(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Racing Force Group

Consolidated financial statements as at and for the year ended 31 December 2024

(with independent auditors' report thereon)

KPMG S.p.A.

14 April 2025

KPMG S.p.A.
Revisione e organizzazione contabile
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Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the Shareholders of
Racing Force S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Racing Force Group (the "group") at 31 December 2024, comprising the consolidated balance sheet, consolidated income statement, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Racing Force Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed 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 "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Racing Force S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of 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 parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated 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 group'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 the directors' 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 group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level 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 and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10

The parent's directors are responsible for the preparation of the group's directors' report at 31 December 2024 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report with the consolidated financial statements;
- express an opinion on the consistency of the director's report with the applicable law;
- issue a statement of any material misstatements in the directors' report.

In our opinion, the directors' report is consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, the directors' report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report

Genoa, 14 April 2025

KPMG S.p.A.

(signed on the original)

Andrea Carlucci
Director of Audit

RACING FORCE GROUP

ANNUAL FINANCIAL REPORT
AS OF DECEMBER 31, 2024

Racing Force S.p.A.

Registered office: Via Bazzano 5, Ronco Scrivia (Genoa)
Member of Registro Imprese of CCIAA of Genoa
F.C. and registration number: 02264760105
Registered to R.E.A. of CCIAA of Genoa - nr. 260454
Share capital: Euro 2,738,933.30 fully paid-up
VAT number: 02264760105
Subject to the management and coordination activity of the company SAYE S.p.A.

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GROUP

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Board of Directors’ Report on the Operations and Situation of the Group in the year ending December 31, 2024

General Information

The consolidated financial statements as of December 31, 2024 of Racing Force Group, hereinafter the Group, were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the Regulation no. 1606/2002, art. 6, of the European Parliament and subsequent updates.

All estimates and valuations have been made on the basis of business continuity and are the result of the best possible assessment by management. Should future these estimates and valuations differ from the actual data, they would be modified in the same period in which the changes were recorded.

This report is presented together with the Consolidated Financial Statements and the Notes in order to provide management insights into the economic and financial results for the year 2024, as well as historical data and prospective evaluations.

Group structure

The companies that form the Group operate in the production of safety equipment for motorsport competition for drivers and cars or conduct business activities which are essentially complementary to or in line with these activities. Furthermore, the Group is also active in the development and production of helmets for the defense industry.

Racing Force S.p.A., the parent company of the Group, is listed on Euronext Growth Milan (RFG) and Paris (ALRFG).

The Group structure as of December 31, 2024 is the result of the acquisitions made since the end of December 2019, when the parent company Racing Force S.p.A. acquired the control of Bell Racing Helmets Group and Zeronoise Ltd, and the subsequent transactions completed in 2021 and 2022, with the purposes of simplifying the Group's structure and obtaining i) cost savings by reducing the number of the companies; ii) greater efficiency and effectiveness in the management of activities by reducing decision-making levels and strengthening strategic and operational integration of the Group companies.

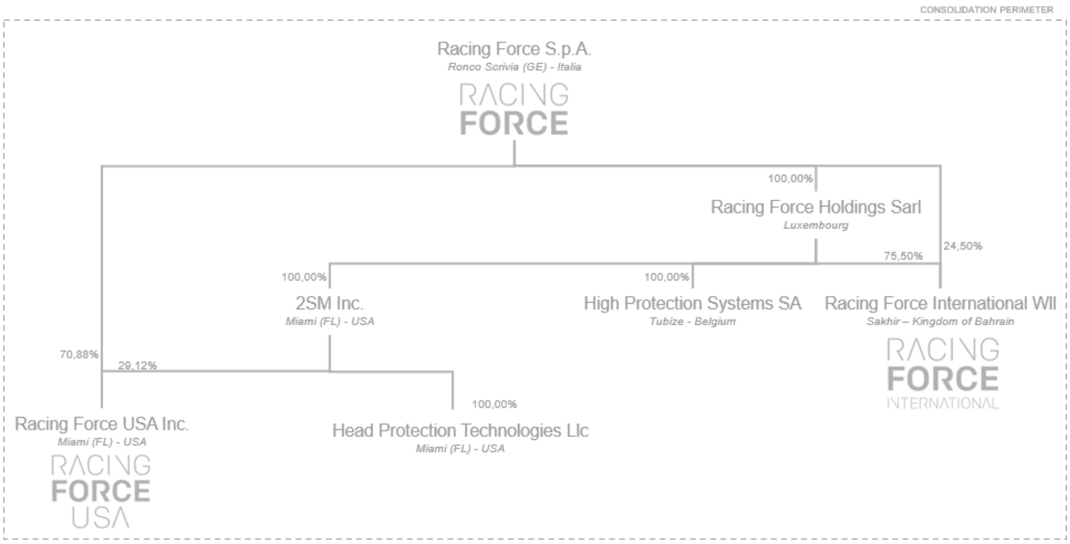
During 2024, the consolidated company Racing Force USA Inc. terminated the lease of its sales and customer service point in California, located in the Los Angeles area, which was replaced by an agreement with Jimco Racing Inc., a major dealer and car preparer based in San Diego, specialized in off-road racing, within which an exclusive sales and service center for the Group's products was set up.

Starting from August 2024, the new pro-shop within the logistics hub in Mooresville has commenced operations, coinciding with the termination of the lease agreement for the previous pro-shop location. This strategic move aims to optimize operational efficiency and reduce management costs.

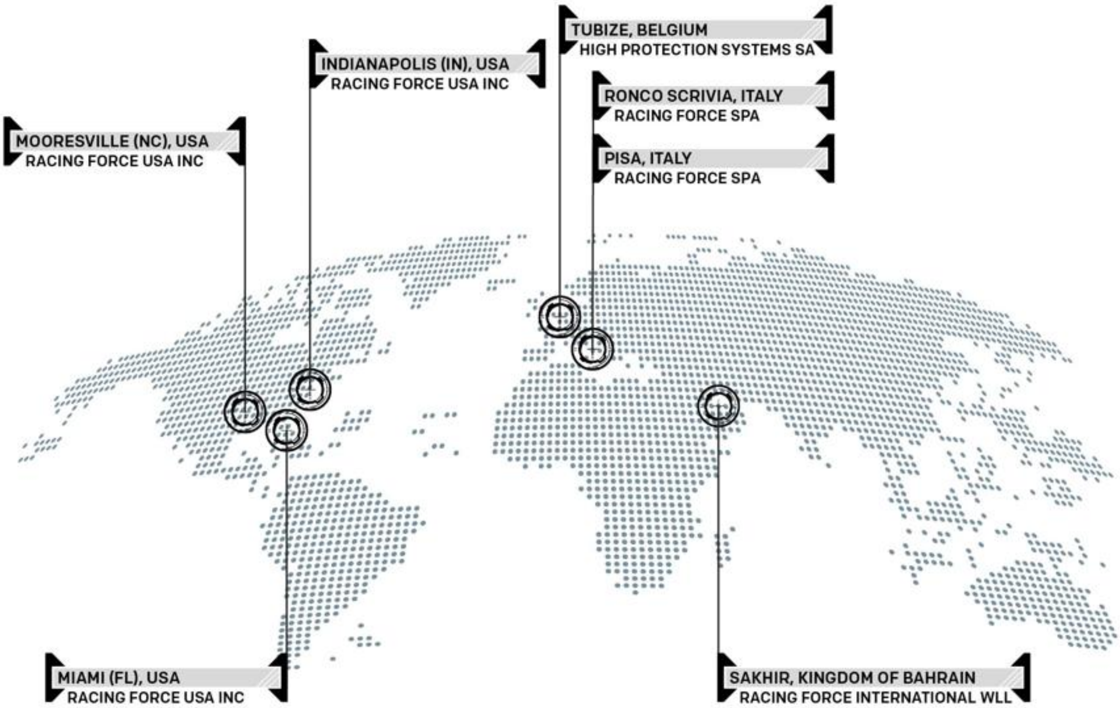
Racing Force S.p.A. is subject to the management and coordination activity of the company SAYE S.p.A. These activities have not produced particular effects on the Group and its results that require to indicate the reasons and interests affected.

The structure of the Group at the end of 2024, with the indication of the location of the various entities and a brief description of the main features of each brand, is reported below.

Organizational Group structure



Group's sites and locations



Main brands within the Group

OMP

OMP brand was created in Genoa in 1973 and is worldwide leader in the business of racing safety equipment for drivers competitions (suits, gloves, boots, etc.) and race cars (seats, safety belts, steering wheels, rollbars, etc.).

OMP products are used by drivers and teams driving in world racing championships including Formula 1®, World Rally Championship – WRC, World Endurance Championship - WEC, Rally Cross World Championship - RX, Formula E, World Rally-Raid Championship, World Kart Championships, important continental competitions such as IndyCar, NASCAR in the United States, Repco supercars Championship in Oceania, other than local races and minor competitions in several countries worldwide. OMP is one of a very few brands in the world able to offer a complete range of safety and performance products dedicated to race cars and driver, with over 2.000 products in its catalog with the majority homologated to industry standards including FIA, CIK-FIA, SFI Foundation and Snell Foundation.

BELL HELMETS

Created in 1954 in Los Angeles, Bell Helmets (hereinafter also "Bell") is the world premier auto racing and karting helmet brand.

Throughout its history, the brand has pioneered key innovations including the first energy absorbing liner, Snell certified helmet, full-face helmet, fire retardant helmet, aerodynamic helmet and FIA "super helmet". Today the brand is associated with technically superior racing helmets incorporating advanced materials and the latest manufacturing techniques.

Positioned as a premium brand, Bell helmet is the of choice of World Champions such as Charles Leclerc, Fernando Alonso, Lando Norris, George Russell and Andrea Kimi Antonelli. In 2024, 70% Formula 1® drivers wore Bell Helmets.

Bell is a technical partner of Ferrari and other F1® teams and several car manufacturers.

Bell manufactures and markets helmets for professional and amateur racers for all forms of racing from Formula 1® to Karting through Rally. All products comply with or exceed the industry's most demanding helmet safety standards (FIA and Snell homologations).

ZERONOISE

Zeronoise is the brand through which the Group develops and manufactures communication devices for the racing industry. The technologies that have been developed under the Zeronoise™ brand are focused on audio communication and video.

The communication devices, such as intercoms, known for their unique design and high performance, are used by professional teams in top rally series, as World Rally Championship (WRC) and Rally Raid Championship (including Dakar).

Moreover, Zeronoise developed the world first in-helmet camera for real-time TV broadcasting homologated with a helmet: it is the *Driver's Eye™*, which made its debut in Formula E in 2020 and in Formula 1® in 2021, initially integrated into Bell branded helmets and, starting from season 2023, available for all drivers and racing helmets manufacturers on the starting grid.

Furthermore, Zeronoise developed the first *Wired-Wireless* helmet in the world, designed for rally competitions, on track from the beginning of 2024.

RACING SPIRIT

The brand Racing Spirit was established in 2012 in Miami and became an industrial project in 2019. The aim of the project is to create a specific clothing line inspired to competitions that strives to incite those who love the sport with beauty, design technology and functionality. Racing Spirit combines maximum wearer comfort with top performance by meeting every requirement in terms of function and style. Racing Spirit is the first premium apparel brand, where craftsmanship, quality and attention to detail are setting Racing Spirit apart from all others. Racing Spirit products are being chosen by an increasingly larger number of corporate customers and Teams.

B2 HELMETS

B2 Helmets (hereinafter also "B2") specialized in the development, manufacturing and distribution of protective helmets for auto racing, motorized activities and industrial applications. The B2 brand was developed to address the helmet safety needs of sporting and service professionals that require a higher level of head protection at an affordable price.

B2 helmets incorporate the same technology and advanced manufacturing techniques developed for auto racing helmets design for professionals competing in the highest levels of motorsports, featuring advanced technology, innovative design, value & performance.

HPS

HPS is the brand dedicated to adapting and advancing cutting-edge racing safety technologies for military and law enforcement applications. Specializing in developing state-of-the-art protection solutions, HPS meets the rigorous demands of defense and security professionals worldwide. Our mission is to set a new benchmark for safety, engineering excellence, and performance, ensuring that those who protect us are equipped with nothing less than the best. HPS helmets are the result of years of research, precision engineering, and material innovation. By combining leading-edge technology with superior comfort and fit, outstanding ventilation, and forward-thinking design, our products maximize protection and enhance operational performance.

Performance of operating activities

According to the OECD Economic Outlook, Volume 2024 Issue 2 published on December 4, 2024, the global economy has shown resilience this year, despite differences in the dynamics of economic activity across countries and sectors. Consumer prices have continued to moderate, with overall indices now aligning with central banks' targets in most economies. Pressure on labor markets has also eased, although unemployment rates generally remain at or near historic lows. However, some risk factors are fueling uncertainties in an otherwise favorable baseline scenario. These include escalating geopolitical tensions, the possibility that price dynamics may prove more persistent than expected, and a sudden reassessment of risk in financial markets.

Throughout 2024, both the European Central Bank (ECB) and the Federal Reserve (FED) implemented interest rate reduction policies to stimulate the economy and control inflation, resulting in a cumulative cut of 100 basis points. These measures reflect the commitment of both institutions to support the economy and pursue their pre-established inflation targets.

In this context, the Group reported a 4.8% increase in sales during the fiscal year compared to the prior year, characterized by a different composition in terms of product categories. Excluding two one-off non-technical apparel orders under the Racing Spirit brand delivered in 2023, the core business grew by 6.1% compared to the previous year.

Sales of Driver’s Equipment in 2024 increased by 3.2 million Euro (+7.2%) compared to the previous year, driven by growth across all major product categories offered by the Group and, particularly, due to the strong performance in racing suits and helmets. Revenue from Car Parts ended the year with a slight decline of -1.9%, primarily due to lower deliveries in the last quarter, linked to a few months delay in the production programs of some major racing car manufacturers. The segment Other recorded a slight increase compared to 2023 (+0.3%), despite the impact of the aforementioned non-recurring Racing Spirit orders, excluding which the segment grew by +22.1% compared to the previous fiscal year, mainly thanks to the sales of apparel to corporate customers.

In terms of geographical areas, the Group has strengthened its leadership position in both the EMEA and APAC macro-regions, with a growth of 1.9 million Euro (+4.6%) and 0.6 million Euro (+9.1%) respectively over the fiscal year, and a double-digit growth in Q4 2024 (+14.6% in EMEA and +12.8% in APAC).

Revenue in the Americas for the 2024 fiscal year recorded an overall increase of 0.5 million Euro (+3.2%) compared to the previous year, driven by growth that began in Q2 2024 (+4.5%), accelerated in Q3 (+11%) and reached +19.6% in Q4. This growth was evenly distributed across OMP-branded racewear and Bell Racing-branded helmets.

Dealers remained the Group’s primary sales channel, accounting for 60% of total sales during the year, with an increase of 0.5 million Euro (+1.2%) compared to the previous fiscal year.

In 2024, there was a significant increase in revenues from both Team & Car Manufacturers (+1.8 million Euro, +11.7%), driven by key partnership agreements signed by the Group in major world championships and national competitions (including Nascar in the United States), as well as from sales to customers classified as Other, which grew by +0.8 million Euro (+9.0%) compared to the previous year, supported by the implementation of new websites aimed at enhancing e-commerce.

Today, Racing Force is positioned as the Group offering the best and most comprehensive range of safety products for racing competitions, used by professional drivers worldwide—from F1® to the World Rally Championship, Karting to American competitions, with over 60 FIA world titles won in the last 5 years with its products. The Group's marketed brands' catalogs feature over 2,000 safety and performance items designed for race cars, drivers, and enthusiasts.

Throughout the fiscal year, the Group further expanded its presence in the motorsport market, solidifying its position as a global leader. Ongoing commercial agreements with key partners, teams, and automotive manufacturers ensure significant visibility and have contributed to revenue consolidation. The Group's products are now considered state-of-the-art in the motorsport safety equipment market.

Summary of consolidated financial data

The main figures related to the performance of the Group in 2024, compared with prior year, are reported in the tables below.

Financial data for fiscal year

	2024	% of Revenue	2023	% of Revenue	Variance
Revenue	65,656,026		**62,656,072**		**2,999,954**
Gross profit	40,021,770	**61.0%**	**38,660,708**	**61.7%**	**1,361,061**
EBITDA	10,123,073	15.4%	9,619,660	15.4%	503,413
Non recurring costs (Stock Grant Plan)	405,193	0.6%	-	0.0%	405,193
Adjusted EBITDA	10,528,266	**16.0%**	**9,619,660**	**15.4%**	**908,606**
Bad Debt and write offs	90,214	0.1%	332,542	0.5%	(242,329)
Depreciation	3,542,747	5.4%	3,008,719	4.8%	534,029
EBIT	6,490,112	9.9%	6,278,399	10.0%	211,713
Adjusted EBIT	6,895,305	**10.5%**	**6,278,399**	**10.0%**	**616,906**
Finance income/(loss)	29,770	0.0%	(508,690)	0.8%	538,461
Net income (loss) before taxes	6,519,883	9.9%	5,769,709	9.2%	750,173
Adjusted Net income (loss) before taxes	6,925,075	**10.5%**	**5,769,709**	**9.2%**	**1,155,366**
Taxes	720,811	1.1%	976,438	1.6%	(255,627)
Net result	5,799,071	8.8%	4,793,271	7.7%	1,005,801
Non recurring income (Patent Box)	315,903	0.5%	-	0.0%	315,903
Adjusted net result	5,888,361	**9.0%**	**4,793,271**	**7.7%**	**1,095,090**
Cash flow from operations	7,584,723	**11.6%**	**983,649**	**1.6%**	**6,601,074**
Dividends paid to Shareholders	2,312,928	**3.5%**	**2,312,928**	**3.7%**	**-**

Financial data at year-end

	12.31.2024	12.31.2023	Variance
Total Assets	90,212,657	**78,097,782**	**12,114,876**
Fixed Assets	35,928,806	29,346,676	6,582,131
Net Working Capital	27,064,553	23,978,416	3,086,138
Other items in working capital	1,817,397	2,896,910	(1,079,513)
less LT & Accrued provisions	4,183,432	4,557,077	(373,645)
Net Invested Capital	60,627,325	**51,664,924**	**8,962,400**
Net Financial Position	63,236	3,179,960	(3,116,724)
Group Equity	60,564,089	48,484,965	12,079,124
Financial Sources	60,627,325	**51,664,925**	**8,962,400**

Net Financial Position

	12.31.2024	12.31.2023	Variance
Debts with banks (A)			
- Short term	3,431,324	3,763,980	(332,656)
- Long term	6,817,968	6,075,997	741,970
Cash and cash equivalents (B)	9,642,334	6,106,995	3,535,338
Non current Financial Assets (C)	523,722	513,021	10,701
Finance active loans (D)			
Long term loan to KJK Protective Technologies LLC	20,000	40,000	(20,000)
Net Financial Position: A) - B) -C) -D)	63,236	**3,179,960**	**(3,116,725)**

Main financial KPIs

	12.31.2024	12.31.2023
Coverage of Fixed Assets		
(Net Group Equity + LT debt) / Fixed Assets	1.88	1.86
Coverage of Net Working Capital		
ST debt / Net Working Capital	0.13	0.16
Debt - Equity ratio		
(Current liabilitis + Non current liabilities) / Net Group Equity	0.49	0.61
Net Financial position / Net Group Equity	0.00	0.07
Capitalization		
Net Group Equity / Total Assets	0.67	0.62
Net Group Equity / Net Invested Capital	1.00	0.94
Liquidity ratio		
Working Capital / Current operating Liabilities	2.86	2.71
Net Financial position / Net invested capital	0.00	0.06

Main economical KPIs for the fiscal year

	2024	2023
ROIC		
Adjusted NOPAT / Net Invested Capital	10.00%	10.79%
ROI		
Adjusted EBIT / Total Assets	7.64%	8.04%
ROS		
Adjusted EBITDA / Revenue	16.04%	15.35%
Adjusted EBIT / Revenue	9.89%	10.02%
ROA		
Adjusted net result / Total Assets	6.53%	6.14%

Revenue increase in 2024 (+4.8% compared to the previous fiscal year) confirms the growth path that the Group is implementing in the motorsport business, thanks to the synergies derived from the integration of various brands and continuous product innovation. Since 2021, the year of listing on EG Milan, the Group has consistently recorded sales growth in each fiscal year compared to the reference period of the previous year, with a CAGR from 2020 to 2024 of 18.1%.

