	10,544	(5,300)	5,244	-	-	-	100	5,244
Schema Delta SpA	926,181	165,300	1,091,481	-	-	-	100	1,091,481
Schema Beta SpA	1,806,374	(467,347)	1,339,027	1,200	-	-	100	1,340,227
Benetton Srl	551,670	150,363	702,033	-	-	(560,000)	100	142,033
Schema Alfa SpA	1,108,747	270,500	1,379,247	-	(311,616)	-	100	1,067,631
Schema Gamma Srl	-	-	-	-	1,744,354	-	100	1,744,354
Verde Sport Srl	28,821	(17,138)	11,683	5,356	-	(3,600)	100	13,439
Bensec società consortile a rl	54	-	54	-	-	-	45	54
Total	4,525,352	96,430	4,621,782	506,556	1,353,189	(563,600)		5,917,927

Edizione's reverse partial, non-proportional demerger involved the investment in Edizione Property and cash of €0.4 million. This led to a reduction in the carrying amount of the investment based on the economic value of Edizione Property's demerged assets. As part of the reorganisation of the property assets through the two transactions, Edizione made a capital contribution to Edizione Property amounting to €500 million.

Edizione paid €5.3 million in contributions for future capital increases and/or to cover losses to the subsidiary, Verde Sport, to support its sports promotion activities. The carrying amount of the investment was adjusted based on the value of the subsidiary's equity at year end, resulting in an impairment loss of €3.6 million.

As described in the Directors' Report on Operations with regard to Benetton Group, in response to the result of the impairment test of the group's net assets, updated during preparation of the financial statements for 2023, an impairment loss of €560 million on the investment in Benetton Srl has been recognised.

Table 4B contains the disclosures required by art. 2427.5 of the Italian Civil Code.

5 - Investments in associates and joint ventures

The balance as of 31 December 2023 regards the value of the investment in Eurostazioni SpA and is unchanged with respect to the prior year. Table 5 contains the disclosures required by art. 2427.5 of the Italian Civil Code

4B - Breakdown of investments in subsidiaries	Registered office	Issued capital (€)	Equity (€)	Profit/(Loss) for prior year (€)	Number of shares/units	% Interest held	Carrying amount in financial statements (€000)
Edizione Property SpA	Treviso - Piazza del Duomo, 19	4,000,000	458,131,721	(298,874)	4,000	100	502,941
Schema Epsilon Srl	Treviso - Piazza del Duomo, 19	1,001,000	93,502,621	(55,392)	2	99.9	10,523
San Giorgio Srl	Fiumicino (Rome) - Viale Maria, 20	100,000	4,221,627	(304,088)	1	100	5,244
Schema Delta SpA	Treviso - Piazza del Duomo, 19	1,000,000	1,666,628,704	103,766,011	1,000,000	100	1,091,481
Schema Beta SpA	Treviso - Piazza del Duomo, 19	100,000,000	1,400,035,966	27,417,363	100,000,000	100	1,340,227
Benetton Srl	Ponzano Veneto - Villa Minelli, 1	225,708,580	163,395,841	(561,209,354)	1	100	142,033
Schema Alfa SpA	Treviso - Piazza del Duomo, 19	1,000,000	3,209,301,515	434,349,822	1,000,000	100	1,067,631
Schema Gamma Srl	Treviso - Piazza del Duomo, 19	100,000,000	2,660,956,570	3,804,204	1	100	1,744,354
Verde Sport Srl	Treviso - Strada di Nascimben, 1/b	8,000,000	13,430,879	(3,607,685)	1	100	13,439
Bensec società consortile a rl*	Ponzano Veneto - Villa Minelli, 1	110,000	251,863	(22,926)	28	45	54

* A further 16.5% interest is held by the subsidiary, Edizione Property SpA.

5 - Breakdown of investments in subsidiaries	Registered office	Issued capital (€)	Equity (€)	Profit/(Loss) for prior year (€)	Number of shares/units	% Interest held	Value as of 31.12.2023 (€000)	Value as of 31.12.2022 (€000)
Eurostazioni SpA*	Rome - Via Montello, 10	16,000,000	23,715,258	3,471,974	52,333,333	32.71	5,230	5,230

* Financial statements as of 31 July 2023.