During 2024, the Group made significant investments aimed at strengthening its operational infrastructure to support expected future growth. These include the construction of the second floor at the production facility located in Bahrain, as well as the progress of the expansion plan at the headquarter in Ronco Scrivia, which is expected to be completed by summer 2025. From an organizational structure perspective, the number of employees compared to December 31, 2023 increased by 20 units, in line with the investment plan already initiated in previous periods.

Gross Profit for 2024 amounted to 40,022 thousand Euro (+1,361 thousand Euro compared to 2023), with an incidence on the Group's total revenues that passed from 61.7% to 61%. The slight decrease in percentage margin compared to 2023 is mainly due to a different composition of turnover and some new commercial agreements in force in 2024 characterized by a lower marginality, despite a significant increase in the visibility of the main brands. Finally, marginality for 2024 was affected by the reclassification among cost of goods sold of inventory write-downs amounting to 151 thousand Euro, of which 98 thousand Euro non-recurring, recorded by the American subsidiary Racing Force USA following the reorganization and consolidation of the pro-shop into the Mooresville logistics hub.

During 2024, the Group achieved an adjusted EBITDA, net of non-recurring costs, of 10,528 thousand Euro (+9.4% compared to 9,617 thousand euro in 2023), with a sales margin of 16.0% (15.4% in 2023). Non-recurring costs, amounting to 405 thousand Euro, relate to rights accrued for the 2024 fiscal year to service the stock grant plan allocated to certain Group managers. These results were achieved in a complex macroeconomic context, characterized by high uncertainty, within a fiscal year that represents a transition year for the Group, awaiting significant growth in the coming years, following investment and diversification projects currently being implemented and to be completed in the next fiscal year.

Regarding structural and commercial costs, the Group exercises rigorous and continuous control, promoting reengineering initiatives to optimize organizational efficiency, rationalize expenses, and improve operations, with the aim of increasing profitability.

During the fiscal year it was recorded i) an increase in selling and distribution expenses (10,555 thousand Euro in 2024 compared to 10,048 thousand Euro in 2023), mainly due to the technical partnership agreements in force during the period and ii) an increase in general and administrative expenses (20,815 thousand Euro in 2024 compared to 19,635 thousand Euro in 2023), mainly due to higher payroll costs, following the stock grant plan accrual, the mandatory renewal of the collective labor agreement applied in Italy, including a one-off amount paid during the period and also due to the hiring of new managers and specialized technical employees in the main operating units of the Group.

The adjusted net result for the year amounted to 5,888 thousand Euro (+22.8% compared to 4,793 thousand Euro in 2023), with a sales margin of 9.0% (7.7% in 2023), after depreciation and amortization of 3,633 thousand Euro (3,341 thousand Euro in 2023), net financial income of 30 thousand Euro (net financial expenses of 509 thousand Euro in 2023), and taxes amounting to 720 thousand Euro (976 thousand Euro in 2023). This value is net of non-recurring tax income related to the 2020-2023 financial years, recognized under the Patent Box tax relief regime, for a total amount of 316 thousand Euro.

The operating cash flow amounted to 7,585 thousand Euro (984 thousand Euro in 2023), following cash flows generated by operating activities before changes in net working capital of 10,670 thousand Euro (9,771 thousand Euro in 2023), partially absorbed by the increase in net working capital of 3,125 thousand Euro (4,700 thousand Euro in 2023) and by other changes in working capital, interest, taxes, and provisions for a total of 40 thousand Euro (4,089 thousand Euro in 2023).

The change in net working capital during the year was due to: i) the increase in trade receivables by 404 thousand Euro, broadly in line with the revenue growth recorded during the year; ii) the increase in inventory by 2,275 thousand Euro, primarily due to higher stock levels for the production of Bell-branded helmets in compliance with new homologation standards; iii) the decrease in trade payables by 446 thousand Euro, following payments to suppliers.

The cash flow generated by operating activities was used to meet the cash requirements of transactions carried out during the year and contributed to financing investments in fixed assets for a total of 9,060 thousand Euro and the payment of dividends to shareholders amounting to 2,313 thousand Euro.

As a result of these changes, cash conversion, calculated as the ratio of operating cash flow to adjusted EBITDA, stood at 72% in 2024, marking a significant increase compared to 10.2% in the previous year.

The Group's net financial position improved from 3,180 thousand Euro at the end of 2023 to 63 thousand Euro as of December 31, 2024, thanks to the cash flow generated by operating activities and the share capital increase carried out in June 2024, for a total amount, including share premium, of 7.5 million Euro, net of related costs and tax effects of 0.2 million Euro.

For a detailed analysis, please refer to the Consolidated Cash Flow Statement.

As of December 31, 2024, the Group's equity amounted to 60,564 thousand Euro (48,845 thousand Euro as of December 31, 2023), primarily due to the aforementioned capital increase and the net result generated during the year, after the distribution of dividends. The details of equity movements during the period are provided in the Consolidated statement of changes in Equity for the year.

Risk factors and uncertainty

The Group operates in a free market and it is therefore exposed to risk factors and uncertainty.

The Group has set up mechanisms and procedure at the level of each consolidated entity for the constant monitoring of the foregoing risks, so as to avoid potential negative effects and implement any actions required to contain those risks. In this connection, below is a more detailed qualitative and quantitative analysis of each type of risk.

Main risks considered by management to be at medium and significant materiality are the following:

Risks associated with the Russian-Ukrainian and Israeli-Palestinian Conflicts conflict

The conflict between the Russian Federation and Ukraine, along with the sanctions imposed by Europe, the United Kingdom, and the United States, poses a significant risk of severe impacts on the global economy. Regardless of how

the current crisis is resolved, its consequences could be long-term, potentially negatively affecting business activities, particularly in relation to energy supply costs.
The tensions in the Gaza Strip following the conflict between Israel and Palestine, as well as the attacks on maritime traffic in the Red Sea recorded since late 2023, could further exacerbate commodity price volatility (particularly crude oil and natural gas) and affect the Group’s logistics.
In this context of high uncertainty and geopolitical instability, the Group closely monitors the evolution of the conflicts and the risk of their escalation to other countries.
Since 2022, the Group has eliminated its credit exposure and ceased export activities to the Russian Federation. Additionally, initiatives have been undertaken to improve energy efficiency at the Ronco Scrivia headquarters, along with planned investments in Bahrain, aimed at reducing energy costs and mitigating the risk of future price increases.

Risks associated with the procurement and price fluctuation of raw materials

Several of the products marketed by the Group result from complex production processes, which require the use of raw materials available in markets characterized by a limited number of global suppliers. Any issues in production planning, delays in supply, and/or difficulties in sourcing raw materials could impact on costs, particularly if a substitute material is not available in a timely manner.
In recent years, also due to ongoing international conflicts, various sectors from which the Group sources have experienced increases in the prices of metals, basic raw materials, and other strategic components, as well as shortages and/or delays in material supply. This has led to a rapid rise in prices, resulting in higher purchase costs and repercussions throughout the production supply chain.
Regarding the difficulties in sourcing the raw materials used in production processes, this risk is mitigated through careful procurement planning by the Group. Where necessary, alternative routes for the transportation of goods from Bahrain to other Group locations have also been identified.
As for price increases, the risk is mitigated by the Group's ability to almost fully pass on any price increases to the sales prices of its products.

Risk of Introduction of New Customs Tariffs

The Group is exposed to the risk arising from the introduction of new customs duties or the tightening of existing ones, which could be imposed by governments or economic blocks in the markets where it operates. Such measures could negatively affect the competitiveness of its products, increasing import and export costs and reducing profitability.
In particular, any changes in trade policies between the main geographic regions, such as the United States, the European Union, and Asian markets, could lead to an increase in tariff and non-tariff barriers, with direct impacts on the supply chain, pricing strategy, and market demand.
To mitigate this risk, the Group constantly monitors the evolution of international regulations, evaluates diversification strategies for sourcing and target markets, and considers the possibility of reorganizing production and distribution, leveraging its presence across different continents to reduce dependency on specific areas subject to potential trade restrictions.

Risks associated with the product liability and brand awareness

The products manufactured and distributed by the Group can be divided into two macro categories: homologated and non-homologated products.
In both cases, any defects in the design or manufacture of the Group's products could expose the Group itself to the risk of liability to third party and consequent claims for damages.
With regard to homologated products, then, the Group, as manufacturer, has the responsibility to homologate them in compliance with FIA, Snell and SFI standards. In this respect, the Group also has in-house laboratories that are able to carry out in-house tests on products that will then be carried out by accredited laboratories to verify compliance with homologation regulations.
Furthermore, pursuant to the regulations in force in Italy (art. 114 of Legislative Decree no. 206/2005, the so-called Consumer Code) and abroad on product liability, any design or manufacturing defects in both homologated products and non-homologated offered by the Group could expose it to the risk of liability actions by third parties and, consequently, to potentially significant claims for damages.
Although no action for damage has so far been taken against the Group, and insurance coverage in relation to product liability is in place, it cannot be excluded that such actions may be brought against it in the future.
Furthermore, one of the key factors in the Group's success is the recognizability of Racing Force Group’s brands, which have been in the market for safety equipment.

This recognition is influenced by many factors, such as the high quality of craftsmanship, creativity, attention to detail, the ability to meet the needs of individual customers and the presence. Moreover, the Group constantly strives to maintain and increase its brands recognition through advertising and promotional campaigns, including on social networks, as well as implementing communication and branding strategies.
Should, in the future, brand awareness is not effectively maintained and developed by the Group, this could result in a negative impact on the reputation and, therefore, on the economic and financial situation of the Group itself, arising out in connection with (i) the possible confusion of the Group's brands with those of other companies operating in the same filed, (ii) the inability to communicate to the market the distinctive values of its brand and to maintain them over time, or (iii) the spreading by third parties of partial, untrue or defamatory information about the Group and (iv) the inability to attract and/or retain customers.
The risk is mitigated by the tightly controlled process that products need to go through before the commercialization: i) first of all the manufacturer has to be authorized and recognized by the relevant regulatory bodies to produce; ii) there are regulations and technical standards issued by the same regulatory bodies to which products must comply with; iii) tests are performed in third-party authorized laboratories; iv) before being commercialized, the products undergo a stringent internal quality control process.

Risks associated with implementing future strategies and programs

The Group is exposed to the risk of not being able to achieve its growth strategy, or of not achieving it within the planned time frame, if the basic assumptions on which it is based, including the assumptions in the business plan, prove to be incorrect or if the strategy does not produce the expected results for other reasons, including those outside the Group's control.
Although no significant deviations from the estimates made by management have been found in the past, the estimates and assumptions contained in this document, although currently considered reasonable, may prove to be incorrect in the future also due to the occurrence of unforeseen factors and/or circumstances other than those considered, which could impact on the Group's results or performance.

Risks associated with protection of the Group's know-how and industrial secrets

To make the production processes increasingly efficient and, consequently, to make the product offerings competitive, the Group must continually update its technologies, also by investing in research and development; should the Group not be able to acquire or adequately develop the technologies currently available, or those available in the future, it may have to change or reduce its development objectives or see its competitive strength reduced.
The Group, as owner of IP assets that are worth and strategic for their success on the market, is subject to risks related to their protection and is actively engaged in the implementation of actions aimed at containing and, possibly, eliminating such risks of undue use of such intangible assets, directly bearing the related costs.
The Group has implemented both internal and external procedures aimed at the protection of the know-how internally developed.

Risks Related to Cybersecurity

The Group recognizes that cybersecurity represents a significant risk in the current technological and regulatory context. The evolution of digital threats, including cyberattacks, unauthorized access to systems, data theft, and malware, could compromise operational continuity, the protection of sensitive information, and corporate reputation.
To mitigate these risks, the Group has implemented protective and control measures, including strengthening security infrastructures, continuously monitoring systems, training personnel, and conducting penetration tests. Furthermore, cybersecurity strategies are periodically reviewed and updated in accordance with the industry’s best practices and regulatory developments to ensure an adequate level of protection and safeguard the trust of customers and stakeholders.

Main risks considered by the management to be of low materiality are the following:

Credit risk

The financial activities of the Group are to be considered as of good credit quality.
Customers are selected after being carefully evaluated under a commercial and financial standpoint. Many of the Group’s top customers are historical and loyal partners, with a good financial capacity and a demonstrated track in terms of reliability and timing of payments. For these reasons, the risk of bad debt is well below the normal standards deemed physiological by the bank system for any commercial enterprise. The current size of the bad debt provision is

in fact such as to cover all the positions considered to be of possible risk. Based on these elements, the Group has evaluated not to proceed with credit risk hedging actions with any insurance tools.

Liquidity risk

The liquidity risk is related to the ready availability of sufficient cash and financial resources when needed to meet commitments associated with financial instruments and carry out operations and planned investments.
The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring losses or risking damage to the reputation of any of the Group's entities.
There are no significant risk factors for the Group, considering that the credit lines granted by the banks are largely adequate for the current business needs.

Market risk

The specific market risks to which the Group is exposed are those arising from fluctuations in exchange and interest rates.
As regards the interest rate risk, the Group has covered its exposure on medium-long term debt positions mainly recurring to fixed interest rates. Therefore, based on the current composition of debts, the Group did not deem it necessary to resort interest rate risk hedging instruments.
As for the exchange rate risk associated with commercial relations with foreign customers and suppliers, for which transactions are not regulated in the functional currency of each of the consolidated entities, the risk is mitigated by the fact that the total volumes of transactions in foreign currency are lower than the volumes made in functional currency. The Group ensures that the net exposure is kept to an acceptable level, by dealing with currencies that do not fluctuate significantly. Under these circumstances, the Group did not consider it necessary and / or appropriate to enter into financial hedging instruments.

Other risks considered by management to be at low materiality are risks associated with products counterfeiting, risks associated with the license agreements to use the Bell Helmets trade mark, risks associated with key people, risks associated with the loss of qualified resources and the difficulty of finding new ones, risks associated with APIs (Alternative Performance Indicators), risks associated with transactions with related parties, risks associated with international activities and regulations in the various markets in which the Group operates, risks associated with compliance with workplace safety regulations, risks associated with tax regulations, risks associated with potential conflicts of interest of directors, risks associated with the failure to adopt the organizational model pursuant to Legislative Decree no. 231/2001, risks connected to potential overdue tax payables, risk of interruption of production and catastrophic events. Management does not consider that these risks can have a significant influence on the financial statements to date.

Environmental information and Sustainability (ESG)

Given the nature of the activities carried out, the operations of the parent company and the consolidated entities are deemed not to have significant impact on the environment; waste management activities, even if reduced to the minimum and non-polluting, are entrusted to consulting companies that manage all the obligations under environmental matters with specific reference to the regulation on waste management.

At the end of 2021, the Racing Force Group, in collaboration with the consultancy firm Deloitte Legal, initiated a process aimed at integrating sustainability issues into its business model. This process started with aligning the Parent Company with Legislative Decree 231/2001, with a specific focus on governance and organizational structure, and extended to the definition of ethical principles, which are considered essential and indispensable tools for promoting a sustainability culture within the Group and fostering sustainable economic growth.

On July 1, 2022, the Board of Directors of Racing Force S.p.A. approved the adoption of the Organization, Management, and Control Model pursuant to Legislative Decree 231/2001 and the Group's Code of Ethics. During the same meeting, the Supervisory Body was appointed to oversee the application of the Model.

In parallel, a process of reporting non-financial information related to economic, social, and environmental sustainability aspects was launched, in line with the organizational and business characteristics. This led to the preparation of the Group's Sustainability Report, which, starting from the 2021 financial year, is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards").

In January 2024, Racing Force renewed its partnership with Deloitte Sustainability Services, a consultancy firm specializing in the development of integrated sustainability solutions, with the goal of supporting the Group in enhancing a reporting structure aligned with ESG strategy and objectives. This will progressively bring the Group's reporting into compliance with the requirements introduced by the Corporate Sustainability Reporting Directive (CSRD).

The ESG initiatives will enable the Group to achieve several objectives, including: the adoption of more informed decision-making processes based on a better understanding of the Group’s expectations, the opportunities associated with social responsibility, and the risks of failing to be socially responsible; increasing the Group’s competitiveness by driving innovation in products and business processes; improving the transparency of the supply chain; reducing potential conflicts with consumers related to offered products; increasing employee participation and motivation; strengthening relationships with the Group’s stakeholders and the ability to respond to the growing informational needs in sustainability matters.

The development of environmental issues within its business model also enables the Group to achieve significant savings associated with increased productivity and efficiency of resources used in the production process. In this regard, the Group completed the first part of its energy efficiency investments for its headquarters in Ronco Scrivia in 2023, including the renovation of the roof, cladding of the facades, and the installation of photovoltaic panels.

The expansion project of the Ronco Scrivia facility involves the construction of approximately 4,000 additional square meters across two floors, adjacent to the existing building, with completion expected by the summer of 2025. The investment, aimed at increasing production and logistics capacity, has been carefully planned with the goal of improving the efficiency and sustainability of the facility.

The same approach has been applied to the construction of the second floor of the Bahrain plant, in partnership with the Bahrain International Circuit, completed at the end of 2024 and operational starting spring of 2025.

A better understanding of its energy consumption profile, energy procurement methods to meet that demand, the possibility of shifting consumption from fossil gas to electricity from renewable sources, and the potential for making the production cycle more flexible, will allow the Group to implement a change aimed at reducing energy costs, increasing its value in a market that increasingly rewards environmentally responsible entities.

The value of the Group’s sustainability initiatives is also recognized by Borsa Italiana, as Racing Force is included in the ESG ITA Growth Index, the first ESG index specific to companies listed on Euronext Growth Milan (EGM), created by SDA Bocconi School of Management, CRIF, and Ambromobiliare. In the absence of shared evaluation paradigms and standards, an ESG score was developed and applied to all companies listed on EGM, based on public documents and information, subsequently processed through models, macroeconomic and climatic scenarios, industry benchmarks, and machine learning methodologies. Eligible companies were finally selected based on three main parameters: the level of sustainable governance, the liquidity of their shares, and market capitalization. This index will facilitate the analysis of market clusters, educating investors and bringing more liquidity to the most virtuous companies.

The path the Group has undertaken is also in line with the direction in which the entire motorsport sector is moving, becoming increasingly attentive to environmental issues.