6 - Non-current securities

Under IFRS 9, investment funds are classified as financial assets at fair value through profit or loss. The fair value of investment funds at the reporting date is equal to the respective net asset value at the same date.

The fair value of investment funds as of 31 December 2023 and 2022 is shown in table 6A. Changes during the year are shown in table 6B.

In December 2023, Edizione joined the project promoted by Byron Trott of Bdt & Msd Partners, investing in IMA SpA ("IMA") and ProMach Inc. ("ProMach"), both leaders in the packaging sector. The total value of the investment amounts to US\$120 million. As of 31 December 2023, the fair value of the units of the two investment vehicles invested in until that date is €39 million. Subscription for the units was completed in January 2024.

7 - Other non-current receivables

This item regards guarantee deposits and other non-current receivables.

6A - Fair value of investment funds	(€000)	31.12.2023	31.12.2022
21 Investimenti II fund units		154	104
21 Investimenti III fund units		11,916	12,088
21 Centrale Partners V fund units		23,762	17,399
Builders I fund units		712	698
Builders II fund units		481	328
21 Invest Italy IV fund units		7,605	6,592
21 Invest France 2022 fund units		3,600	750
BDT Capital Partners Fund 4 fund units		6,636	-
BDT Peak Holdings fund units		32,655	-
Total		87,521	37,959

6B - Changes in non-current securities in 2023

(€000)	Fair value as of 31.12.2022	Contributions	Returns	Changes through profit or loss		Fair value as of 31.12.2023
				Gains/(Losses)	Fair value adjustments	
21 Investimenti II fund units	104	-	-	-	50	154
21 Investimenti III fund units	12,088	186	-	-	(358)	11,916
21 Centrale Partners V fund units	17,399	888	-	-	5,475	23,762
Builders I fund units	698	31	-	-	(17)	712
Builders II fund units	328	185	-	-	(32)	481
21 Invest Italy IV fund units	6,592	1,671	(1,729)	-	1,071	7,605
21 Invest France 2022 fund units	750	2,850	-	-	-	3,600
BDT Capital Partners Fund 4 fund units	-	6,815	-	-	(179)	6,636
BDT Peak Holdings fund units	-	33,082	-	-	(427)	32,655
Total	37,959	45,708	(1,729)	-	5,583	87,521

Current assets

8 - Trade receivables

The balance as of 31 December 2023 primarily regards amounts due from subsidiaries for recharged salaries and administrative services. Details are provided in note 37 – Related party transactions.

9 - Tax assets

The IRES credit refers to the withholding taxes incurred by Edizione and those transferred by the companies participating in the tax consolidation arrangement. The change compared to the prior year is due to use of the IRES credit for offsetting purposes.

The breakdown of tax assets is shown in table 9.

10 - Other current receivables, accrued income and prepaid expenses

The item “Receivables from tax consolidation arrangement” consists of the estimated amount receivable from the participating companies in view of the tax assets transferred by them.

The item “Withholding taxes payable overseas” regards withholding tax due on the remuneration payable to the employees of Edizione who hold directorships in investees resident overseas and paid to the Company.

Refundable VAT has increased compared with the prior year due to a percentage reduction in the pro rata amount of non-deductible VAT on purchases. Other receivables, accrued income and prepaid expenses primarily include IT and insurance costs attributable to the subsequent year but that have already been accounted for at the reporting date. The increase compared with the prior year reflects the costs incurred for certain projects to be completed in 2024.

The “Amount due from Benetton Group” regards the amount paid under a settlement concession for taxation, made by Edizione as the consolidating entity, on behalf of Benetton Group.

The breakdown of this item is provided in table 10.