Research and development activities

The Group constantly carries out development activities on various materials, commonly used in production and aimed primarily at innovation and improvement of the technical characteristics of the products offered to the customers.

The research and development activities carried out by the Group are aimed at continuous product innovation through the development of studies, projects, and prototypes of new products to be launched on the market.

Data protection

The Group is compliant with the regulations in terms of data protection and privacy. Specifically, where it is applicable, the consolidated entities ensure compliance with the General Data Protection Regulation 2016/679 on data protection and privacy in the European Union and the European Economic Area.

Transactions with related parties

Transactions with related parties are carried out at market values. For details, please refer to the explanatory Notes.

Significant events in the fiscal year

On May 13, 2024, in implementation of the shareholders' resolution of April 29, 2024, the parent company Racing Force S.p.A. communicated that it had launched a share buyback program, and that it had entrusted Equita SIM S.p.A. with the coordination and execution of the program in full independence.

The program is executed in accordance with the purposes and methods allowed by the applicable legal and regulatory provisions, including the objectives outlined in Article 5 of Regulation (EU) 596/2014 (MAR) and related implementing provisions, where applicable, and the market practices permitted under Article 13 of MAR, for the following purposes: (i) to support the liquidity of the shares; (ii) to allow an efficient use of the Company's liquidity with a medium- and long-term investment perspective; (iii) to use the shares in operations related to core business management or projects consistent with the Company's strategic lines; (iv) to have own shares available for the "Stock Grant Plan 2023-2025," as well as any future incentive plans; (v) to have own shares available, in line with the strategic directions the Company intends to pursue, as consideration in the context of any extraordinary operations.

The program provides for the purchase of the Company's ordinary shares to be carried out in one or more tranches within 18 months from the date of the resolution, and therefore by October 29, 2025, unless prematurely closed upon reaching the predetermined number of shares or cancellation, up to a maximum number that, considering the own shares held in the portfolio by the Company or its controlled companies, does not exceed 20% of the share capital. The share buyback operations is carried out on the Euronext Growth multilateral trading system at a price neither lower nor higher by more than 15% compared to the reference price recorded for the shares in the last trading session before each individual transaction, in compliance with the trading conditions established in Article 3, paragraph 2, of the Delegated Regulation (EU) 2016/1052, implementing MAR, and in particular: (i) shares may not be bought at a price higher than the highest price between the last independent transaction price and the current independent buy offer on the trading venue where the purchase is made; (ii) no more than 25% of the average daily trading volume of Racing Force shares in the 20 days of trading prior to the purchase date can be acquired on any trading day, except in the case of exceptional circumstances provided for by legal or regulatory provisions or market practices permitted by CONSOB.

Starting from May 15, 2024, the first tranche of the program began, with a maximum value of Euro 250,000, completed on November 6, 2024. As of the close of the fiscal year, the Company holds 61,300 own shares in its portfolio, representing 0.22% of the share capital.

On June 25, 2024, the Board of Directors of the parent company resolved, under the delegation granted by the Shareholders' Meeting of April 28, 2023, pursuant to Article 2443 of the Civil Code, to increase the share capital, with payment, in a divisible manner, excluding the right of option pursuant to Article 2441, fourth paragraph, second sentence, of the Civil Code, by issuing new ordinary shares, with no nominal value, having the same characteristics as the ones in circulation at the time of issuance, with regular entitlement, up to a maximum number equal to 10% of the Company's share capital. The placement was completed through the issuance of 1,690,135 shares via an accelerated bookbuilding procedure, subscribed at a unit price of Euro 4.43, for a total value, including the premium, of approximately 7.5 million Euro.

This operation allowed the Group to quickly and efficiently raise equity capital to implement its development and expansion plans. Specifically, the Group announced the signing of a binding commitment with the Bahrain International Circuit (BIC), the operator of the Bahrain Formula 1 Grand Prix circuit and owner of the land adjacent to the circuit, regarding the construction by BIC and leasing to Racing Force of a new factory, intended for the development and production of certain Group products. Negotiations for the final agreements are currently underway, and they are expected to be concluded in 2025.

In connection with the capital increase, the Group incurred costs totaling Euro 204 thousand, recorded in accordance with IAS 32 – Financial Instruments: Presentation in the financial statements, and therefore deducted from Equity.

On July 22, 2024, the Group announced that it had become the first in the world to obtain the FIA 8859-2024 homologation for one of the open-face helmet models marketed under the Bell Racing brand, once again confirming its pioneering role in innovation in the motorsport industry. During the second half of the year, all helmets in the range were homologated, except for one model. At the same time, production of the new models started, with the majority already available in stock by December 31, 2024, and the remaining ones expected by April 2025.

On October 9, 2024, the parent company Racing Force S.p.A. entered into an agreement with Italian tax authority (*Agenzia delle Entrate*) for the definition of the methods and criteria for calculating the economic contribution in case of direct use of intangible assets, pursuant to Article 1 of Law No. 190 of December 23, 2014, and subsequent amendments (the "Patent Box" regime). The calculation of the eligible economic contribution for the years 2020-2023, which led to a reduction in the taxable base for both IRES and IRAP, resulted in a reduction of taxes recorded in the financial statements Euro 316 thousand. Similarly, a further reduction related to the eligible economic contribution for the 2024 fiscal year will be applied, the amount of which has not yet been determined.

On October 23, 2024, the acquisition of Plug In S.r.l., previously a supplier to the Group for hot printing activities, was completed. This acquisition aims to increase the production capacity and profitability already in the short term, starting from the production for the 2025 season. The transaction involved the transfer of the lease contract for the premises where the supplier carried out its activities, located in Gavi (Alessandria), to Racing Force S.p.A. Following the acquisition, the Group acquired tangible assets such as plants and machinery, industrial and commercial equipment, and other fixed assets totaling Euro 226,200, as well as inventory for Euro 43,800.

Outlook

Sales at the beginning of 2025 are in line with the previous year, maintaining stability in the main geographic areas of operation. Orders received from customers in the first months of the year show significant growth compared to the same period of the previous year.

In the early months of the current fiscal year, the Group has ramped up production, partially realized in 2024, of helmets compliant with the new FIA 8859-2024 standard, expecting a significant impact on sales starting from the second quarter of 2025.

Additionally, from autumn 2025, the new Snell homologation standard related to helmets for the American market will come into effect, with an expected increase in sales in the U.S. starting from the fourth quarter of 2025.

Regarding other key product categories, positive effects are expected from the technical partnership agreements in place for the season, including the agreement announced at the beginning of the year with adidas, under which OMP will provide racewear solutions, including custom suits, gloves, and other essential equipment, designed to meet the highest performance and safety standards for drivers and teams at the forefront of motorsport.

Regarding diversification projects in the defense industry, the first significant order of helmets for U.S. Air Force jet pilots is expected to be delivered to Lift Airborne Technologies LLC in the first half of 2025. The riot police helmet (Riot) has successfully passed the main tests required for homologation, and the integrated system with the gas mask is currently in the certification process, with completion expected during the fiscal year. As for the helmet intended for special forces (Gladiator), the development of the first size has been completed and testing for the other ones is ongoing, with the goal of obtaining certification for the entire range by autumn 2025.

In parallel, for all the projects related to the defense industry, the first marketing activities were launched at the beginning of 2025, with the Group’s products being presented for the first time to the public during two major industry fairs (in January at the Shot Show in Las Vegas and in February at Enforce Tac in Nuremberg), generating strong interest from attendees worldwide.

The Group's priority for the coming periods, alongside revenue growth, is to continue improving the efficiency of its structure to benefit profitability and, consequently, the generation of cash flow from operations, completing the investment plan launched during the 2025 fiscal year.

The ongoing war between Russia and Ukraine, tensions in the Middle East, and the threat of tariffs from the new U.S. administration contribute to maintaining high global geopolitical risk, generating significant uncertainty for the global economy and businesses. To date, marginal effects on the Group's operational results have been recorded, but it will be necessary to continue monitoring the situation throughout the year.

Consolidated Financial Statements as of December 31, 2024

Consolidated Balance Sheet

	Note	12.31.2024	12.31.2023
NON CURRENT ASSETS			
Property, plant and equipment	9	16,852,146	11,247,605
Right of use assets	10	3,455,418	3,720,673
Intangible assets	11	9,386,206	8,143,362
Goodwill	11	6,235,037	6,235,037
Non current financial assets	12	523,722	513,021
Due from related parties -non current	13	-	20,000
Tax receivables - non current	37	274,708	263,106
Deferred tax assets	37	511,690	610,144
Other non current assets	14	12,837	13,617
		37,251,763	**30,766,564**
CURRENT ASSETS			
Cash and cash equivalents	15	9,642,334	6,106,995
Trade receivables	16	11,577,543	11,215,073
Inventories	17	27,378,864	25,101,154
Due from related parties - current	18	36,282	21,243
Tax receivables - current	37	1,038,916	1,515,390
Other current assets	19	3,286,955	3,371,362
		52,960,894	**47,331,218**
TOTAL ASSETS		**90,212,657**	**78,097,782**
EQUITY			
Share capital		2,738,933	2,569,920
Additional paid in capital		36,945,206	29,777,959
Legal reserve		514,984	514,984
Translation reserve		614,167	(351,262)
Retained earning (losses)		12,867,852	10,387,509
Other reserve		928,876	792,583
Treasury shares reserve		(250,194)	-
Share-based payments reserve		405,193	-
Net Result		5,799,071	4,793,271
Equity attributable to owners of the parent Company	**20**	**60,564,089**	**48,484,965**
Non-controlling interests		-	-
TOTAL EQUITY		**60,564,089**	**48,484,965**
NON CURRENT LIABILITIES			
Long term loans - non current	22	6,817,968	6,075,997
Lease liabilities - non current	10	2,847,437	3,078,041
Deferred Tax Liabilities	37	49,993	23,410
Employee benefits	23	1,119,088	1,122,129
Provisions	24	216,907	356,907
		11,051,393	**10,656,485**
CURRENT LIABILITIES			
Short term Loan	25	386,478	1,263,779
Trade payables	26	11,891,853	12,337,811
Long term loans - current portion	22	3,044,846	2,500,201
Lease liabilities - current	10	816,510	777,664
Due to related parties	27	87,656	58,675
Tax payables - current	37	4,244	4,246
Other payables	28	2,365,588	2,013,957
		18,597,175	**18,956,333**
TOTAL LIABILITIES AND EQUITY		**90,212,657**	**78,097,782**

Consolidated Income Statement for the year ended December 31

	Note	2024	2023
Revenue		65,656,026	62,656,072
Cost of sales		(25,634,256)	(23,995,364)
Gross profit	**29**	**40,021,770**	**38,660,708**
Other income	**30**	1,760,508	965,397
Selling and distribution expenses	**31**	(10,555,001)	(10,048,283)
General and administrative expenses	**32**	(20,815,019)	(19,635,029)
Other expenses	**33**	(289,186)	(323,133)
Gross operating profit (EBITDA)		**10,123,073**	**9,619,660**
Bad Debt and write offs	**34**	(90,214)	(332,542)
Depreciation	**35**	(3,542,747)	(3,008,719)
Net operating profit (EBIT)		**6,490,112**	**6,278,399**
Finance income	**36**	570,570	202,681
Finance costs	**36**	(540,799)	(711,371)
Net income (loss) before taxes		**6,519,883**	**5,769,709**
Taxes	**37**	(720,811)	(976,438)
Total net income (loss) after taxes		**5,799,071**	**4,793,271**
Income (loss) attributable to:			
Owners of the parent Company	**20**	5,799,071	4,793,271
Non-controlling interest	**20**	-	-

Consolidated statement of profit or loss and other comprehensive income for the year ended December 31

	Note	2024	2023
Total net income (loss) after taxes		**5,799,071**	**4,793,271**
Other Comprehensive Income (Loss)			
Items that will not be reclassified through the Statements of Income			
Remeasurements of post-employment benefit obligations	**23**	(4,482)	(16,203)
Related tax impact		1,076	3,889
Evaluation of Assets Recorded as Property, Plant, and Equipment in Accordance with IAS 16 - Property, Plant, and Equipment	**9, 20**	132,888	246,775
Items that may be reclassified through the Statements of Income			
Changes in foreign currency translation adjustment	**20**	965,428	(439,514)
Total Other Comprehensive Income		1,094,910	(205,053)
Total Comprehensive Income		**6,893,981**	**4,588,218**
Income (loss) attributable to:			
Owners of the parent Company		6,893,981	4,588,218
Non-controlling interest		-	-

Consolidated statement of changes in Equity for the year ended December 31

	Note	Share Capital	Share premium reserve	Legal reserve	Translation reserve	Retained earnings (losses)	Treasury shares reserve	Share-based payments reserve	Other Reserves	Net Group result for the period	Group Equity	Non-controlling interest	Total Equity
Balance at December 31, 2023		**2,569,920**	**29,777,959**	**514,984**	**(351,262)**	**10,387,509**	**-**	**-**	**792,583**	**4,793,271**	**48,484,965**	**-**	**48,484,965**
Share capital increase	**20**	169,014	7,167,247								**7,336,261**		**7,336,261**
Allocation of the result	**20**					4,793,271				(4,793,271)	**-**		**-**
Difference from translation of financial statements of foreign companies	**20**				965,428						**965,428**		**965,428**
Fair value remeasurement IAS 16	**20**								132,888		**132,888**		**132,888**
Treasury shares	**20**						(250,194)				**(250,194)**		**(250,194)**
Share-based payments	**20**							405,193			**405,193**		**405,193**
Actuarial gains and (losses)	**20**								3,406		**3,406**		**3,406**
Profit for the period 01.01.2024 - 12.31.2024	**20**									5,799,071	**5,799,071**		**5,799,071**
Distribution to shareholders	**20**					(2,312,928)					**(2,312,928)**		**(2,312,928)**
Balance at December 31, 2024		**2,738,933**	**36,945,206**	**514,984**	**614,167**	**12,867,852**	**(250,194)**	**405,193**	**928,876**	**5,799,071**	**60,564,090**	**-**	**60,564,090**

	Note	Share Capital	Share premium reserve	Legal reserve	Translation reserve	Retained earnings (losses)	Treasury shares reserve	Share-based payments reserve	Other Reserves	Net Group result for the period	Group Equity	Non-controlling interest	Total Equity
Balance at December 31, 2022		**2,375,745**	**20,249,087**	**475,149**	**88,253**	**5,191,210**	**-**	**-**	**558,122**	**7,549,063**	**36,486,629**	**-**	**36,486,629**
Share capital increase	**20**	194,175	9,528,872								**9,723,046**		**9,723,046**
Allocation of the result	**20**			39,835		7,509,228				(7,549,063)	**-**		**-**
Difference from translation of financial statements of foreign companies	**20**				(439,514)						**(439,514)**		**(439,514)**
Fair value remeasurement IAS 16	**20**								246,775		**246,775**		**246,775**
Actuarial gains and (losses)	**20**								(12,315)		**(12,315)**		**(12,315)**
Profit for the period 01.01.2023 - 12.31.2023	**20**									4,793,271	**4,793,271**		**4,793,271**
Distribution to shareholders	**20**					(2,312,928)					**(2,312,928)**		**(2,312,928)**
Balance at December 31, 2023		**2,569,920**	**29,777,959**	**514,984**	**(351,262)**	**10,387,509**	**-**	**-**	**792,583**	**4,793,271**	**48,484,965**	**-**	**48,484,965**

Consolidated statement of cash flows for the year ended December 31

	Note	2024	2023
A. Cash flow from operating activities			
Net profit for the year		5,799,071	4,793,271
Income taxes	**37**	720,811	976,438
Interest expenses/(interest income)	**36**	(29,770)	508,690
(Capital gains)/losses arising from disposal of assets	**9**	7,750	(5,449)
1. Profit (loss) for the year before income taxes, interests, dividends and capital gains/losses on disposal of assets		**6,497,862**	**6,272,950**
Adjustments for non-monetary items that had no impact on the net working capital			
Accruals for provisions	**23, 34**	336,267	489,732
Depreciation and amortization	**35**	3,542,747	3,008,719
Other adjustments for non-monetary items	**30, 32**	293,567	-
2. Cash flow before variances in net working capital		**10,670,443**	**9,771,401**
Variances in net working capital			
Decrease/(increase) in inventory	**17**	(2,275,373)	(3,510,969)
Decrease/(increase) in receivables from customers	**16**	(404,114)	(1,099,886)
Increase/(decrease) in payables to suppliers	**26**	(445,958)	(88,348)
3. Cash flow after variations in net working capital		**7,544,998**	**5,072,198**
Other variances in working capital		629,638	(2,909,003)
Received/(paid) interests		(260,446)	(151,916)
(Paid income taxes)		(7,378)	(875,236)
(Use of accrued provisions)		(322,089)	(152,394)
Cash flow from operating activities (A)		**7,584,723**	**983,649**
B. Cash flows from investing activities			
Tangible fixed assets: (cost of purchase) / sale price	**9, 10**	(6,536,135)	(4,039,837)
Intangible fixed assets: (cost of purchase) / sale price	**11**	(2,523,829)	(2,128,498)
Financial fixed assets: (cost of purchase) / sale price	**3**	-	(513,021)
Cash flow from investing activities (B)		**(9,059,964)**	**(6,681,356)**
C. Cash flows from financing activities			
Debt			
Increase (decrease) in short-term bank loans	**25**	(877,301)	(1,224,237)
Increase (decrease) in loans	**22**	1,286,616	(3,254,259)
Increase (decrease) in leases	**10**	(736,578)	(718,337)
Equity			
Share capital increase	**20**	7,336,261	9,723,046
Treasury Shares	**20**	(250,194)	-
(Paid dividends)	**20**	(2,312,928)	(2,312,928)
Differences from translation and other reserves	**20**	564,705	(246,961)
Cash flow from financing activities (C)		**5,010,580**	**1,966,325**
Increase (decrease) in cash and cash equivalent (A ± B ± C)		**3,535,338**	**(3,731,382)**
Cash and cash equivalent at the beginning of the period		**6,106,995**	**9,838,378**
Cash and cash equivalent at the end of the period		**9,642,334**	**6,106,995**

Notes to consolidated Financial Statements

Basis of Preparation

1. Company preparing the Financial Statements

Racing Force S.p.A. (the "Company) is based in Italy. The address of the Company's registered office is in Via Bazzano 5, Ronco Scrivia, Genoa, Italy. The consolidated financial statements include the financial statements of the Company and its subsidiaries (together, the "Group"). Racing Force S.p.A. is controlled by the company SAYE S.p.A., with registered office in Genoa, Via Gabriele D'Annunzio nr. 2/104, which prepares the consolidated financial statements.

The Group is mainly active in the production and distribution of safety products and components for drivers and racing cars.

2. Accounting framework

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS Standards). These consolidated financial statements were authorized for publication by the Company's Board of Directors on March 26, 2025.

3. Consolidation Area

The Group financial statements include the results of the Racing Force S.p.A., the Group parent company, and its controlled subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. All significant intra-Group balances and transactions are eliminated in consolidation.

The consolidation area as of December 31, 2024 includes the financial statements of Racing Force S.p.A. and of the following companies, directly and indirectly owned at that date:

	Registered office	Activity	Shareholding % in consolidated FS
Direct shareholdings			
Racing Force USA Inc	Miami (US)	Commercial	70.88%
Racing Force Holdings Sarl	Luxembourg	Sub-holding	100.00%
Racing Force International WLL	Sakhir (Bahrain)	Production, R&D, commercial	24.50%
Indirect shareholdings			
Racing Force USA Inc	Miami (USA)	Commercial	29.12%
Racing Force International WLL	Sakhir (Bahrain)	Production, R&D, commercial	75.50%
High Protection Systems SA	Tubize (Belgium)	Commercial	100.00%
2SM Inc	Miami (US)	Sub-holding	100.00%
Head Protection Technologies LLC	Miami (US)	Commercial	100.00%

The financial statements of Racing Force S.p.A. and all the consolidated companies are those prepared locally, in accordance with the legislation in force in the countries where the companies are registered, appropriately adjusted to be compliant with IFRS.

The financial statements of the parent company and its subsidiaries used in the preparation of the consolidated financial statements have the same reporting date.

4. Functional and presentational currency

These consolidated financial statements are presented in Euro, the functional currency of the Group.

5. Going concern basis

These consolidated financial statements have been prepared on a going concern basis, assuming that the Group will be able to extinguish its liabilities.
In 2024 the Group recorded a profit after tax of 5,799 thousand Euro and generated cash flows from operating activities for 7,585 thousand Euro.

The level of capitalization, the availability of credit lines and loans granted by the banking system are considered suitable by the Group's management to guarantee adequate resources to continue operating in the near future.

6. Use of estimates

As part of the preparation of the consolidated financial statements, the Group's management had to formulate estimates and assessments that affect the application of accounting principles and the amounts of assets, liabilities, costs and revenues recognized in the financial statements. However, it should be noted that, since these are estimates, the results obtained will not necessarily be the same as those shown in these financial statements.
These estimates and the underlying assumptions are regularly reviewed. Any changes deriving from the revision of the accounting estimates are recognized prospectively.

Impairment of goodwill

The impairment of goodwill is verified by comparing the book value of the Cash Generating Units and their recoverable value; the latter is represented by the greater of the fair value less the costs related to the sale and the value in use of the same unit. This complex evaluation process implies, among other procedures, the use of methods such as the discounting of expected cash flows, with the related assumptions on the estimate of cash flows. The recoverable amount in the discounted cash flow model depends significantly on the discount rate used, as well as on the expected future cash flows and the growth rate used for the calculation.

Impairment of intangible and tangible assets

At each balance sheet date, the Group checks whether there are indicators that both tangible and intangible assets may have suffered a reduction in value. To this end, both internal and external sources of information are taken into consideration. The identification of impairment indicators, the estimate of future cash flows and the determination of the fair value of each asset require management to make significant estimates and assumptions regarding the determination of the discount rate to be applied, the useful life and the residual value of resources.

Allowance for bad debt

The recoverability of receivables is assessed taking into account the risk of bad debt, their age and the losses on receivables recorded in the past for similar types of receivables.

Inventory obsolescence fund

Provisions are recorded for raw materials, finished products, spare parts and other obsolete and slow-moving inventories, based on their expected future use and their realizable value. The net realizable value is the estimated sales price in the normal course of business, less the estimated completion costs and the estimated sales and distribution costs.

Provisions, potential liabilities and employee benefits

Provisions for contingent liabilities require a significant level of estimates. The provisions relating to personnel, in particular to defined benefit obligations, are determined on the basis of actuarial assumptions.

Deferred tax assets

The assessment of the recoverability of prepaid taxes takes into account the estimate of future taxable income and is based on prudent tax planning.

7. Significant accounting policies

Unless otherwise specified, the accounting principles described below have been applied consistently for all periods included in these consolidated financial statements.

A. Consolidation criteria

i. Business combinations

The Group accounts for business combinations by applying the acquisition method when the set of activities and assets acquired meets the definition of business and the Group obtains control. In determining whether a certain set of activities and assets represents a business, the Group assesses whether that set includes, at a minimum, a factor of production and a substantial process and if it has the ability to generate production.

The Group has the right to carry out a "concentration test" which makes it possible to ascertain with a simplified procedure that the acquired set of activities and assets is not a company asset. The concentration test, which is optional, is positive if almost all the fair value of the gross assets acquired is concentrated in a single identifiable asset or in a group of identifiable assets with similar characteristics.

The consideration transferred and the identifiable net assets acquired are usually recognized at fair value. The book value of any goodwill is subjected to impairment testing annually to identify any losses due to impairment. Any profits deriving from a purchase at favorable prices are immediately recognized in profit / (loss) for the year, while costs related to the combination, other than those relating to the issue of debt securities or equity instruments, are recognized as expenses in profit / (loss) for the year when incurred.

Amounts relating to the termination of a pre-existing relationship are excluded from the consideration transferred. Normally these amounts are recognized in profit / (loss) for the year.

The contingent consideration is recognized at fair value on the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not subject to subsequent valuation and the future settlement is recognized directly in equity. Other contingent payments are measured at fair value at each year-end date and changes in fair value are recognized in profit / (loss) for the year.

In the event that the incentives recognized in the share-based payment (substitutive incentives) are exchanged for incentives owned by employees of the acquiree (acquiree's incentives), the value of those substitutive incentives of the acquirer is fully or partially included in the evaluation of the consideration transferred for the business combination. This evaluation takes into account the difference in the market value of the substitutive incentives compared to the value of the acquiree's incentives and the proportion of substitutive incentives that refers to the provision of services prior to the aggregation.

ii. Subsidiaries

Subsidiaries are those entities in which the Group holds control, or when the Group is exposed to variable returns deriving from its relationship with the entity, or has rights to such returns, being capable at the same time to influence them by exercising its power over the entity itself. The financial statements of subsidiaries are included in the consolidated financial statements from the moment in which the parent company begins to exercise control until the date in which such control ceases.

iii. Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in the loss of control are accounted for as transactions carried out between parties as shareholders.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

vi. Operations eliminated in the consolidation process

In the preparation of the consolidated financial statements, the balances of intra-group transactions, as well as the unrealized revenues and costs (excluding exchange differences) are eliminated. Unrealized profits resulting from transactions with subsidiaries accounted for using the equity method are eliminated in proportion to the Group's stake in the entity. Unsupported losses are eliminated in the same way as unrealized profits, to the extent that there are no indicators that can give evidence of a reduction in value.

B. Foreign currency

i. Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each Group entity at the exchange rate in effect on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

However, the exchange differences deriving from the translation of the following elements, if present, are recognized among the other components of the comprehensive income statement: i) equity securities designated to FVOCI (excluding losses due to impairment, in which case the exchange differences recognized among the other components of the comprehensive income statement have been reclassified to profit / (loss) for the year); ii) financial liabilities designated to hedge the net investment in a foreign operation to the extent that the hedge is effective; and iii) cash flow hedges to the extent that the hedge is effective.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments resulting from the acquisition, are translated into Euro using the exchange rate recorded at the closing date of the financial year. The revenues and costs of foreign entities operations are converted into Euro using the average exchange rate for the year, which approximates the exchange rates in force at the date of the operations.

Exchange differences are recognized among the other components of the comprehensive income statement and included in the translation reserve, with the exception of exchange differences that are attributed to NCI.

C. Revenues from contracts with customers

Revenues are valued based on the consideration specified in the contract with the customer. The Group recognizes revenues when it transfers control of goods or services.

For the sale of goods, the transfer of control, and therefore the recognition of revenues, generally corresponds to the date on which the goods are made available to the customer, or when the goods are released to the carrier responsible for their transport to the customer.

Revenues from services are recognized once the service is provided. If a service is provided on an ongoing basis over time, the related revenue is recorded pro rata on an accrual basis.

D. Employee benefits

The net obligation of the Group deriving from defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have accrued in exchange for the activity performed in the current and previous years; this benefit is discounted and the fair value of any plan assets are deducted from the liabilities.

The calculation is performed by an independent actuary using the projected unit credit method. If the calculation generates a benefit for the Group, the amount of the recognized asset is limited to the present value of the economic benefits available in the form of repayments from the plan or reductions in future contributions from the plan. In order to establish the present value of the economic benefits, the minimum financing requirements applicable to any plan of the Group are considered.

Actuarial gains and losses, returns from plan assets (excluding interest) and the effect of the asset ceiling (excluding any interest) that emerge following the revaluation of the net liability for defined benefit plans are recognized immediately in the other components of the comprehensive income statement. Net interest for the year on the net liability / (asset) for defined benefits is calculated by applying to the net liability / (asset) the discount rate used to discount the defined benefit obligation, determined at the beginning of the year, considering any changes in the net liability / (asset) for defined benefits that occurred during the year following the contributions received and the benefits paid. Net interest and other costs relating to defined benefit plans are instead recognized in profit / (loss) for the year.

When changes are made to the benefits of a plan or when a plan is curtailed, the portion of the economic benefit relating to past service or the profit or loss deriving from the plan curtailment are recognized in the profit / (loss) of the exercise when the adjustment or reduction occurs.

E. Grants

The grants that offset the costs incurred by the Group are recognized in profit / (loss) for the year, with a systematic criterion, to set them against the costs that the grant intends to offset in the same period, unless the conditions for receiving the contribution are not satisfied after the relevant costs have been recognized. In this case, the contribution is recognized when it becomes due.

F. Costs

Costs are recognized on the basis of their function in the income statement. Costs for purchases of goods are recognized when control of products is transferred. For services, the cost is recognized once the service is provided. In the event of a service provided over time, the related cost is accounted for pro rata on an accrual basis.

G. Financial income and expenses

The Group's financial income and expenses are recognized on an accrual basis and include interest income, interest expense, dividends.

Interest income and expense are recognized in profit / (loss) for the year on an accrual basis. Dividend income is recognized when the Group's right to receive payment is established.

H. Income taxes

The tax charge for the year includes current and deferred taxes recognized in profit / (loss) for the year, except for those relating to business combinations or items recognized directly in equity or among other components of the comprehensive income statement.

The Group has determined that the interest and penalties relating to income taxes, including the accounting treatments to be applied to income taxes of an uncertain nature, are accounted for in accordance with *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* as they do not meet the definition of income taxes.

i. Current taxes

Current taxes include the estimate of the amount of income taxes due or to be received, calculated on taxable income or tax loss for the year as well as any adjustments to previous year taxes. The amount of taxes due or to be received, determined on the basis of the tax rates in force or substantially in force at the end of the financial year, also includes the best estimate of any amount to be paid or received which is subject to factors of uncertainty. Current taxes also include any taxes relating to dividends.

Current tax assets and liabilities are offset only when certain criteria are met.

ii. Deferred taxes

Deferred taxes are recognized with reference to the temporary differences between the book values of the assets and liabilities recorded in the financial statements and the corresponding values recognized for tax purposes. Deferred taxes are not recognized for:

- temporary differences relating to the initial recognition of assets or liabilities in a transaction other than the business combination that does not affect either the accounting profit (or loss) or taxable income (or tax loss);
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the cancellation of the temporary differences and it is probable that, in the foreseeable future, the temporary difference will not reverse; and
- the taxable temporary differences relating to the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses and tax credits, as well as for deductible temporary differences, to the extent that it is probable that future taxable income will be available against which such assets can be used. The future taxable income is defined on the basis of the offsetting of the relative deductible temporary differences. If the amount of the taxable temporary differences is not sufficient to fully recognize a deferred tax asset, the future taxable income is taken into account, adjusted for the offsetting of the existing temporary differences, provided for by the business plans of the individual subsidiaries of the Group. The value of deferred tax assets is reviewed at each year-end date and is reduced to the extent that it is no longer likely that the related tax benefit will be realized. These reductions must be reinstated when the probability of generating future taxable income increases.

Unrecognized deferred tax assets are reviewed at the closing date of each financial year and are recognized to the extent that it has become probable that the Group will achieve a future taxable profit sufficient for their use.

Deferred taxes are valued using the tax rates that are expected to be applicable to temporary differences in the year in which they will be reversed on the basis of the tax rates established by provisions in force or substantially in force at the end of the year and reflect any uncertainties relating to income taxes.

The valuation of deferred taxes reflects the tax effects that arise from the ways in which the Group expects, at the closing date of the financial year, to recover or extinguish the book value of the assets and liabilities. The presumption that the book value of real estate investments measured at fair value will be fully recovered through a sale transaction has not been refuted.

Deferred tax assets and liabilities are offset only when certain criteria are met.

I. Inventories

Inventories include raw materials, semi-finished and finished products.

Inventories are initially entered at purchase or production cost and subsequently valued at the lower of cost and the corresponding realizable value inferable from the market.

Purchase cost means the actual purchase price plus ancillary charges. The purchase cost of the materials includes, in addition to the price of the material, also the costs of transport, customs, other taxes and other costs directly attributable to that material. Returns, commercial discounts, allowances and bonuses are brought down to costs.

Production cost means all direct costs and indirect costs for the portion reasonably attributable to the product relating to the period of manufacture and up to the time from which the asset can be used, considered on the basis of normal production capacity.

The cost calculation method adopted for fungible assets is the weighted average cost.

A provision is made for raw materials, finished products, spare parts and other obsolete or slow-moving inventories based on their expected future use and their realizable value, if this is lower than the book value. The realizable value is the estimated sale price in the normal course of business, net of the estimated completion costs and the estimated sales and distribution costs.

J. Property, plant and equipment

Tangible fixed assets are initially recognized at cost and include the purchase price, any costs directly attributable to bringing the assets to the place and conditions necessary to be able to operate in the manner intended by management and any initial estimate of the costs of dismantling and removal of the asset and the estimate of the costs of restoring the site where it is located. Internally generated assets are initially recognized at production cost. Subsequent expenses and the cost of replacing parts of an asset are capitalized only if the future economic benefits incorporated in that asset increase. All other expenses are charged to the income statement when incurred. When replacement costs are capitalized, the book value of the parts that are replaced is charged to the income statement.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful life using the following depreciation rates:

Property, Plant & Equipment	Depreciation period
Building	33 years
Plant, Machinery and Equipment	6-7 years
Furniture, fixtures and office equipment	5-7 years
Other tangible assets	4-5 years

The depreciation methods, useful lives and residual values are verified at the closing date of the financial year and adjusted where necessary.

Some particular types of assets, such as historical helmets, are accounted for according to their fair value at the date of the measurement, net of any subsequent accumulated depreciation and any subsequent loss due to accumulated impairment.

Remeasurements are made regularly and kept up to date. The redetermination increases are recognized in the other components of the comprehensive income statement and accumulated in the shareholders' equity, unless they offset a previous decrease in a revaluation of the same asset previously recognized in the income statement. If the book value of an asset has decreased following a restatement, the decrease must be recognized in the income statement. However, the decrease must be recognized in the statement of the other components of the comprehensive income statement as a revaluation surplus to the extent that there are any credit balances in the revaluation reserve with reference to this asset. The decrease recognized in the statement of the other components of the comprehensive income statement reduces the amount accumulated in equity under the item revaluation reserve.

If the intended use of a property is transformed from instrumental to real estate investment, the property is valued at fair value and reclassified among real estate investments. Any increase resulting from this assessment is attributed to the profit / (loss) for the year to the extent that it rectifies a previous loss due to the reduction in value of that property. Any excess portion of the increase is recognized directly among the other components of the comprehensive income statement and presented in the net equity restatement reserve. Any loss is recognized directly in the profit / (loss) for the year. In addition, if an amount has been recognized in the revaluation reserve for this property, the loss is recognized in the other components of the comprehensive income statement as a reduction of the equity reserve until this amount is zeroed.

K. Intangible assets and goodwill

Goodwill arising from the acquisition of subsidiaries is valued at cost net of accumulated impairment losses. For the evaluation of goodwill, the full goodwill method is used as required by IFRS 3. Full goodwill is calculated on the entire business and not only on the share acquired by evaluating at fair value also the investment held by minority shareholders at the acquisition date.

Research expenses are recognized in the profit / (loss) of the year in which they are incurred.

Development expenses are capitalized only if the cost attributable to the asset during its development can be reliably assessed, the product or process is feasible in technical and commercial terms, future economic benefits are probable, and the Group intends and has sufficient resources to complete its development and to use or sell the asset. Other development expenses are recognized in profit / (loss) for the year at the time they are incurred. Capitalized development expenses are recognized at cost net of accumulated depreciation and any accumulated impairment losses.

Other intangible assets, including commercial relationships with customers, patents and trademarks, acquired by the Group, which have a defined useful life, are recognized at cost net of amortization and any accumulated impairment losses.

Subsequent costs are capitalized only when they increase the expected future economic benefits attributable to the asset to which they refer. All other subsequent costs, including those relating to goodwill and internally generated trademarks, are charged to the profit / (loss) for the year in which they are incurred.

Intangible assets are initially recognized at cost and subsequently valued at cost net of accumulated amortization.

Depreciation is calculated on a straight-line basis as follows:

Intangible Assets	Amortization period
Development costs	5 years
Software	5 years
Patents, Licences	based on contract period
Other intangible assets	lower than useful life and contract period

An intangible asset with an indefinite useful life (for example, a perpetual license) is not amortized, but is checked annually, or whenever there is an indication that it has not suffered a reduction in value.

At the end of the fiscal year, it is assessed whether there is evidence that a particular asset may have suffered a loss in value. In this case, an estimate of the recoverable value of the asset is made on the basis of the greater between the fair value and its value in use. If the recoverable value of an asset is lower than its book value, this lower value of the asset is recognized and the difference is recognized in the income statement.

When an intangible asset is sold, the profit or loss from the disposal is included in the income statement.

L. Financial instruments

i. Recognition and measurement

Trade receivables and debt securities issued are recognized at the time they originate. All other financial assets and liabilities are initially recognized on the trade date, i.e. when the Group becomes a contractual party to the financial instrument.

With the exception of trade receivables that do not contain a significant financing component, financial assets and liabilities are initially measured at fair value plus or minus, in the case of financial assets or liabilities not measured at FVTPL, the costs of the transaction directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables that do not have a significant financing component are valued at their transaction price.

ii. Classification and subsequent measurement

Financial assets

At the time of initial recognition, a financial asset is classified according to its valuation: amortized cost; fair value recognized in the other components of the comprehensive income statement (FVOCI) - debt security; FVOCI - equity security; or at fair value recognized in profit / (loss) for the year (FVTPL).

Financial assets are not reclassified after their initial recognition, unless the Group changes its business model for the management of financial assets. In this case, all the financial assets involved are reclassified on the first day of the first financial year following the change in the business model.

A financial asset must be valued at amortized cost if both of the following conditions are met and it is not designated to the FVTPL: i) the financial asset is owned as part of a business model whose objective is to own the financial assets for the purpose of the collection of the related contractual financial flows; and ii) the contractual terms of the financial activity provide for financial flows at certain dates represented solely by payments of capital and interest on the amount of capital to be repaid.

A financial asset must be valued at the FVOCI if both of the following conditions are met and it is not designated at the FVTPL i) the financial asset is owned as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets; ii) the contractual terms of the financial activity provide for financial flows at certain dates represented solely by payments of capital and interest on the amount of capital to be repaid.

Upon initial recognition of an equity security not held for trading purposes, the Group can make the irrevocable choice of presenting subsequent changes in fair value in the other components of the comprehensive income statement. This choice is made for each activity.

All financial assets not classified as valued at amortized cost or at FVOCI, as indicated above, if any, are valued at FVTPL. All derivative financial instruments are included. Upon initial recognition, the Group can irrevocably designate the financial asset as measured at fair value through profit / (loss) for the year if by so doing it eliminates or significantly reduces an accounting asymmetry that would otherwise result from the valuation of the asset financial at amortized cost or to FVOCI.