9 - Tax assets	(€000)	31.12.2023	31.12.2022
IRES credit		209	495
Other tax assets		22	32
Total		231	527

10 - Other current receivables, accrued income and prepaid expenses	(€000)	31.12.2023	31.12.2022
Receivables from tax consolidation arrangement		1,869	2,750
Refundable VAT		3,784	1,569
Withholding taxes payable overseas		206	206
Other receivables, accrued income and prepaid expenses		271	92
Amounts due from Benetton Group		136	-
Total		6,266	4,617

11 - Other current financial assets

The breakdown of “Receivables from intercompany current accounts” is shown in note 37 – Related party transactions.

On 27 November 2023, Edizione disbursed a loan to the subsidiary, San Giorgio, to meet the company’s financial needs. The loan was repaid in March 2024.

The balance of the item “Escrow Banca Leonardo SpA” as of 31 December 2022 regarded an amount pledged as collateral to the buyer of Banca Leonardo SpA, as provided for in the sale agreements entered into by Edizione in April 2019, due to the high number of lawsuits pending at that time. This amount was collected in February 2023.

The “Amount due from the Schemaquattordici SpA liquidation” arose as a result of the liquidation of the investee, completed in December 2019.

Accrued income and prepaid expenses primarily regard prepaid agency fees on bank borrowings and insurance premiums attributable to 2024. The breakdown of this item is provided in table 11.

12 - Cash and cash equivalents

Cash and cash equivalents are represented by the credit balances on the Company’s current and deposit accounts held with a number of credit institutions.

€61.5 million of the cash in the current account as of 31 December 2023 was used in January 2024 to subscribe for units issued by the BDT Europe Fund as part of Edizione’s investment in the packaging sector, as described in note 6 - Non-current securities.

The breakdown of this item is provided in table 12.

11 - Other current financial assets	(€000)	31.12.2023	31.12.2022
Receivables from intercompany current accounts		318	488
Loan to San Giorgio Srl		400	-
Escrow Banca Leonardo SpA		-	454
Amounts due from the Schemaquattordici SpA liquidation		33	33
Accrued income and prepaid expenses		113	29
Total		864	1,004

12 - Cash and cash equivalents	(€000)	31.12.2023	31.12.2022
Bank current accounts		66,483	6,491
Prepaid cards		8	8
Cash in hand		2	2
Total		66,493	6,501

3.2.2 Notes to equity

13 - Issued capital

As of 31 December 2023, Edizione's fully subscribed, paid-in issued capital amounts to €1.5 billion and is represented by 15,000,000 no-par shares.

14 - Legal reserve

The General Meeting of shareholders held on 27 June 2023 approved the appropriation of €8.9 million from profit for the year to the legal reserve.

15 - Fair value reserve

This item includes changes in the fair value of investments for which the option to designate the changes in fair value through other comprehensive income, as permitted by IFRS 9, was irrevocably exercised.

The reserve also includes the fair value of investment funds measured at the date of transition to IFRS.

Following the unwinding of the 21 Centrale Partner III fund, the attributable share of fair value (€1.2 million) was reclassified to retained earnings, under "Other reserves", described in note 16.

16A - Composition of Other reserves

(€000)	31.12.2023	31.12.2022
Monetary revaluation reserve pursuant to Law 72/83	1,148	1,148
Revaluation reserve pursuant to Law 576/75	14	14
Reserve pursuant to art. 1 of Law 169/83	75,538	75,538
Capital contributions reserve pursuant to Law 904/77	1,294	1,294
Extraordinary reserve	5,179	5,179
Merger surplus	1,625,081	659,343
Retained earnings and other reserves	1,485,300	1,504,120
Undistributable retained earnings	18,025	12,093
Total	3,211,579	2,258,729

16 - Other reserves

The General Meeting of shareholders held on 27 June 2023 approved the appropriation of €64 million from profit for 2022 to undistributable retained earnings and payment of a dividend amounting to €100 million.

The reverse partial non-proportional demerger of Edizione, involving the investment in Edizione Property, to four newly established beneficiary companies resulted in a reduction in retained earnings of €80.3 million.

The increase in the merger surplus of €966 million reflects the merger of Schema Gamma, effective from 1 October 2023, as described in note 4 - Investments in subsidiaries.

The breakdown of other reserves is provided in table 16A.

16B - Breakdown of Other reserves as per art. 2427.7-bis of the Italian Civil Code

(€)	Amount	Potential use	Available portion	Uses in the previous three years	
				To cover losses	Other purposes ⁽¹⁾
Issued capital	1,500,000,000				
Revenue reserves					
Legal reserve	137,220,472	B	137,220,472	-	-
IFRS transition reserve	1,009,464	B	1,009,464	-	-
Revaluation reserve ⁽²⁾	1,162,692	A B C	1,162,692	-	-
Reserve pursuant to art. 1 of Law 169/1983 ⁽²⁾	75,538,102	A B C	75,538,102	-	-
Capital contributions reserve pursuant to Law 904/1977 ⁽²⁾	1,293,544	A B C	1,293,544	-	-
Extraordinary reserve	5,179,444	A B C	5,179,444	-	-
Merger surplus	972,942,518	A B C	972,942,518	-	-
Retained earnings and other reserves	1,485,299,452	A B C	1,485,299,452	20,856,857	-
Undistributable retained earnings	18,025,102	B	18,025,102	-	-
Total	2,697,670,790		2,697,670,790		
Capital reserves					
Merger surplus	652,138,171	A B C	652,138,171		
Total	652,138,171		652,138,171		
Undistributable portion	3,349,808,961		3,349,808,961		
Remaining distributable portion			156,255,038		
Remaining distributable portion			2,541,415,752		

(1) This item does not include reclassifications between individual equity items.

(2) Reserve that, if distributed to shareholders, is included in taxable income for the tax period in which the distribution takes place, calculated on the basis of the corresponding taxable value.

A. to increase capital
B. to cover losses
C. for distribution to shareholders

3.2.3 Notes to liabilities

Non-current liabilities

17 - Provisions and other liabilities

Provisions and other liabilities include provisions for employee termination benefits, changes in which are shown in table 17. Uses refer to payments to employee pension funds and the payment of benefits to an employee who left the Company's employee at the end of the year.

18 - Non-current borrowings

As shown in table 18, Edizione has obtained two loans:

→ a three-year credit facility amounting to €500 million, with security provided by Assicurazioni Generali shares held by the subsidiary, Schema Delta. This is a Revolving Facility and provides for, among other things, the need to maintain a minimum ratio between the market value of the shares used as security and the amount drawn down. As of 31 December 2023, €465 million of this facility has been used;

→ a variable rate credit facility totalling €1 billion agreed with a pool of banks with a term of five years. The facility includes a Term Loan tranche of €200 million and a Revolving Facility tranche of €800 million. This credit facility is not backed by collateral and provides for a single covenant, being the ratio of "Net Debt (Cash)/Fair Value of Assets", measured as of 30 June and 31 December each year. As of 31 December 2023, the covenant has been complied with and €843 million of the facility has been used, including €200 million under the Term Loan tranche. Borrowings are accounted for at amortised cost.

19 - Lease liabilities

This item includes the present value of payments for future minimum guaranteed rentals outstanding as of 31 December 2023, recognised under IFRS 16. A breakdown of this item into non-current and current portions is included in table 19.

17 - Changes in provisions and other liabilities	(€000)	31.12.2023	31.12.2022
Opening balance		679	615
Uses		(679)	(219)
Provisions		301	283
Closing balance		301	679

18 - Non-current borrowings	(€000)	31.12.2023	31.12.2022
Revolving facilities		1,104,931	385,902
Term Loan facility		199,360	199,201
Total		1,304,291	585,103

19 - Lease liabilities	(€000)	31.12.2023	31.12.2022
Non-current portion		5,102	5,458
Current portion		1,060	977
Total		6,162	6,435

Current liabilities

20 - Trade payables

The item includes payables for services received from suppliers and Group companies, as illustrated in note 37 – Related party transactions. The balance as of 31 December 2023 compared with the comparative period reflects the performance of payments.

21 - Other current financial liabilities

The breakdown of "Payables from intercompany current accounts" is shown in note 37 – Related party transactions. These transactions are conducted on an arm's length basis.