Financial assets: evaluation of the business model

The Group evaluates the objective of the business model under which the financial asset is held at the portfolio level as it best reflects the manner in which the business is managed, and the information communicated to the company management. This information includes:

- the criteria set out and the objectives of the portfolio and the practical application of these criteria, including, inter alia, if the management strategy is based on obtaining interest income from the contract, on maintaining a certain interest rate profile interest, on the alignment of the duration of the financial assets to that of the related liabilities or on the expected cash flows or on the collection of cash flows through the sale of the assets;

- the methods for evaluating the performance of the portfolio and the methods for communicating the performance to the Group's executives with strategic responsibilities;

- the risks affecting the performance of the business model (and of the financial assets held under the business model) and the way these risks are managed;

- the methods of remuneration of company executives (for example, if the remuneration is based on the fair value of the assets managed or on the contractual cash flows collected); and

- the frequency, value and timing of sales of financial assets in previous years, the reasons for the sales and expectations regarding future sales.

The transfers of financial assets to third parties in the context of transactions that do not involve derecognition are not considered sales for the purpose of evaluating the business model, in line with the Group's maintenance of these activities in the financial statements.

Financial assets - evaluation to establish whether the contractual financial flows are represented solely by payments of principal and interest

For valuation purposes, "principal" is the fair value of the financial asset at the time of initial recognition, while "interest" constitutes the consideration for the time value of money, for the credit risk associated with the amount of capital to be repaid during a given period of time and for other basic risks and costs related to the loan (for example, liquidity risk and administrative costs), as well as for the profit margin.

In assessing whether the contractual cash flows are represented solely by payments of principal and interest, the Group considers the contractual terms of the instrument. Therefore, it evaluates, among others, whether the financial asset contains a contractual clause that changes the timing or amount of the contractual cash flows such as not to satisfy the following condition. For the purposes of the assessment, the Group considers:

- contingent events that would change the timing or the amount of financial flows;
- clauses that could adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specific assets (for example, non-recourse elements).

A prepayment feature is in line with the criterion of "cash flows represented solely by payments of principal and interest" when the amount of the advance payment substantially represents the unpaid amounts of principal and interest accrued on the amount of the capital to be repaid, which may include reasonable compensation for early termination of the contract. Furthermore, in the case of a financial asset acquired with a significant premium or discount on the contractual nominal amount, an element that allows or requires an advance payment equal to an amount that substantially represents the contractual nominal amount plus the contractual interest accrued (but not paid) (which may include a reasonable compensation for early termination of the contract) is accounted for in accordance with this criterion if the fair value of the prepayment element is not significant at the time of initial recognition.

Financial assets: subsequent measurement and profits and losses

Financial assets valued at FVTPL: These assets are subsequently measured at fair value. Net profits and losses, including dividends or interest received, are recognized in profit / (loss) for the year.

Financial assets valued at amortized cost: These assets are subsequently measured at amortized cost in accordance with the effective interest criterion. The amortized cost is decreased by the losses due to value reduction. Interest income, exchange gains and losses and impairment losses are recognized in the profit / (loss) for the year as well as any profits or losses from elimination.

Debt securities valued at FVOCI: These assets are subsequently measured at fair value. Interest income calculated in accordance with the effective interest method, exchange gains and losses and losses due to impairment are recognized in profit / (loss) for the year. Other net gains and losses are recognized in the other components of the comprehensive income statement. At the time of derecognition, the profits or losses accumulated in the other components of the comprehensive income statement are reclassified in the profit / (loss) for the year.

Equity securities valued at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized in profit / (loss) for the year unless they clearly represent a recovery of part of the investment cost. Other net profits and losses are recognized in the other components of the comprehensive income statement and are never reclassified in profit / (loss) for the year.

Financial Liabilities - Classification, Subsequent measurement and Profits and Losses

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified at the FVTPL when it is held for trading, represents a derivative instrument or is designated as such at the time of initial recognition. Financial liabilities at FVTPL are measured at fair value and any changes, including interest expense, are recognized in profit / (loss) for the year. The other financial liabilities are subsequently measured at amortized cost using the effective interest criterion, except for trade payables that do not contain a significant financing component. Interest expense and exchange gains / (losses) are recognized in profit / (loss) for the year, as well as any profits or losses resulting from the derecognition.

M. Impairment losses

i. Financial instruments and assets deriving from contracts

The Group recognizes bad debt provisions for expected credit losses relating to financial assets measured at amortized cost, any debt securities valued at FVOCI and assets deriving from the contract.

In addition, the Group recognizes the bad debt provision under trade receivables and other receivables for expected losses over the entire duration of the receivables implicit in leasing contracts.

The Group evaluates the bad debt provision at an amount equal to the expected life-long losses of the credit, except as indicated below, for the following twelve months:

- debt securities with low credit risk at the balance sheet date; and
- other debt securities and bank current accounts whose credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not significantly increased after initial recognition.

Provisions for bad debts for trade receivables (including those relating to leasing) and for assets deriving from contracts are always measured at an amount equal to the expected losses over the entire life of the credit.

In order to determine whether the credit risk relating to a financial asset has increased significantly after initial recognition and to estimate expected credit losses, the Group considers reasonable and demonstrable information that is relevant and available without excessive cost or effort. This includes quantitative and qualitative information and analyzes, based on the historical experience of the Group, on the credit assessment as well as on information indicative of expected developments ("forward-looking information").

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are the present value of all non-collections (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted using the criterion of the effective interest of the financial asset, unless the effects of such discounting are negligible compared to the nominal value.

The gross book value of a financial asset is written down (in part or entirely) to the extent that there is no real prospect of recovery.

ii. Non-financial assets

At each year-end closing date, the Group checks whether there is objective evidence of impairment with reference to the book values of its non-financial assets, with the exception of biological assets, property investments, inventories, assets deriving from the contract and deferred tax assets. If on the basis of the verification it emerges that the assets have actually suffered a reduction in value, the Group estimates their recoverable value. On the other hand, the recoverable value of goodwill is estimated annually.

For the purpose of identifying any losses due to impairment, the assets are grouped into the smallest identifiable group of assets that generate financial flows that are largely independent from the financial flows generated by other assets or groups of assets (the "CGU" or "cash- generating unit "). The goodwill acquired through a business combination is allocated to the group of CGUs which envisages the benefit of the synergies of the combination.

The recoverable value of an asset or a CGU is the greater of its value in use and its fair value less the costs of disposal. To determine the value in use, the estimated expected cash flows are discounted using a pre-tax discount rate that reflects the current market valuations of the time value of money and the specific risks of the CGU's business.

When the book value of an asset or a CGU exceeds the recoverable value, an impairment loss is recognized.

Losses due to impairment are recognized in profit / (loss) for the year. Those relating to the CGU are first attributed to a reduction in the carrying amount of any goodwill allocated to the CGU, then proportionately to a reduction in the other assets that make up the CGU.

Losses due to impairment of goodwill cannot be reversed. For other assets, impairment losses recognized in previous years are reinstated up to the book value that would have been determined (net of depreciation) if the impairment loss on the asset had never been recognized.

N. Accrued provisions

Provisions for risks and charges include provisions for current obligations (legal or implicit) deriving from a past event, for the fulfillment of which it is probable that an use of resources may be required, the amount of which can be reliably estimated. The changes in the estimate are reflected in the income statement for the year in which the change occurred. If the effect of the discounting is significant, the funds are shown at their current value.

O. Leasing

At the beginning of the contract, the Group assesses whether the contract is, or contains, a lease. The contract is, or contains, a lease if, in exchange for a consideration, it transfers the right to control the use of an identified asset for a period of time.

At the beginning of the contract or the modification of a contract that contains a leasing component, the Group assigns the consideration of the contract to each leasing component on the basis of its separate price. However, in the case of leasing of buildings, the Group has decided not to separate the non-leasing components from the leasing components and to account for the leasing and non-leasing components as a single component.

On the effective date of the lease, the Group recognizes the asset for the right of use and the liability of the lease. The right-of-use asset is initially measured at cost, including the amount of the initial valuation of the lease liability, adjusted for the payments due for the lease made on or before the effective date, increased by the initial direct costs incurred and an estimate of the costs that the lessee will have to incur for the dismantling and removal of the underlying asset or for the restoration of the underlying asset or the site where it is located, net of leasing incentives received.

The asset for the right of use is subsequently amortized on a straight-line basis from the effective date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or, considering the cost of the asset for the right of use, it is expected that the Group will exercise the purchase option. In this case, the asset for the right of use will be amortized over the useful life of the underlying asset, determined on the same basis as that of property, plant and machinery. In addition, the asset for the right of use is regularly decreased by any losses due to impairment and adjusted to reflect any changes resulting from subsequent valuations of the lease liability.

The Group evaluates the lease liability at the present value of the payments due for the lease not paid at the effective date, discounting them using the implicit interest rate of the lease. Where it is not possible to determine this rate easily, the Group uses the marginal loan rate. Generally, the Group uses the marginal borrowing rate as the discount rate.

The Group's marginal financing rate is calculated on the basis of the interest rates obtained from various external financing sources, making some adjustments that reflect the conditions of the lease and the type of asset being leased.

The payments due for the lease included in the measurement of the lease liability include:

- fixed payments (including substantially fixed payments);
- the variable payments due for the lease that depend on an index or a rate, initially valued using an index or a rate at the effective date;
- the amounts expected to be paid as a guarantee on the residual value; and
- the exercise price of a purchase option that the Group has the reasonable certainty of exercising, the payments due for the lease in an optional renewal period if the Group has the reasonable certainty of exercising the renewal option, and the penalty for early termination of the lease, unless the Group is reasonably certain that it will not terminate the lease early.

The lease liability is measured at amortized cost using the effective interest criterion and is remeasured in the event of a change in the future payments due for the lease resulting from a change in the index or rate, in the event of a change in the amount that the Group expects to have to pay as a guarantee on the residual value or when the Group changes its valuation with reference to the exercise or otherwise of a purchase option, extension or termination or in the event of a revision of the payments due for the leasing fixed in substance .

When the lease liability is remeasured, the lessee proceeds to a corresponding modification of the asset for the right of use. If the book value of the asset for the right of use is reduced to zero, the lessee recognizes the change in the profit / (loss) for the year.

In the statement of financial position, the Group shows the assets for the right of use that do not meet the definition of real estate investments in the item “right of uses assets” and the leasing liabilities among the “financial liabilities”.

Short-term leasing and leasing of small value assets

The Group has decided not to recognize the assets for the right of use and the leasing liabilities relating to assets of modest value and short-term leases, including IT equipment. The Group recognizes the related payments due for the lease as a cost on a straight-line basis over the lease term.

P. Fair value measurement

The "fair value" is the price that would be received at the measurement date for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators in the main (or most advantageous) market at which the Group has access at that time. The fair value of a liability reflects the effect of a risk of default.

Various accounting principles and some disclosure obligations require the Group to evaluate the fair value of financial and non-financial assets and liabilities.

Where available, the Group evaluates the fair value of an instrument using the listed price of that instrument in an active market. A market is active when transactions relating to the asset or liability occur with a frequency and volumes sufficient to provide useful information for determining the price on an ongoing basis.

In the absence of a listed price in an active market, the Group uses valuation techniques by maximizing the use of observable input data and minimizing the use of unobservable input data. The valuation technique chosen includes all the factors that market participants would consider when estimating the transaction price.

The best proof of the fair value of a financial instrument at the time of initial recognition is usually the transaction price (i.e. the fair value of the consideration given or received). If the Group notes a difference between the fair value at the time of initial recognition and the transaction price and the fair value is not determined either by using a price listed in an active market for identical assets or liabilities, or by means of a valuation technique whose unobservable input data are considered insignificant, the financial instrument is initially measured at fair value, adjusted in order to defer the difference between the fair value at the time of initial recognition and the transaction price. Subsequently, this difference is recognized in the profit / (loss) for the year over the life of the instrument with an appropriate method, but no later than the time when the valuation is fully supported by observable market data or the transaction is concluded.

Q. Share-based payments

With reference to share-based payment transactions, upon the occurrence of the conditions underlying, the Group shall recognize the effects in accordance with the provisions of the accounting standards, which require that the fair value at the grant date of the incentives is recognized in the equity-settled payment as an expense, with a corresponding increase in equity over the period during which the beneficiaries obtain the right to the incentives.

The amount recognized as an expense shall be adjusted to reflect the actual number of shares for which the vesting conditions and non-market performance conditions have been satisfied, so that the final amount recognized as an expense is based on the number of shares that satisfy those conditions at the vesting date.

The fair value of the amount to be paid to the beneficiaries in respect of cash-settled share appreciation rights has to be recognized as an expense with a corresponding increase in the liability over the period during which the beneficiaries accrue the unconditional right to receive payment. The liability is revaluated at each reporting date and the settlement date on the basis of the fair value of the share appreciation rights. Any changes in the fair value of the liability have to be recognized in profit or loss for the year.

8. Adoption of new or revised accounting standards

Accounting Standards and interpretations issued by IASB and adopted by the EU for the financial years beginning on or after January 1, 2024

Starting from January 1, 2024, the following changes to IFRS came into effect:

- Regulation (EU) 2023/2579 of 20 November 2023, adopting amendments to IFRS 16 - Leases. The amendments to IFRS 16 specify how the seller-lessee subsequently measures sale and leaseback transactions..
- Regulation (EU) 2023/2822 of 19 December 2023, adopting amendments to IAS 1 - Presentation of Financial Statements. The amendments enhance the information that an entity must provide when its right to defer the settlement of a liability for at least twelve months is subject to a covenant..
- Regulation (EU) 2023/2772 of 31 July 2023, adopting the sustainability reporting standards (ESRS).
- Regulation (EU) 2024/1317 of 15 May 2024, amending IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures. The document introduces disclosure requirements for financing arrangements for an entity's supplies.

On 8 May 2024, Directive 2024/1306/EU was published in the Official Journal, amending Directive 2013/34/EU regarding the deadlines for the adoption of sustainability reporting standards for certain sectors and certain third-country enterprises.

On 5 July 2024, Directive 2024/1760/EU was published in the Official Journal, concerning the duty of care of enterprises for sustainability purposes and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859.

On 15 November 2014, Directive 2014/95/EU was published in the Official Journal, amending Directive 2013/34/EU regarding the disclosure of non-financial information and diversity information by certain large enterprises and groups.

These amendments did not have a significant impact on the Group’s financial statements.

Accounting Standards and interpretations issued by IASB but not adopted yet

In August 2023 the IASB published the document Lack of Exchangeability (Amendments to IAS 21). The amendment clarifies when a currency cannot be converted into another, how to estimate the exchange rate and the information to be provided in the explanatory notes. The change will come into force from January 1, 2025.
Furthermore, during 2023, the following Regulations of the European Commission were approved:

- EU Regulation 2023/2579 of November 20, 2023, which adopts amendments to IFRS 16 - Leasing. The amendments to IFRS 16 specify how the selling lessee subsequently evaluates the sale and leaseback transactions. The changes will come into effect on January 1, 2024.
- EU Regulation 2023/2822 of December 19, 2023, which adopts amendments to IAS 1 - Presentation of financial statements. The amendments improve the information that a company must provide when its right to defer the settlement of a liability for at least twelve months is subject to covenants. The changes will come into effect on January 1, 2024.
- EU Regulation 2023/2772 of July 31, 2023, which adopts the sustainability reporting principles (ESRS). The regulation applies from 1 January 2024.

On 8 May 2024, Directive 2024/1306/EU was published in the Official Journal, amending Directive 2013/34/EU regarding the deadlines for the adoption of sustainability reporting standards for certain sectors and certain third-country enterprises.

On 5 July 2024, Directive 2024/1760/EU was published in the Official Journal, concerning the duty of care of enterprises for sustainability purposes and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859.

On 15 November 2014, Directive 2014/95/EU was published in the Official Journal, amending Directive 2013/34/EU regarding the disclosure of non-financial information and diversity information by certain large enterprises and groups.

Accounting Standards and interpretations issued by IASB but not adopted yet

On 10 May 2024, the IASB published the new accounting standard IFRS 19 - Subsidiaries without Public Accountability: Disclosures, which allows a subsidiary applying IFRS accounting standards to provide a reduced level of disclosure in its financial statements. The new standard is effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

On 3 June 2024, the IASB published the document Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7, which clarifies certain issues identified during the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon achieving ESG objectives (i.e., green bonds). The amendments apply to financial statements for periods beginning on or after 1 January 2026.

The management is still evaluating the impacts that these changes will have on the consolidated financial statements, however no significant impacts are expected.

9. Property, Plant and Equipment

12.31.2024	12.31.2023	Variations + (-)
16,852,146	11,247,605	5,604,541

Variations for the period, on the basis of consistent categories, are detailed as follows:

	Land and Building	Plant, machinery and equipment	Furniture, fixtures and office equipment	Assets held at fair value	Work in progress and advances	Other tangible assets	Total
Book value at the beginning of the period							
Cost	5,448,823	6,560,484	2,082,487	1,729,760	1,561,007	694,429	18,076,990
Accumulated Depreciation	(1,381,223)	(3,451,209)	(1,512,491)	-	-	(484,462)	(6,829,386)
Net Book Value	**4,067,600**	**3,109,275**	**569,996**	**1,729,760**	**1,561,007**	**209,966**	**11,247,605**
Movements of the fiscal year							
Cost							
Additions	11,345	1,566,276	297,902	7,700	4,577,956	74,958	6,536,136
(Disposals)	-	(181,398)	(37,584)	-	-	(37,443)	(256,425)
Remeasurement at fair value IAS 16	-	-	-	138,326	-	-	138,326
Exchange rate impact	-	217,263	70,042	106,175	2,533	33,447	429,460
Reclassifications	-	-	42,352	-	(42,352)	-	-
Accumulated Depreciation							
Depreciation	(162,730)	(785,237)	(250,973)	-	-	(53,783)	(1,252,723)
(Disposals)	-	173,648	29,734	-	-	37,443	240,825
Exchange rate impact	-	(150,603)	(56,134)	-	-	(24,321)	(231,057)
Reclassifications	-	-	-	-	-	-	-
Book value at the end of the period							
Cost	5,460,168	8,162,625	2,455,200	1,981,961	6,099,144	765,390	24,924,487
Accumulated Depreciation	(1,543,953)	(4,213,401)	(1,789,864)	-	-	(525,123)	(8,072,342)
Net Book Value	**3,916,215**	**3,949,224**	**665,336**	**1,981,961**	**6,099,144**	**240,266**	**16,852,146**

During the fiscal year, in accordance with the planning, the Group proceeded to make the necessary investments to renew plants, machinery, equipment and other depreciable assets, to guarantee the highest standards of production.
Some assets, of immaterial unit value, were expensed in the period in which they were purchased; the decision not to capitalize the value of these assets finds an economic reason in the fact that these are goods of small value, whose duration is very limited and difficult to determine.
Maintenance costs of an incremental nature are accounted for as an increase in the assets to which they refer; the incremental expenses do not assume independent relevance with respect to the asset they refer to and, therefore, the calculation of the depreciation takes place in a unitary and indistinct way both as regards the cost on which the depreciation is calculated, and as regards the relative percentage of depreciation.

The increase in the item Land and Buildings refers to work carried out at the Ronco Scrivia headquarters for its expansion.

The additions recorded in the item Plant, machinery and equipment are due to investments made by the parent company Racing Force S.p.A. for 469 thousand Euro, aimed to enhance the production capacity of the OMP branded products, including 157 thousand Euro for the acquisition of the company Plug In S.r.l.; 947 thousand Euro for investments made by the subsidiary Racing Force International Wll, aimed at increasing the production of helmets in the Bahraini factory; 115 thousand Euro incurred for the set-up of the new site of the subsidiary High Protection Systems SA in Tubize Belgium, operational from December 2023 and 35 thousand Euro for warehouse equipment purchased by the consolidated company Racing Force USA Inc.

The increases recorded under the item Furniture, Fixtures, and Office Equipment primarily relate to investments in new computers and hardware equipment for staff, amounting to 111 thousand Euro made by the parent company Racing Force S.p.A., of which 24 thousand Euro related to the acquisition of Plug In S.r.l.; 92 thousand Euro made by Racing Force International Wll; and 95 thousand Euro made by Racing Force USA for furnishings related to the set-up of the new shop at the Mooresville logistic hub.

The assets held at fair value refer to original helmets and replicas of historic Bell branded racing helmets, whose value at the end of the year is determined on the basis of an appraisal provided by an independent expert. Fair value was determined based on a market approach that reflects recent transaction prices for similar assets.

Works in progress, amounting to 6,099 thousand Euro as of December 31, 2024, primarily refer to advances for intervention related to the headquarters of the parent company in Ronco Scrivia, as part of the expansion plan aimed at increasing production and logistics capacity.

Disposals mainly refer to fully depreciated assets that are no longer in use, for which historical cost and accumulated depreciation have been written-off, in addition to some machinery disposals recorded in the period.

10. Right of use assets and lease liabilities

The Group owns factories, warehouses and shops through leasing agreements. The duration of these leases varies from 2 to 15 years, with the possibility of renewal. Lease payments are renegotiated periodically to reflect market rents. Some leases provide for additional payments that depend on local variations in the price index.

The Group also leases IT equipment (printers), whose duration is between 3 and 5 years, and cars, with a duration between 3 and 4 years.

Other leasing contracts, if short-term and / or if referring to assets of modest value, are not recognized among assets and liabilities for the right of use.

Right of use assets

12.31.2024	12.31.2023	Variations + (-)
3,455,418	3,720,673	(265,256)

Variations for the period, on the basis of consistent categories, are detailed as follows:

	Buildings	Other assets	Total
Book value at the beginning of the period			
Cost	4,878,062	528,105	5,406,167
Accumulated Depreciation	(1,378,301)	(307,193)	(1,685,494)
Net Book Value	**3,499,761**	**220,912**	3,720,673
Movements of the fiscal year			
Cost			
Additions	179,707	249,207	428,915
(Disposals)	(243,037)	(53,977)	(297,014)
Other movements	536,079	1,457	537,535
Accumulated Depreciation			
Depreciation	(686,923)	(134,914)	(821,837)
(Disposals)	243,037	53,977	297,014
Other movements	(408,795)	(1,073)	(409,868)
Book value at the end of the period			
Cost	5,350,811	724,792	6,075,603
Accumulated Depreciation	(2,230,982)	(389,204)	(2,620,186)
Net Book Value	**3,119,829**	**335,588**	3,455,418

In compliance with IFRS 16, buildings include the value of the rights of use relating to premises subject to leasing contracts in which the entities of the Group carry out their activities; other tangible assets mainly relate to printers and leased vehicles.

The increase in the item Other Assets is due to new contracts for company cars provided to Group employees, while the change in the item Buildings mainly refers to the property of the new site in Gavi, the renewal of existing contracts, and the revision of the rental fee for the Pisa location of the parent company.

Other movements primarily reflect changes in exchange rates for leasing and rental contracts held by consolidated foreign companies.

Disposals are related to lease contracts terminated in the fiscal year, mainly due to the pro-shop in Mooresville and cars. The other movements mainly reflect the changes in the exchange rates of the lease contracts of the consolidated foreign companies.

The impact of leasing transactions on the balance sheet, income statement and cash flow statement are shown below:

Income Statement	2024
General and administrative expenses	(886,956)
EBITDA	886,956
Depreciation	821,837
EBIT	65,119
Finance loss and taxes	150,378
Net Result	(85,259)
Balance Sheet	
Right of use assets	3,455,418
Net invested capital	(208,530)
Net Equity	(45,896)
Cash Flow	
Cash flow from operations	736,578
Cash flow from investments	-
Cash flow from financial operations	(736,578)
Increase (decrease) in cash and cash equivalent	-

Lease liabilities

12.31.2024	12.31.2023	Variations + (-)
3,663,947	3,855,705	(191,758)

The details of the right-of-use assets and leasing liabilities, including current and long-term portions, are shown in the following table:

A) Value of assets	
Finance leases, net of total depreciation, at the beginning of year	3,720,673
+ Assets acquired on finance leases	489,459
- Assets on finance leases redeemed	-
- Lease agreements terminated	(60,544)
- Share of depreciation for the year	(821,837)
+/- Adjustments/increases in finance leases	127,667
Finance leases, net of total depreciation, at the end of the year	**3,455,418**
B) Current value of unexpired lease payments	
Current value of unexpired lease payments calculated using the interest rate of the lease contract	3,663,947
of which:	
- Payable within one year	816,510
- Long term	2,847,437
C) Financial changes for the year	
Financial charges for the year calculated using the applicable interest rate	150,378

Payables for long-term leases include 2,437 thousand Euro with a maturity between one and five years and 410 thousand Euro with a maturity over five years.

The expiry dates of the contracts on the basis of which the current value of the unexpired lease payments was determined are those indicated on the contracts, unless the Group has the reasonable certainty of exercising the renewal option.

11. Intangible Assets and Goodwill

Intangible assets

12.31.2024	12.31.2023	Variations + (-)
9,386,206	8,143,362	1,242,845

Variations for the period, on the basis of consistent categories, are detailed as follows:

	Development costs	Licences, patents and trademarks	Work in progress and advances	Total
Book value at the beginning of the period				
Cost	4,734,474	6,491,113	1,732,989	**12,958,576**
Accumulated Depreciation	(2,768,744)	(2,046,471)	-	**(4,815,214)**
Net Book Value	**1,965,730**	**4,444,643**	**1,732,989**	**8,143,362**
Movements of the fiscal year				
Cost				
Additions	705,189	783,004	1,035,636	**2,523,829**
Reclassifications	-	134,281	(134,281)	**-**
Disposals	-	-	-	**-**
Exchange rate impact	96,366	173,380	8,841	**278,587**
Accumulated Depreciation				
Depreciation	(818,462)	(649,725)	-	**(1,468,187)**
Disposals	-	-	-	**-**
Exchange rate impact	(63,135)	(28,249)	-	**(91,384)**
Book value at the end of the period				
Cost	5,536,029	7,581,778	2,643,185	**15,760,992**
Accumulated Depreciation	(3,650,340)	(2,724,445)	-	**(6,374,785)**
Net Book Value	**1,885,688**	**4,857,333**	**2,643,185**	**9,386,206**

Development costs mainly refer to expenses for technical, laboratory and homologation tests for the Group's products, incurred by Racing Force S.p.A. for OMP brand products and for Zeronoise branded products, and in the subsidiary Racing Force International Wll for Bell branded helmets.

Development costs are recognized under intangible assets since they are considered recoverable, as they relate to specific development projects that can be carried out and for which the Group has the necessary resources. These costs, in fact, relate to a product or process that is clearly defined as well as identifiable and measurable.

The increase in development costs during the fiscal year is due to the recognition among intangible assets of the expenses incurred for the homologation of new OMP and Bell brand products.

The item licenses, patents and trademarks include the trademarks owned by the Group, the value of the licenses for the sale of Bell branded products and the international patent for the technology called *In-Helmet Camera IHC* (video camera inside the helmet) which integrates the so-called *Driver's Eye*.

The additions recorded in the year include 479 thousand Euro for investments in software, 236 thousand Euro related to the new Group websites and 68 thousand Euro for trademarks.
Additionally, during the period, 134 thousand Euro, recorded within Work in progress and advances as of December 31, 2023, have been reclassified, related to the ERP implemented by the consolidated companies Racing Force International Wll and High Protection Systems SA from the beginning of 2024.

Work in progress includes 2,622 thousand Euro related to the development of helmets for the defense industry (special forces and police riot), expected to be completed during 2025, other than 21 thousand Euro for projects under development relating the ERP of Racing Force International Wll.

Goodwill

12.31.2024	12.31.2023	Variations + (-)
6,235,037	6,235,037	-

Below is a table summarizing the composition of the goodwill recorded in the Consolidated Financial Statements:

Goodwill	12.31.2024	12.31.2023	Variations
Racing Force International Wll	3,717,556	3,717,556	-
Racing Force USA Inc.	1,345,001	1,345,001	-
Racing Force S.p.A.	600,000	600,000	-
Racing Spirit	572,480	572,480	-
	6,235,037	**6,235,037**	-

Goodwill represents the excess of the fair value of the consideration paid in a business combination over the fair value of net tangible and intangible assets separately identifiable at the time of the acquisition.

The values of goodwill have been all subject to the assessment and evaluation by the Group's management at December 31, 2024, based on the projection of the discounted operating cash flows for each cash generating unit (impairment test).

The impairment tests were performed on the basis of the projections of the 2025-2028 Business Plan prepared by the management of each consolidated company and Racing Spirit business unit, considered as separate cash generating units for the purposes of the valuations. For the calculations in the impairment test, the Unlevered Discounted Cash Flow method was used.

The operating cash flows expected for future years have been discounted using the weighted average cost of capital or WACC (Weighted Average Cost of Capital), which adjusts the expected cash flows depending on the monetary value of time, the risk of the company, the sector and country. The discount rate is used to homogenize cash flows referring to different periods and to take into account their volatility based on the riskiness of the various cash generating units.

Below is a summary of the main assumptions used:

- WACC: 13.23% for Racing Force International Wll; 8.77% for Racing Force USA Inc.; 9.68% for Racing Force S.p.A.; 8.50% for Racing Spirit business unit, determined on the basis of the rate of return of risk-free assets and the market premium in the various countries and increased, prudentially, by an additional risk component.
- Beta equal to 0.94 for all CGUs, except for Racing Spirit for which a 0.65 rate was used (Source: Damodaran).
- Growth rate beyond the explicit projection period equal to 3% for all the CGUs.

A sensitivity analysis was carried out for each assessment, keeping the other inputs constant, based on: i) an increase in the WACC equal to 2%; ii) a reduction of operating flows expected for the period 2025-2028 equal to 10%; iii) an expected growth rate beyond the explicit projection period equal to zero. These changes would not have had any effect on the result for the year.
In accordance with IAS 36, the WACC rate has been identified which, if applied, would result in a present value of cash flows equal to the carrying amount of the goodwill under analysis. This rate, which constitutes the break even point for the absence of impairment, is as follows: 16.85% for Racing Force International Wll; 22.63% for Racing Force USA Inc.; 12.17% for Racing Force S.p.A.; 11.09% for the Racing Spirit business unit.

Based on the above analysis, management has determined that no impairment is required as of December 31, 2024.

12. Non current financial assets

12.31.2024	12.31.2023	Variations + (-)
523,722	513,021	10,701

The amount is related to a deposit (6 months) signed with ASB by the consolidated entity Racing Force International Wll, amounting to 500 thousand Euro, expiring on June 4, 2025 on which interest income accrue at an annual rate of 4%.

13. Due from related parties - non current

12.31.2024	12.31.2023	Variations + (-)
-	20,000	(20,000)

The balance is related to the long-term portion of the loan granted to KJK Technologies LLC in 2021 for the original amount of Euro 100 thousand, amounting to 20,000 Euro as of December 31, 2023. The collection of the receivable, on which interest accrues at the rate of 2% per annum, is expected through 5 annual installments of Euro 20,000 each.

Complete information on transactions with related parties is provided in the section Other information - Transactions with related parties, to which reference should be made.

14. Other non current assets

12.31.2024	12.31.2023	Variations + (-)
12,837	13,617	(780)

The item mainly refers to guarantee deposits.

15. Cash and cash equivalents

12.31.2024	12.31.2023	Variations + (-)
9,642,334	6,106,995	3,535,338

Variations for the period are detailed as follows:

	Balance at 12.31.2023	Variations for the period	Balance at 12.31.2024
Bank deposits	6,073,708	3,544,872	9,618,580
Cash and cash on hand	33,287	(9,534)	23,753
	6,106,995	**3,535,338**	**9,642,334**

Bank deposits, cash and other cash on hand are not restricted and are fully available. For the analysis of cash variations, please refer to the consolidated cash flow statement.

16. Trade receivables

12.31.2024	12.31.2023	Variations + (-)
11,577,543	11,215,073	362,469

Trade receivables are shown net of the allowance for bad debt.

	Balance at 12.31.2023	Variations for the period	Balance at 12.31.2024
Trade receivables	11,419,370	403,091	11,822,461
Bad debt allowance	(204,297)	(40,621)	(244,919)
	11,215,073	**362,470**	**11,577,543**

Trade receivables are classified as current, since they are collectable by the end of the following fiscal year and do not include any significant past due balance for which the collection is at risk, except for those positions considered within the bad debt allowance.
The bad debt provision is calculated on the basis of the principles set out in these explanatory notes, to which reference should be made.

The increase in the balance of trade receivables at December 31, 2024 compared to the end of the previous year is in line with the increase in sales in 2024.

The ageing of trade receivables at December 31, 2024 is reported below.

	Not Due	Due 1 - 30 days	Due 31 - 90 days	Due 91 - 180 days	Due 181 - 365 days	Due > 1 year	Total
Trade receivables	5,132,414	1,648,455	1,536,853	1,830,925	1,200,311	473,503	11,822,461

Trade receivables overdue by more than one year consist of: amounts covered by bad debt allowance, amounts that will be offset on the basis of agreements with customers who are also suppliers for partnerships and sponsorships, and residual amounts that are being recovered.

The breakdown of trade receivables by geographical area, before the bad debt provision, divided between the Americas (AMER), Asia and Oceania (APAC) and Europe, the Middle East and Africa (EMEA), is as follows:

Area	12.31.2024	12.31.2023	Variations + (-)
EMEA	9,233,118	9,606,256	(373,138)
AMER	1,769,989	1,465,611	304,377
APAC	819,355	347,503	471,852
	11,822,461	**11,419,370**	**403,091**

The Group sells its products in more than 80 countries. As of December 31, 2024, 3 countries (Italy, United Kingdom and United States) individually exceed 10% of the total receivables booked as at December 31, 2024 (Italy and United Kingdom as of December 31, 2023).

The table below shows the breakdown of the balance of trade receivables, before the bad debt provision, by type of customer.

Type	12.31.2024	12.31.2023	Variazioni + (-)
Dealers	4,620,890	4,438,039	182,850
Team and car manufacturers	4,243,203	5,055,670	(812,467)
Other	2,958,368	1,925,661	1,032,707
	11,822,461	**11,419,370**	**403,091**

Group management assumes that there are no risks associated with a particular geographical area, or to the concentration of receivables. For more information, see paragraph 38 on risk management.

17. Inventories

12.31.2024	12.31.2023	Variations + (-)
27,378,864	25,101,154	2,277,710

Variations for the period, on the basis of consistent categories, are detailed as follows:

	Balance at 12.31.2023	Variations for the period	Balance at 12.31.2024
Raw materials	9,100,699	1,024,478	10,125,177
Semi-finished goods	1,434,315	156,313	1,590,628
Finished products	14,663,466	1,094,582	15,758,048
Obsolescence Fund	(97,326)	2,337	(94,989)
	25,101,154	**2,277,710**	**27,378,864**

Balances as of December 31, 2024 are reported net of the elimination of the intragroup margin on the sale of goods between the companies that fall within the consolidation area, as regards the products still in stock at the end of the year.

The obsolescence fund reflects the obsolescence rate and the timing of inventory turnover. During the fiscal year, provisions for 53 thousand Euro were set aside, and 55 thousand Euro were used for scrap material.

The increase in raw material stock during 2024 is mainly related to Bell branded helmets, in anticipation of the production of new models compliant with the new FIA homologation standard, which came into effect in July 2024 following the certification of the first open helmet by the Group. Meanwhile, the increase in the balance of finished products is primarily attributable to Racing Spirit branded products.

The current level of inventory allows the Group to address risks related to the availability of raw materials and price fluctuations, while simultaneously promoting product innovation in the development of safety components for motorsport.

18. Due from related parties - current

12.31.2024	12.31.2023	Variations + (-)
36,282	21,243	15,039

Receivables from related parties are composed as follows:

Due from related parties - current	12.31.2024	12.31.2023	Variations + (-)
KJK Protective Techologies LLC	20,101	20,202	(102)
SAYE S.p.A.	16,181	1,041	15,140
	36,282	**21,243**	**15,038**

The balance is related to the current portion of the active loan granted to KJK Protective Technologies LLC, as well as interests accrued for the year.

In addition, 16 thousand Euro of receivables towards the parent company SAYE S.p.A. are included, related to the proceeds realized under the liquidity agreement with TP ICAP – Midcap division and sales of Group products.

A complete disclosure of transactions with related parties is provided under the section Other Information – Relationships with related parties, to which we refer.

19. Other current assets

12.31.2024	12.31.2023	Variations + (-)
3,286,955	3,371,362	(84,406)

The detail of the other current assets is shown in the following table:

Other current assets	12.31.2024	12.31.2023	Variations + (-)
Prepaid expenses and advances	3,169,397	3,246,488	(77,091)
Other receivables	117,558	124,874	(7,316)
	3,286,955	**3,371,362**	**(84,406)**

The item prepaid expenses and advances refers to: i) 1,651 thousand Euro of costs connected to multi-year contracts incurred for technical partnerships with teams and car manufacturers, related to the following period (1,367 thousand Euro as of December 31, 2023) and ii) 1,512 thousand Euro of advances to suppliers relating to both the production of driver's equipment and non-technical apparel (1,879 thousand Euro as of December 31, 2023).

20. Net Equity

Share capital

12.31.2024	12.31.2023	Variations + (-)
2,738,933	2,569,920	169,014

Share capital consists of no. 27,389,333 shares with no par value and is fully subscribed and paid up by all shareholders.

The change in year is due to the paid share capital increase, with the exclusion of option rights (accelerated bookbuilding), according to the terms resolved by the Board of Directors of the parent company on June 25, 2024, for the portion allocated to the share capital.

Additional paid-in capital

12.31.2024	12.31.2023	Variations + (-)
36,945,206	29,777,959	7,167,247

Additional paid-in capital is the share premium reserve which includes the excess of the issuing price of the shares compared to their nominal value. This share premium was generated in 2019 with the in-kind contribution of the company Zeronoise Ltd for 1,632 thousand Euro and increased i) in 2021 as a result of the share capital increase following the listing on EG Milan stock exchange market for a total of 18,617 thousand Euro; ii) in 2023 following the paid share capital increase, with the exclusion of option rights (accelerated bookbuilding) for 9,529 thousand Euro; iii) in 2024 as a result of the paid share capital increase, with the exclusion of option rights (accelerated bookbuilding), according to the terms resolved by the Board of Directors of the parent company on June 25, 2024, for the portion allocated to the share capital for 7,167 thousand Euro, net of related cost and fiscal effect.