Amounts payable to Schema Delta refer to the contractually agreed guarantee fee due to the subsidiary in return for its provision of up to 51,000,000 Assicurazioni Generali shares as security for the bank loan obtained from Crédit Agricole.

Details of this item are provided in table 21.

22 - Other current payables

The breakdown of "Payables from tax consolidation arrangement" is provided in the table in note 37 – Related party transactions.

Tax liabilities regard withholding tax on employee salaries and payments to self-employed workers, paid in January 2023.

Amounts payable to employees and contractors and tax liabilities include remuneration payable to an employee who left the Company's employment and the related taxation. These payables were settled in January 2024.

Details of this item are provided in table 22.

21 - Other current financial liabilities	(€000)	31.12.2023	31.12.2022
Payables from intercompany current accounts		264,197	16,838
Amounts payable to Schema Delta		736	68
Accrued interest payable on bank borrowings		1,560	2,450
Accrued fees payable on bank borrowings		66	311
Total		266,559	19,667

22 - Other current payables	(€000)	31.12.2023	31.12.2022
Payables from tax consolidation arrangements		644	1,084
Social security contributions payable		519	289
Amounts payable to employees and contractors		1,884	499
Tax liabilities		1,400	327
Other payables, accrued expenses and deferred income		27	5
Total		4,474	2,204

3.2.4 Notes to the statement of profit or loss

23 - Revenue

The item refers to compensation paid to employees of the Company that serve as directors in subsidiaries and that are paid to Edizione and revenue from administrative services provided to Group companies. The breakdown of revenue is shown in the table in note 37 – Related party transactions.

24 - Other income and operating revenue

In 2023, the item mainly includes tax credits for non-energy-intensive companies, as provided for in Law Decree 21/2022.

25 - Personnel costs

The increase in personnel costs compared with 2022 is linked to the Company's incentive plans and recognition of the expenses incurred as a result of the agreed termination of an employee in December 2023. The breakdown is provided in table 25A.

As of 31 December 2023, the average workforce totals 18; table 25B provides a breakdown by category.

26 - Service costs

Service costs include VAT that the Company accounts for as an increase in the related costs on a pro rata basis, in accordance with art. 19-bis of Presidential Decree 633/1972. Consultants' fees (administrative, legal and tax) have risen compared with the prior year due primarily to the activities linked to extraordinary transactions involving investees in 2023. Service costs are shown in table 26.

27 - Leases and rentals

Leases and rentals regard rentals paid for the offices located in Treviso, Milan and Rome. This item includes variable costs and other incidental expenses excluded from presentation under IFRS 16 and that therefore continue to be accounted for in this item. The breakdown of this item is shown in table 27.

28 - Other operating costs

Donations primarily regard a grant made by the Company to the Fondazione Benetton Studi Ricerche. The breakdown of this item is shown in table 28.

29 - Depreciation and amortisation property, plant and equipment, intangible assets and right-of-use assets

The Amortisation of right-of-use assets, recognised following the application of IFRS 16, are calculated based on the duration of the lease agreements to which they refer.

The breakdown of this item is shown in table 29.

30 - Provisions for doubtful accounts

The amount for the prior year refers to the adjustment to the recoverable value of the amount pledged as collateral on the sale of Banca Leonardo SpA.

31 - Financial income

Dividends from subsidiaries, amounting to €200 million and €94 million, were paid by Schema Alfa and Schema Delta, respectively.

A breakdown of interest income from subsidiaries is shown in note 37 – Related party transactions. Income from investment funds regards income distributed by the 21 Invest Italy IV fund in September 2023. This item breaks down as shown in table 31.