Legal reserve

12.31.2024	12.31.2023	Variations + (-)
514,984	514,984	-

The legal reserve is required by Italian law and must be set aside until reaching 20% of the share capital of the company to which it refers, the minimum annual provision is equal to 5% of the net profit for the year.

Translation reserve

12.31.2024	12.31.2023	Variations + (-)
614,167	(351,262)	965,429

The translation reserve is generated by the conversion into Euro of the financial statements of subsidiaries that have a functional currency other than the Euro. The change of the year is mainly due to the exchange rate trend with the Bahraini Dinar and USD Dollar.

Retained earnings (losses)

12.31.2024	12.31.2023	Variations + (-)
12,867,852	10,387,509	2,480,343

Retained earnings / (losses) are related to the results for the year that the Group has decided not to distribute or allocate to a specific reserve.

On April 29, 2024, the Shareholders' Meeting of the parent company Racing Force S.p.A. approved the distribution of dividends for Euro 2,313, attributing a unit dividend of Euro 0.09 per share. These dividends were paid out in May 2024.

Treasury shares reserve

12.31.2024	12.31.2023	Variations + (-)
(250,194)	-	(250,194)

Treasury shares reserves include the Company's shares purchased by the Group following the start of the buyback program as of May 13, 2024, in implementation of the parent company's shareholders' resolution of April 29, 2024.

As of the reporting date, the Company held 61,300 treasury shares in its portfolio, accounting for 0.2238% of the share capital.

Share based payments reserve

12.31.2024	12.31.2023	Variations + (-)
405,193	-	405,192.82

The reserve for share-based payments reflects the value of rights accrued by beneficiaries during the 2024 financial year, in relation to the compensation plan for certain Group managers called the "2023-2025 Stock Grant Plan," approved by the shareholders' meeting of Racing Force S.p.A. on April 28, 2023.

The plan provides the right to receive Group shares free of charge at the end of the three-year period, provided that performance targets set annually by the parent company's Board of Directors are met. This right is conditional upon the beneficiaries remaining with the company for the entire duration of the plan.

With reference to the second tranche of the three-year plan, approved by the Board of Directors on March 27, 2024, 97,637 rights were accrued at the end of the financial year, recorded at a unit fair value of Euro 4.15, and allocated for a total amount of Euro 405,193.

Other reserves

12.31.2024	12.31.2023	Variations + (-)
928,876	792,583	136,294

Other reserves include 954,674 Euro for the fair value remeasurement of the assets recorded in the subsidiary Racing Force International Wll, as described in the note on Property, plant and equipment and the negative reserve deriving from the actuarial valuation of defined benefit obligations in accordance with the accounting standard IAS 19, net of the related tax impact, for 25,798 Euro.

The movements are detailed in the Statement of changes in equity for the period ending December 31, 2024.

Statement of agreement between Racing Force S.p.A. shareholders' equity and result and Group consolidated shareholders' equity and result

	Shareholders' equity	Net income for the period
Amounts as per Racing Force S.p.A. financial statements ITA GAAP	**48,795,545**	**2,457,244**
Impact IAS 19	(25,798)	-
Impact IFRS 3, IFRS 10	359,401	11,120
Impact IAS 32, IAS 38	(545,448)	316,753
Impact IFRS 16	9,126	1,095
Amounts as per Racing Force S.p.A. Financial Statements IAS-IFRS	**48,592,825**	**2,786,212**
Net Equity and income from consolidated subsidiaries	20,044,757	1,907,960
Elimination of consolidated investments	(9,269,163)	-
Goodwill (IFRS 3, IFRS 10)	4,820,005	11,120
Intangible assets depreciation (IFRS 3, IAS 38)	(261,106)	13,099
Elimination of intra-group margin	(3,983,343)	1,492,220
Acturial gains and losses (IAS 19)	(55,022)	(40,210)
Lease Accounting (IFRS 16)	614,167	-
Share-based payments	-	(405,193)
Cumulative translation reserve	60,969	33,862
Net Equity and result of the Group	**60,564,089**	**5,799,071**
Non-controlling interest	-	-
Amounts as per consolidated financial statements	**60,564,089**	**5,799,071**

21. Capital management

The Group's capital management policies provide for the maintenance of an adequate level of capital in order to maintain a relationship of trust with shareholders, creditors and the market, also allowing for future development of the business. In addition, the Group's management monitors the return on capital and the level of dividends to be distributed to the shareholders.

The Board of Directors tries to maintain a balance between obtaining higher returns through the use of a higher level of debt and the advantages and safety offered by a solid financial situation. In particular, the Group monitors its exposure in terms of net financial position (short and long-term bank debt, net of cash and cash equivalents and financial receivables from the parent company, minority shareholders and associated companies) and gross operating margin (EBITDA).

22. Long term loans

12.31.2024	12.31.2023	Variations + (-)
9,862,814	8,576,198	1,286,616

The breakdown of long-term loans between current and non-current portion is as follows:

Long term loans	12.31.2024	12.31.2023	Variations
Current	3,044,846	2,500,201	544,645
Non current	6,817,968	6,075,997	741,970
	9,862,814	8,576,198	1,286,616

The portion of long-term loans expiring within one year is classified under current liabilities.
The details of long-term loans to banks as of December 31, 2024 including the current portion, are shown in the following table:

Bank	Currency	Original amount in currency	Starting date	Maturity date	Interest base rate	Outstanding debt at December 31, 2024 in Euro	Current portion in Euro	Long term portion in Euro
Bper (ex Carige)	EUR	5,000,000	9/4/2020	8/31/2026	1.10%	**2,110,089**	1,261,410	848,678
Banco BPM	EUR	4,000,000	12/10/2019	6/30/2028	2.15%	**2,063,710**	577,057	1,486,653
Banco BPM	EUR	1,750,000	5/26/2021	5/31/2031	1.60%	**1,154,827**	172,272	982,555
Banco BPM	EUR	1,000,000	4/13/2022	4/30/2026	2.22%	**390,133**	291,515	98,617
Banco BPM	EUR	4,000,000	1/25/2024	1/31/2031	3.82%	**3,775,559**	**563,130**	**3,212,428**
Credit Agricole (ex Valtellinese)	EUR	400,000	6/6/2019	10/5/2025	1.35%	**85,123**	**85,123**	-
Simest	EUR	600,000	4/19/2021	12/31/2027	0.55%	**270,000**	**90,000**	**180,000**
BNP Paribas	EUR	17,350	1/16/2024	1/16/2028	4.51%	**13,374**	**4,338**	**9,037**
Total						**9,862,814**	**3,044,846**	**6,817,968**

The maturity dates of the loans shown in the table, where applicable, are those restated following the extended terms granted by the banks.

During 2024 two new long-term loans were activated:
- Banco BPM for Euro 4 million, duration 7 years and variable annual interest of Euribor 3M + spread 0.90%;
- BNP Paribas for Euro 17 thousand, duration 48 months and fixed interest rate of 4.51%.

23. Employee benefits

12.31.2024	12.31.2023	Variations + (-)
1,119,088	1,122,129	(3,041)

The balance is composed as follows:

	Balance at 12.31.2023	Variations for the period	Balance at 12.31.2024
Defined contribution plans	736,039	26,904	762,943
Defined benefit plans (TFR)	386,090	(29,946)	356,145
	1,122,129	**(3,041)**	**1,119,088**

The liability is related to the defined contribution plan set aside by the subsidiary Racing Force International Wll for the staff employed in Bahrain. A detail of the variation for the year is shown in the following table.

Balance at December 31, 2023	**736,039**
Accruals	192,172
Payments	(179,656)
Exchange rate impact	14,388
Balance at December 31, 2024	**762,943**

The balance as of December 31, 2024 includes 356,145 Euro of defined benefit obligations related to the personnel employed in Italy by Racing Force S.p.A., accounted for according to IAS 19 (386,090 Euro as of December 31, 2023).
The amount of the benefit to which each employee is entitled to is paid upon leaving the Group and is calculated on the basis of the period of employment and the taxable income of each employee. Under certain conditions, the amount can be partially advanced to an employee during his working life.
The Italian legislation ruling this subject was amended by Law 296 of December 27, 2006 and subsequent decrees and regulations issued in 2007. With these changes, companies with at least 50 employees were obliged to transfer the accrued defined obligation to the "Treasury Fund" managed by social security institution of the Italian State ("INPS") or complementary pension funds. Before the aforementioned legislation, the employee severance indemnity (TFR) of all Italian companies could be managed by the company itself. Subsequently, the obligation of the Italian companies towards INPS and the contributions to complementary pension funds take the form of defined contribution plans pursuant to IAS 19 - Employee benefits, while the amounts recorded as TFR up to December 31, 2006 maintain the nature of a defined benefit plan, determined in existence and amount but uncertain in its manifestation.
The amount of the defined benefit obligation is calculated and certified annually by an independent external actuary based on the "Projected unit credit" method, based on specific financial, actuarial and demographic assumptions. Actuarial gains and losses are recognized on an accrual basis directly within Equity.

The changes of defined benefit obligations in 2024 were as follows:

Present value of obligations at December 31, 2023	**386,090**
Service cost	-
Interest	12,182
Benefits paid	(37,646)
Other changes	-
Actuarial loss/(gain)	(4,482)
Present value of obligations at December 31, 2024	**356,145**

The main assumptions of the model are the following:

- Consistently with previous assessments, yields published by Markit on maturities 1-3Y, 3-5Y, 5-7Y, 7-10Y and finally 10+Y, were considered to construct an iBoxx Corporate AA "rate curve" as of December 31, 2024.
These interest rate values, ranging from 2.69% (1-3Y) to 3.38% (10+Y), were then used to calculate the present value of the flows for the purpose of quantifying Racing Force S.p.A.'s severance pay liability (for FY 2023 interests values ranging from 3.15% (1-3Y) to 3.17%(10+Y));
- due to the uncertainties of future economic developments and the peculiarities of the Italian price market, in a prudential perspective, it was assumed a fixed increase in the price index for of 2% for all the period. This value is in line with the medium-term estimate of "core inflation";
- the annual revaluation rate is equal to 75% of inflation plus one and a half percentage point;
- annual rates of increase in salaries were used according to the qualifications of the employees: managers 3.50%, middle managers/white-collar/blue-collar workers 3.00%;
- the 2016 ISTAT survival table of the Italian population was used to estimate the mortality phenomenon within the collective of employees subject to the assessment. An INPS table differentiated according to age and sex was used to estimate the phenomenon of disability within the group of employees subject to the assessment;
- achievement of the minimum requirements of the Compulsory General Insurance (AGO) in line with the criteria defined by the Monti-Fornero law;
- based on the evolution of the data over the last 5 years, the turn-over rate (5% per year) and annual frequency of access to the right of anticipation (1% per year) have been considered unchanged compared to 2023; Instead, a zero probability of early retirement was considered.
The discount rate is one of the valuation parameters that definitely has the greatest impact on the dimensioning of the defined benefit obligations ("DBOs"). According to the revised version of the standard (the so-called IAS19R) and with a view of providing a sensitivity analysis of the DBO to changes in the discounting rate of interest, a further assessment has been performed by introducing a -50bp shock to the adopted iBoxx Corporate "AA" rate curve.
As was natural to expect, lowering the rate leads to an increase in the DBO of 4.35%.

24. Provisions

12.31.2024	12.31.2023	Variations + (-)
216,907	356,907	(140,000)

The provisions as of December 31, 2024 include the liabilities set aside to cover the losses deriving from any commercial disputes and tax claims.

Provisions	12.31.2024	12.31.2023	Variations + (-)
Tax Claims	216,907	216,907	-
Other accrued liabilities	-	140,000	(140,000)
	216,907	**356,907**	**(140,000)**

The provision for tax claims relates to the amounts prudentially accrued to cover the tax credit arising from payments made by the parent company under the 'fractional collection' regulation in relation to VAT disputes concerning the tax years 2008, 2010, 2011, 2012.
In January 2024, the Supreme Court (*Corte di Cassazione*) upheld the appeal filed by the Company with reference to the 2008 tax year and referred the claim back to the second instance Tax Court, which will then have to reevaluate it in accordance with the indications provided in the legitimacy judgment.

The other provisions referred to a single dispute that originated in 2007 with a commercial counterparty, concluded during 2024 following the stipulation of a settlement agreement with the counterparty for Euro 20,000. The excess of the provision, net of legal costs incurred, was recognized among Other income.

25. Short Term Loans

12.31.2024	12.31.2023	Variations + (-)
386,478	1,263,779	(877,301)

The item refers to short-term loans, current account overdrafts and advances on invoices in relation to credit lines granted, with original maturity within twelve months.

The Group has credit lines with a plurality of financial institutions, to allow the adequacy of the financial resources that it requires. The summary of the short-term credit lines and balances as of December 31, 2024 is shown below:

Bank	Currency	Interest rate	ST credit lines limits in currency as of 12.31.2024	ST credit lines limits in Euro as of 12.31.2024	ST debt as of 12.31.2024
BNL	EUR	Euribor + spread	1,050,000	1,050,000	-
Unicredit	EUR	Euribor + spread	1,750,000	1,750,000	-
Bper Banca	EUR	Euribor + spread	900,000	900,000	-
Banco BPM	EUR	Euribor + spread	2,000,000	2,000,000	-
Credit Agricole	EUR	Euribor + spread	2,150,000	2,150,000	-
Intesa SanPaolo	EUR	Euribor + spread	2,500,000	2,500,000	-
Credem	EUR	Euribor + spread	850,000	850,000	-
Deutsche Bank	EUR	Euribor + spread	850,000	850,000	-
Monte dei Paschi di Siena	EUR	Euribor + spread	850,000	850,000	-
ASB	BHD	6.75%	350,000	895,141	386,478
TOTAL			**13,250,000**	**13,795,141**	**386,478**

26. Trade payables

12.31.2024	12.31.2023	Variations + (-)
11,891,853	12,337,811	(445,958)

The variance compared to December 31, 2023, is mainly due to increased payments to suppliers for purchases made at the end of the fiscal year in anticipation of the following season.

The breakdown of trade payables by geographical area, divided between Americas (AMER), Asia and Oceania (APAC) and Europe, Middle East and Africa (EMEA), is as follows:

Area	12.31.2024	12.31.2023	Variations + (-)
EMEA	11,266,532	11,675,034	(408,502)
AMER	308,425	283,166	25,259
APAC	316,896	379,611	(62,716)
	11,891,853	**12,337,811**	**(445,959)**

Only a country (Italy) individually accounts for more than 10% of the total trade payables recorded as of December 31, 2024, as well as of December 31, 2023.

The breakdown of the balance at the end of the year by age group is shown below:

	Not Due	Due 1 - 30 days	Due 31 - 90 days	Due 91 - 180 days	Due 181 - 365 days	Due > 1 year	Total
Trade payables	8,978,148	1,104,385	1,334,891	82,898	204,654	186,877	**11,891,853**

27. Due to related parties

12.31.2024	12.31.2023	Variations + (-)
87,656	58,675	28,981

Payables to related parties are composed as follows:

Due to related parties	12.31.2024	12.31.2023	Variations + (-)
MSV Ltd	87,656	56,662	30,994
GMP Consulting	-	2,013	(2,013)
	87,656	**58,675**	**28,981**

A complete disclosure of transactions with related parties is provided under the section Other Information – Relationships with related parties.

28. Other payables

12.31.2024	12.31.2023	Variations + (-)
2,365,588	2,013,957	351,631

Other payables at December 31, 2024 are detailed in the table below:

Other payables	12.31.2024	12.31.2023	Variations + (-)
Payable to personnel	1,130,923	972,849	158,074
Social Security payables	403,019	375,648	27,371
Deferred income	274,005	170,817	103,188
Other accrued payables	557,641	494,642	62,998
	2,365,588	**2,013,957**	**351,631**

The increase in deferred income is due to higher receipts from customers for goods shipped after the end of the fiscal year.

The increase in employee liabilities is primarily due to the higher number of employees at the end of the fiscal year compared to December 31, 2023.

29. Gross profit

	2024	2023	Variations + (-)
Revenue	**65,656,026**	62,656,072	2,999,954
Cost of sales	(25,634,256)	(23,995,364)	(1,638,892)
Gross profit	**40,021,770**	**38,660,708**	**1,361,061**

Group's revenues are mainly related to the sales of finished products to dealers, distributors, teams, car manufacturers and individual customers. The products offered by the Group consist of safety components for drivers (fireproof and anti-abrasive suits, helmets, intercoms, gloves, shoes and more) and for racing cars (seats, seat belts, steering wheels, roll bars, fire extinguishers and other car components), which are marketed under the OMP, Bell, Zeronoise and B2 brands.

The breakdown of revenue by main category of products is reported below:

Category	2024	2023	Variations + (-)
Driver's equipment	48,285,177	45,043,360	3,241,817
Car parts	12,901,504	13,156,128	(254,623)
Other	4,469,345	4,456,584	12,760
	65,656,026	**62,656,072**	**2,999,954**

With regards to product categories, Driver's Equipment represents the main segment (48,285 thousand Euro equal to 73.5% of total sales) increasing by +7.2% compared to 2023, driven by growth across all major product categories offered by the Group and, particularly, due to the strong performance in racing suits and helmets. Revenue from Car Parts ended the year with a slight decline of -1.9%, primarily due to lower deliveries in the last quarter, linked to a few months delay in the production programs of some major racing car manufacturers. The segment Other recorded a slight increase compared to 2023 (+0.3%), despite the impact of two non-recurring Racing Spirit orders, excluding which the segment grew by +22.1%.

The breakdown of revenue by distribution channel is shown below:

Type	2024	2023	Variations + (-)
Dealers	39,374,480	38,919,381	455,099
Teams and car manufacturers	16,860,739	15,096,753	1,763,986
Other	9,420,807	8,639,938	780,869
	65,656,026	**62,656,072**	**2,999,954**

Dealers represent the main sales channel for the Group, accounting for 60% of total consolidated revenues (62.1% in 2023) with a 1.2% growth compared to prior year.
In 2024, there was a significant increase in revenues from both Team & Car Manufacturers (1.8 million Euro equal to 11.7%), driven by key partnership agreements signed by the Group in major world championships and national

competitions (including NASCAR in the United States), as well as from sales to customers classified as Other, which grew by 780 thousand Euro equal to 9.0% compared to the previous year, supported by the implementation of new websites aimed at enhancing e-commerce.

The breakdown of revenue by geographical area, divided between Americas (AMER), Asia and Oceania (APAC) and Europe, Middle East and Africa (EMEA), is as follows:

Area	2024	2023	Variations + (-)
EMEA	42,872,937	40,975,660	1,897,277
AMER	15,215,223	14,744,881	470,342
APAC	7,567,866	6,935,531	632,335
	65,656,026	**62,656,072**	**2,999,954**

Group's revenues are generated in more than 80 countries. Among these, in 2024 only three countries (United States, Italy and United Kingdom) individually exceed the 10% threshold of the Group's total revenues (the same countries were exceeding the threshold even in 2023).
In terms of geographical areas, the Group has strengthened its leadership position in both the EMEA and APAC macro-regions, with a growth of 1.9 million Euro (+4.6%) and 632 thousand Euro (+9.1%) respectively over the fiscal year, and a double-digit growth in the last quarter of 2024 (+14.6% in EMEA and +12.8% in APAC).
Revenue in the Americas for the 2024 fiscal year recorded an overall increase of 470 thousand Euro (+3.2%) compared to the previous year, driven by growth that began in the second quarter of 2024 (+4.5%), accelerated in the third quarter (+11%) and reached +19.6% in the fourth quarter. This growth was evenly distributed across OMP-branded racewear and Bell branded helmets.