25A - Personnel costs	(€000)	2023	2022
Wages and salaries		6,836	3,252
Social security contributions		1,184	903
Directors' fees		3,074	2,663
Provisions for employee benefits		301	283
Other personnel costs		87	89
Total		11,482	7,190

25B - Average workforce by category	(average)	2023	2022
Executives		9	6
Administrative staff		9	12
Total		18	18

26 - Service costs	(€000)	2023	2022
Consultants' fees (administrative, legal and tax)		8,539	6,732
Surveillance and security		646	633
Travel expenses		662	383
Advertising		354	-
IT maintenance		328	298
Insurance		249	148
Statutory Auditors' fees		89	75
Telecommunications and broadband		71	70
Supervisory Board fees		51	52
Software licences		30	30
Sundry services		23	14
Cleaning		41	42
Energy and water		17	20
Bank charges and commissions		9	7
Total		11,109	8,504

27 - Leases and rentals	(€000)	2023	2022
Office leases		491	559
Rentals		110	78
Other lease payments		24	18
Total		625	655

28 - Other operating costs	(€000)	2023	2022
Donations		2,450	2,311
Membership dues		42	42
Indirect and other taxes		64	28
Entertainment expenses		156	126
Other costs		20	27
Total		2,732	2,534

29 - Depreciation and amortisation	(€000)	2023	2022
Depreciation of property, plant and equipment		5	63
Amortisation of intangible assets		50	3
Depreciation of right-of-use assets		1,122	1,005
Total		1,177	1,071

31 - Financial income	(€000)	2023	2022
Dividends from subsidiaries		293,961	200,000
Interest income from subsidiaries		13	328
Interest income from banks		162	82
Income from investment funds		82	1,075
Total		294,218	201,485

32 - Impairment losses on investments and investment funds

Impairment losses on investments and investment funds include the adjustments made to align carrying amounts with the fair value of investment funds as of 31 December based on their net asset values at that date, and impairment losses on investments in subsidiaries and associates. In both years, an impairment loss was recognised on the investment in Verde Sport to align the carrying amount with the company's equity. In 2023, this item includes the impairment loss on the investment in Benetton, as described in note 4 - Investments in subsidiaries. The breakdown of this item is shown in table 32.

33 - Financial expenses

Interest expense payable to subsidiaries accrued on intercompany current accounts and was settled on an arm's length basis. The breakdown is shown in the table in note 37 - Related party transactions. Interest expense on loans have accrued on outstanding bank loans obtained from two banks. Commissions on bank loans refer to non-use fees, agency fees and utilisation fees accruing on existing bank borrowings. Interest expense on lease liabilities have accrued on the related liability recognised in accordance with IFRS 16.

32 - Impairment losses on investments and investment funds	(€000)	2023	2022
Fair value adjustment of 21 Investimenti II fund		51	(1,082)
Fair value adjustment of 21 Investimenti III fund		(358)	1,903
Fair value adjustment of 21 Centrale Partners V fund		5,474	3,035
Fair value adjustment of Builders I fund		(17)	(91)
Fair value adjustment of Builders II fund		(32)	36
Fair value adjustment of 21 Invest Italy IV fund		1,071	883
Fair value adjustment of BDT Capital Partner Fund 4 fund		(179)	-
Fair value adjustment of BDT Peak Holdings LP fund		(427)	-
Verde Sport Srl		(3,600)	(3,300)
Benetton Srl		(560,000)	-
Total		(558,017)	1,384

33 - Financial expenses	(€000)	2023	2022
Interest expense payable to subsidiaries		6,334	937
Interest expense on borrowings		41,603	4,323
Interest expense on lease liabilities		170	176
Fees payable on bank borrowings		3,136	1,306
Guarantee fee payable to Schema Delta		736	68
Interest expense payable to banks		6	-
Overdue interest		1	1
Total		51,986	6,811

35 - Income tax expense	(€000)	2023	2022
Current taxes		534	1,163
Income taxes relating to prior years		(225)	(181)
Total		309	982

Amounts payable to Schema Delta refer to the contractually agreed guarantee fee due to the subsidiary in return for its provision of up to 51,000,000 Assicurazioni Generali shares as security for the revolving credit facility obtained from Crédit Agricole. The breakdown of financial expenses is shown in table 33.

34 - Net gains/(losses) on translation differences and currency hedges

This amount regards translation differences on foreign currency transactions.

35 - Income tax expense

The Company participates, as the consolidating entity, in a tax consolidation arrangement in accordance with art. 114 et seq. of the Income Tax Act (TUIR). This arrangement allows it to offset taxable amounts against the tax losses of companies that participate in the tax consolidation arrangement. Current taxes refer to the benefits resulting from the offset of the Company's tax losses against the taxable income transferred from companies participating in tax consolidation arrangement. The breakdown of income tax expense is shown in table 35.

3.2.5 Other information

36 - Financial risk management

Edizione pays close attention to the identification, assessment and management of financial risks associated with its businesses, and in particular to:

Market risk

Market risk consists of the possibility that movements in exchange rates, interest rates or commodity prices may adversely affect the value of assets, liabilities or expected cash flows.

- currency: risks associated with adverse movements in exchange rates, affecting costs and revenue denominated in foreign currency, fair value adjustments of financial assets and liabilities denominated in foreign currencies and the consolidation of subsidiaries with different presentation currencies;
- interest rates: risks attributable to adverse movements in interest rates, affecting financial expenses or fair value adjustments of financial assets and liabilities;
- financial assets: risks associated with the probability that financial assets, traded on a sufficiently liquid market, are subject to significant price movements, due to the unpredictability of factors capable of affecting such price. These factors may be the uncertainty related not only to the performance of the price of the financial asset itself, but also to the performance of key financial market indicators (EURIBOR, LIBOR, the spread between the government bonds of a given country and government bonds perceived as risk free, exchange rates), or real indicators (the inflation and unemployment rates of a given country, industrial output);
- commodities: risks related to adverse commodity market trends, price volatility or a lack of demand for raw materials and natural resources;

- liquidity: the potential impact of the entity's inability to promptly meet its short-term financial obligations, other than at unfavourable economic conditions or by liquidating assets on the financial markets under restrictions on the divestment of assets.

It should be noted that with reference to the fair value hierarchy within which to classify assets and liabilities measured at fair value or for which fair value is used in financial statement disclosures, the prevailing level is 1 for securities listed in regulated markets and 2 for investment funds.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations due to the difficulty of obtaining funds or liquidating assets on the market.

Edizione believes that the Company is not exposed to significant liquidity risk due to the fact that it is highly capitalised and has the ability to access steady cash flows, giving it access to funds whose amounts and maturities are in line with its investment plans.

Table 36 shows financial liabilities outstanding at 31 December 2023 by maturity.

Credit risk

Credit risk represents the Company's exposure to potential losses deriving from the non-fulfilment of obligations assumed by counterparties, credit deterioration, significant exposures to a single counterparty or counterparties operating in the same sector or geographical area. Edizione believes that its credit risk exposure is low because of the high creditworthiness of the counterparties in which it invests.

36 - Maturities of financial liabilities as of 31.12.2023

(€000)	Total contractual flows	Within 1 year	Between 1 and 5 years	After 5 years
Revolving Facility (€800 million)	763,118	32,373	730,744	-
Term Loan (€200 million)	240,159	10,823	229,336	-
Margin Loan (€500 million)	500,668	22,703	477,964	-
Intercompany current accounts	277,116	277,116	-	-
Lease liabilities	6,132	1,060	4,800	272
Total	1,787,193	344,077	1,442,844	272

37 - Related party transactions

Table 37 summarises the impact of related party transactions on the statement of financial position as of 31 December 2023 and the statement of profit or loss for 2023.

Such transactions are conducted on an arm's length basis and with the utmost transparency.

37 - Related party transactions

(€000)	Other non-current financial assets	Other current financial assets	Other non-current financial liabilities	Other current financial liabilities	Interest income	Interest expense
Schema Epsilon Srl	-	285	-	-	5	-
Schema Alfa SpA	-	-	-	234,511	-	5,923
Schema Beta SpA	-	33	-	-	-	-
Schema Delta SpA	-	-	-	23,041	-	1,127
Schema Gamma Srl	-	-	-	7,352	-	19
Verde Sport Srl	-	-	-	29	-	1
San Giorgio Srl	-	400	-	-	-	-
Quarta Srl	-	-	-	-	1	-
Edizione Property SpA	-	-	-	-	6	-
Total	-	718	-	264,933	12	7,070

(€000)	Trade receivables	Other current receivables, accrued income and prepaid expenses	Trade payables	Sundry payables, accrued expenses and deferred income	Revenue	Costs
Abertis Infraestructuras SA	2	-	-	-	-	8
Aeroporti di Roma SpA	39	-	-	-	39	-
Benetton Group Srl	1	136	105	48	-	210
Benetton Srl	55	-	-	-	55	-
Bensec società consortile a rl	-	-	-	-	-	465
Benetton Manufacturing Srl	-	-	-	3	-	-
Edizione Property SpA	-	777	21	295	-	536
Maccarese SpA Società Agricola Benefit	20	-	-	24	20	-
Edizione Alberghi Srl	-	400	1	-	-	17
Mundys SpA	450	-	-	-	551	-
Olimpias Group Srl	-	-	-	72	-	-
Ponzano Children Srl	-	-	-	3	-	-
Retail Italia Network Srl	-	-	-	9	-	-
San Giorgio Srl	5	-	-	39	5	-
Schema Alfa SpA	20	-	-	48	60	-
Schema Beta SpA	-	250	-	1	40	-
Schema Delta SpA	-	443	-	-	40	-
Schema Epsilon Srl	-	-	-	9	40	-
Schema Gamma Srl	-	-	-	20	74	-
Telepass SpA	32	-	-	-	32	2
Verde Sport Srl	-	-	-	73	-	-
Total	624	2,006	127	644	956	1,238

39 - Material events after 31 December 2023

There have been no material events after the end of the reporting period.

40 - Guarantees given, commitments and other contingent liabilities

Other purchase commitments relate to units in investment funds that the Company has subscribed for but has not yet paid for at the end of the year. This item is composed as shown in table 40.

41 - Other commitments and rights

Edizione is committed to providing financial support for the restructuring and relaunch of its indirect subsidiary, Benetton Group. Edizione is specifically committed:

→ as sole shareholder, to making a capital contribution to Benetton Srl in a series of tranches amounting to up to €150 million, based on the financial needs of Benetton Group Srl as they arise;

→ to issuing a letter of financial support for the benefit of Benetton Srl and Benetton Group, guaranteeing that these companies are able to continue to operate as going concerns over the period of 12 months.

42 - Contingent liabilities

There are no contingent liabilities of a significant amount with respect to those already disclosed in the notes to the financial statements.

43 - Audit and non-audit fees paid to the Independent Auditor

The fees contractually due to the Independent Auditor refer entirely to audit services and amount to €80,000.

40 - Guarantees given, commitments and contingent liabilities

(€000)	31.12.2023	31.12.2022
Guarantees given		
Sureties and personal guarantees	-	-
Commitments		
Other purchase commitments	97,263	28,293
Total	97,263	28,293

3.3 Proposed resolutions

Dear shareholders,

We propose that you:

- approve the separate financial statements as of and for the year ended 31 December 2023 and the Report on Operations for submission to the Annual General Meeting of shareholders;
- cover the loss for the year, amounting to €341,625,273.39, from retained earnings;
- propose that the Annual General Meeting approve payment of a dividend amounting to €100,000,050.00 from retained earnings.

Treviso, 30 May 2024

Chairman of the Board of Directors
Alessandro Benetton

4. Annexes

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Edizione S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Edizione S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2023, and the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10

The Company's Directors are responsible for the preparation of the Directors' report of Edizione S.p.A. as at December 31, 2023, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the Directors' report with the financial statements of Edizione S.p.A. as at December 31, 2023 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned Directors' report is consistent with the financial statements of Edizione S.p.A. as at December 31, 2023 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
June 10, 2024

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Edizione SpA

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Tax Code,
VAT number
and Treviso-Belluno
Companies' Register
no. 00778570267
Treviso Chamber of Commerce
REA no. 148942
Issued capital
€1,500,000,000.00,
fully paid-in