The breakdown of the cost of goods sold by nature of expenditure is shown below:

	2024	2023	Variations + (-)
Raw materials	23,484,660	23,322,395	162,264
Change in inventory of finished and semi-finished goods	(1,250,895)	(2,625,907)	1,375,012
Trasport and duties on purchases	2,606,164	2,782,571	(176,407)
Other costs related to purchases	794,327	516,305	278,022
	25,634,256	**23,995,364**	**1,638,892**

Variation compared to prior year is due to the increase of turnover during 2024.

Regarding freight and customs duties, the reduction is due to both the decrease in average rates applied by carriers and the rationalization of logistics within the Group.

Other costs include production waste, packaging, and other minor purchases, as well as 151 thousand Euro recognized during the fiscal year for inventory write-downs, mainly related to i) 53 thousand Euro provision for slow-moving booked by Racing Force S.p.A. and ii) 98 thousand Euro, of a non-recurring nature, recognized by the American subsidiary Racing Force USA arising from the reorganization and consolidation of the Mooresville pro-shop.
In 2023, provisions for inventory write-downs were classified under the item Bad Debt and Write-offs.

Gross margin in absolute value increased by 1,361 thousand Euro compared to the previous fiscal year; the percentage margin, calculated as the ratio between the contribution margin and total revenues, is 61% (61.7% in 2023). This variation is mainly due to a different sales mix and, in particular, to the modification of certain commercial agreements that led to a different contribution in terms of marginality during the fiscal year compared to the previous one, as well as the impact of the inventory write-downs described above.

30. Other income

	2024	2023	Variations + (-)
Other income	1,760,508	965,397	795,111

Other income includes 818 thousand Euro relating to sales of materials to suppliers (547 thousand Euro in 2023); 450 thousand Euro for development services provided as part of technical partnerships (156 thousand Euro in 2023); 41 thousand Euro for incentives pertaining to the fiscal year, recognized in the form of a tax credit, for purchases made in previous fiscal years of interconnected capital goods meeting the requirements of Law No. 232 of December 11, 2016

(*Industry 4.0*) and 201 thousand Euro of government grants, received by the subsidiary Racing Force International Wll for new personnel hired (148 thousand Euro in 2023).
The item also includes 111 thousand Euro related to the release of the provision set aside in previous fiscal years by the subsidiary High Protection Systems SA, following the settlement agreement reached with the counterparty during the year.

31. Selling and distribution expenses

	2024	2023	Variations + (-)
Selling and distribution expenses	(10,555,001)	(10,048,283)	(506,718)

Details of the expenses incurred by the Group in 2024 are reported in the following table:

Selling and distribution expenses	2024	2023	Variations + (-)
Technical partnerships and sponsorhips	6,904,533	6,336,651	567,882
Freight out	2,767,199	2,813,842	(46,643)
Commissions and other sales costs	883,269	897,791	(14,521)
	10,555,001	**10,048,283**	**506,718**

Technical partnerships mainly refer to the portion of costs related to the fiscal year deriving from contracts entered into with leading car manufacturers and teams, for which there was an increase compared to the previous year, due to a higher number of agreements signed in 2024 compared to the prior year.

The decrease in freight out, despite higher revenue in 2024 compared to the previous year, is due to both the reduction in average rates applied by carriers and the rationalization of logistics within the Group.

Other sales costs in 2023 also included expenses related to a promotional event organized for Dealers.

32. General and administrative expenses

	2024	2023	Variations + (-)
General and administrative expenses	(20,815,019)	(19,635,029)	(1,179,989)

The breakdown of general and administrative expenses incurred by the Group during the fiscal year is reported in the following table:

General and administrative expenses	2024	2023	Variations + (-)
Personnel	15,239,932	13,893,437	1,346,494
Professional fees	1,395,068	1,728,825	(333,757)
Compensation to BoD	883,391	807,441	75,950
Utilities	737,866	785,083	(47,217)
Repair & maintenance	547,597	493,738	53,860
Travel expenses	834,243	667,211	167,032
Rent	201,198	270,719	(69,521)
Insurance	208,837	207,678	1,160
Bank charges	236,529	196,630	39,899
Other G&A	530,357	584,266	(53,909)
	20,815,019	**19,635,029**	**1,179,989**

Personnel costs include wages and salaries for the employees of Group's companies for 11,307 thousand Euro (10,561 thousand Euro in 2023), as well as social security and other expenses relating to personnel for 3,528 thousand Euro (3,333 thousand Euro in 2023).

The increase compared to the previous fiscal year is mainly attributable to the salary review applied during the year in the Group's companies, resulting from the modification of the National Collective Labor Agreement (*CCNL*) for personnel employed in Italy at the parent company Racing Force S.p.A., as well as the disbursement of a one-off amount during the period, in accordance with the same agreement. The increase in the average personnel cost is also related to the inclusion, in 2024, of managerial and specialized technical figures in the main operational sites of the Group.
Finally, the item also includes 405 thousand Euro related to the allocation of rights accrued for the 2024 fiscal year to the benefit of certain Group managers, in relation to the second tranche of the stock grant plan.

The variance recorded in Professional fees is mainly due to the reduction in production and operational consultancy costs, totaling 307 thousand Euro, following the internalization of certain activity phases at the end of 2023, partially offset by an increase in legal consultancy costs (37 thousand Euro).

The reduction in Utilities is mainly attributable to the activation of photovoltaic panels installed at the Ronco Scrivia headquarters, which became operational at the end of the previous fiscal year, and the consequent savings resulting from the increased energy efficiency of the facility.

The balance of the Repair and maintenance item, which includes ordinary maintenance work not meeting the criteria for capitalization as tangible fixed assets, has increased compared to 2023 due to the higher number of interventions carried out at the Group's main operational sites during the fiscal year.

The increase in travel expenses is mainly due to the higher number of trips made by employees during the fiscal year for the implementation of Group projects.

The reduction in Rent is mainly attributable to the termination of the lease contract for the auxiliary warehouse located in Miami starting from August 2023, following the move to the new site in Doral.

Insurance costs are substantially in line with those incurred in 2023..

The other general and administrative costs mainly refer to consumables and other management costs. Furthermore, the item includes 31,500 Euro of fees to the board of statutory auditors of the parent company Racing Force S.p.A. (31,500 Euro in 2023).

33. Other expenses

	2024	2023	Variations + (-)
Other expenses	(289,186)	(323,133)	33,947

Other expenses mainly refer to costs for research incurred during the period and development costs not meeting the requirements for capitalization for 135 thousand Euro (179 thousand Euro in 2023), costs booked in the current fiscal year referring to previous years for 19 thousand Euro (25 thousand Euro in 2023), in addition to taxes other than income taxes and other charges for 76 thousand Euro (98 thousand Euro in 2023).

34. Bad Debt and write-off

	2024	2023	Variations + (-)
Bad Debt and write off	(90,214)	(332,542)	242,329

The balance is due to 90 thousand Euro bad debt provision (200 thousand Euro in 2023). The balance of the previous year included also 132 thousand Euro accrual for stock write-offs, recorded under Cost of goods sold starting from 2024.

35. Depreciation

	2024	2023	Variations + (-)
Depreciation	(3,542,747)	(3,008,719)	(534,029)

The breakdown of depreciation by consistent categories of assets is provided in the comment to the items relating to intangible and tangible assets. The detail of depreciation by category of asset is provided below:

Type	2024	2023	Variations + (-)
Intangible Assets	1,468,187	1,294,929	173,258
Right of use assets	821,837	736,317	85,520
Property, Plant & Equipment	1,252,723	977,472	275,251
	3,542,747	**3,008,719**	**534,029**

Changes compared to the previous year are due to the investments made by the Group in 2024 and to assets entered into service that were booked under Work in progress and advances at the end of the previous fiscal year.

36. Finance income and costs

	2024	2023	Variations + (-)
Finance income	570,570	202,681	367,889
Finance costs	(540,799)	(711,371)	170,571
Net Finance result	**29,770**	**(508,690)**	**538,461**

Financial income and costs are recorded on an accrual basis during the fiscal year.

The composition of finance income and costs is detailed in the tables below.

Finance income	2024	2023	Variations + (-)
Bank interest income	226,870	194,796	32,073
Interests with SAYE S.p.A.	-	1,100	(1,100)
Other interest income	20,095	6,784	13,310
Foreign exchange income	323,605	-	323,605
	570,570	**202,681**	**367,889**

Bank interest income in 2024 refers to amounts accrued on the parent company ordinary bank account for 205 thousand Euro and to interest income on the deposit signed with ASB by the consolidated company Racing Force International Wll for 22 thousand Euro.

Foreign exchange income consists of Euro 74 thousand arising from negative exchange differences realized during the six month period and Euro 398 thousand from unrealized positive exchange rate differences, mainly due to the effect of the depreciation of the Euro on liabilities booked in this currency in the consolidated companies Racing Force International Wll and Racing Force USA Inc., having respectively Bahrain Dinar ad US Dollar as functional currencies.

Finance costs	2024	2023	Variations + (-)
Foreign exchange loss	-	312,906	(312,906)
Banks debt	422,479	258,632	163,848
Interest leasing IFRS 16	98,822	127,408	(28,586)
Interest IAS 19	12,182	12,425	(243)
Other finance costs	7,316	-	7,316
	540,799	**711,371**	**(170,571)**

The increase in interest expense on bank borrowings is due to the higher average level of indebtedness during the period.

37. Taxes

Income taxes recognized in profit / (loss) for the year

	2024	2023	Variations + (-)
Taxes	(720,811)	(976,438)	255,627

The composition of the balance as of December 31 is as follows:

Taxes	2024	2023	Variations + (-)
Current income taxes	538,404	872,473	(334,069)
Deferred taxes	182,407	103,966	78,441
	720,811	**976,438**	**(255,627)**

Current taxes refer to income taxes for the fiscal year, calculated analytically by each company in the Group.

Deferred taxes concern positive or negative income components respectively subject to taxation or deduction in periods other than the current one.

Reconciliation of the effective tax rate

	2024		2023		Variations + (-)
Net profit before taxes		6,519,883		5,769,709	750,173
Income tax using the Italian tax rate	24.0%	1,564,772	24.0%	1,384,730	180,042
Impact from different tax rate in other countries	(12.3%)	(800,613)	(9.6%)	(554,994)	(245,619)
Impact from non deductible expenses	0.9%	61,512	1.6%	93,504	(31,992)
Impact from non taxable income	(5.7%)	(373,034)	(4.2%)	(244,923)	(128,111)
Other	2.3%	151,806	2.2%	124,334	27,472
Effective tax rate	9.3%	604,443	13.9%	802,651	(198,208)
IRAP		116,368		173,787	(57,419)
Total taxes for the period		720,811		976,438	(255,627)

IRAP is excluded from the calculation of the effective tax rate, as it is calculated on a taxable basis other than the net profit before taxes of the fiscal year.

Changes in current taxes during fiscal year

	12.31.2024	12.31.2023	Variations + (-)
Tax receivables			
current	1,038,916	1,515,390	(476,474)
non current	274,708	263,106	11,602
Total tax receivables	**1,313,624**	**1,778,496**	**(464,872)**
Tax payables			
current	4,244	4,246	(2)
non current	-	-	-
Total tax payables	**4,244**	**4,246**	**(2)**

Tax credits include VAT credits and tax advances paid by the parent company during the fiscal year. The variance is mainly attributable to the combined effect of the following: i) a decrease of 784 thousand Euro, resulting from the compensation of the credit related to the 2024 VAT return; ii) an increase of 316 thousand Euro, due to the recognition of the credit related to the tax benefit granted for the fiscal years 2020-2023 under the Patent Box regime.

Tax payables refer mainly to income taxes accrued for the fiscal year by the consolidated entities.

Changes in deferred taxes during the year

	12.31.2024	12.31.2023	Variations + (-)
Deferred tax assets			
current	-	-	-
non current	511,690	610,144	(98,454)
Total deferred tax assets	**511,690**	**610,144**	**(98,454)**
Deferred tax liabilities			
current	-		
non current	(49,993)	(23,410)	(26,583)
Total deferred tax assets	**(49,993)**	**(23,410)**	**(26,583)**

Deferred tax assets and liabilities are calculated using the current tax rates applicable in each country.

Below is the breakdown of the movements in deferred taxes at December 31:

	12.31.2024	12.31.2023	Variations + (-)
Deferred Tax Assets			
Listing costs IAS 32	218,638	300,894	(82,256)
Intra-group margin in stock	235,371	249,369	(13,997)
Defined benefit plan under IAS 19	8,147	9,223	(1,076)
Other deferred tax assets	49,534	50,658	(1,124)
	511,690	**610,144**	**(98,454)**
Deferred Tax Liabilities			
Goodwill	(49,993)	(21,962)	(28,031)
Unrealized Fx rate differences	-	(1,448)	1,448
	(49,993)	**(23,410)**	**(26,583)**

The breakdown of taxes by type is shown below:

Type	Amount 12.31.2024	Deferred Tax Assets 12.31.2024	Amount 12.31.2023	Deferred Tax Assets 12.31.2023
Listing costs IAS 32	783,649	218,638	771,172	300,894
Intra-group margin in stock	843,625	235,371	893,795	249,369
Defined benefit plan under IAS 19	29,201	8,147	33,056	9,223
Other differences	190,957	49,534	195,266	50,658
	1,847,432	**511,690**	**1,893,289**	**610,144**

Type	Amount 12.31.2023	Deferred Tax Liabilities 12.31.2023	Amount 12.31.2022	Deferred Tax Liabilities 12.31.2022
Goodwill	(179,188)	(49,993)	(78,718)	(21,962)
Unrealized Fx rate differences	-	-	(6,034)	(1,448)
	(179,188)	**(49,993)**	**(84,752)**	**(23,410)**

The main amount at the end of December 31, 2024 relates to the deferred tax assets resulting from the elimination of the intra-group unrealized margin on the sales of Racing Force S.p.A. to the American subsidiary Racing Force USA Inc., with reference to the products recorded in the subsidiary's inventories at the end of the year, and to the deferred tax assets resulting from costs incurred for the listing on EG Milan, booked among Equity.

38. Risk Management

The Group operates in a free market and it is therefore exposed to risk factors and uncertainty.

The Group has set up mechanisms and procedure at the level of each consolidated entity for the constant monitoring of the foregoing risks, so as to avoid potential negative effects and implement any actions required to contain those risks. In this connection, below is a more detailed qualitative and quantitative analysis of each type of risk.

Main risks considered by management to be at medium and significant materiality are the following:

Risks associated with the Russian-Ukrainian and Israeli-Palestinian Conflicts conflict

The conflict between the Russian Federation and Ukraine, along with the sanctions imposed by Europe, the United Kingdom, and the United States, poses a significant risk of severe impacts on the global economy. Regardless of how the current crisis is resolved, its consequences could be long-term, potentially negatively affecting business activities, particularly in relation to energy supply costs.
The tensions in the Gaza Strip following the conflict between Israel and Palestine, as well as the attacks on maritime traffic in the Red Sea recorded since late 2023, could further exacerbate commodity price volatility (particularly crude oil and natural gas) and affect the Group's logistics.
In this context of high uncertainty and geopolitical instability, the Group closely monitors the evolution of the conflicts and the risk of their escalation to other countries.
Since 2022, the Group has eliminated its credit exposure and ceased export activities to the Russian Federation. Additionally, initiatives have been undertaken to improve energy efficiency at the Ronco Scrivia headquarters, along with planned investments in Bahrain, aimed at reducing energy costs and mitigating the risk of future price increases.

Risks associated with the procurement and price fluctuation of raw materials

Several of the Group's products are the result of complex production processes that require the use of raw materials available in illiquid goods markets characterized by a small number of suppliers at the world level.
Any production planning problems, delays in supplies and/or difficulties in the procurement of raw materials could have an impact on costs, especially in the event that replacement material is not promptly available.
In recent years, also influenced by the Russian-Ukrainian crisis, various sectors from which the Group procures its supplies, have recorded an increase in the price of certain noble metals, other basic raw materials and strategic advanced components, and a shortage or delay in the supply of electronic materials that led to a rapid increase in prices, with a consequent increase in purchase costs as well as problems in the supply chain.
The recent tensions in the Gaza Strip, as a consequence of the conflict between Israel and Palestine and the attacks on naval traffic in the Red Sea since late 2023 are likely to exacerbate the volatility of commodity prices (oil and natural gas) and hinder the Group's logistics.

As regards the risk of shortage or delay in the supply of raw materials, the risk is mitigated through a careful planning of the purchases by the Group.

As to the increase of prices of raw materials, the risk is however mitigated by the capacity of the Group to re-charge almost any price increase to the pricing list of the selling products.

Risk of Introduction of New Customs Tariffs

The Group is exposed to the risk arising from the introduction of new customs duties or the tightening of existing ones, which could be imposed by governments or economic blocks in the markets where it operates. Such measures could negatively affect the competitiveness of its products, increasing import and export costs and reducing profitability.
In particular, any changes in trade policies between the main geographic regions, such as the United States, the European Union, and Asian markets, could lead to an increase in tariff and non-tariff barriers, with direct impacts on the supply chain, pricing strategy, and market demand.
To mitigate this risk, the Group constantly monitors the evolution of international regulations, evaluates diversification strategies for sourcing and target markets, and considers the possibility of reorganizing production and distribution, leveraging its presence across different continents to reduce dependency on specific areas subject to potential trade restrictions.

Risks associated with the product liability and brand awareness

The products manufactured and distributed by the Group can be divided into two macro categories: homologated and non-homologated products.
In both cases, any defects in the design or manufacture of the Group's products could expose the Group itself to the risk of liability to third party and consequent claims for damages.
With regard to homologated products, then, the Group, as manufacturer, has the responsibility to homologate them in compliance with FIA, Snell and SFI standards. In this respect, the Group also has in-house laboratories that are able to carry out in-house tests on products that will then be carried out by accredited laboratories to verify compliance with homologation regulations.
Furthermore, pursuant to the regulations in force in Italy (art. 114 of Legislative Decree no. 206/2005, the so-called Consumer Code) and abroad on product liability, any design or manufacturing defects in both homologated products and non-homologated offered by the Group could expose it to the risk of liability actions by third parties and, consequently, to potentially significant claims for damages.
Although no action for damage has so far been taken against the Group, and insurance coverage in relation to product liability is in place, it cannot be excluded that such actions may be brought against it in the future.
Furthermore, one of the key factors in the Group's success is the recognizability of Racing Force Group's brands, which have been in the market for safety equipment.
This recognition is influenced by many factors, such as the high quality of craftsmanship, creativity, attention to detail, the ability to meet the needs of individual customers and the presence. Moreover, the Group constantly strives to maintain and increase its brands recognition through advertising and promotional campaigns, including on social networks, as well as implementing communication and branding strategies.
Should, in the future, brand awareness is not effectively maintained and developed by the Group, this could result in a negative impact on the reputation and, therefore, on the economic and financial situation of the Group itself, arising out in connection with (i) the possible confusion of the Group's brands with those of other companies operating in the same filed, (ii) the inability to communicate to the market the distinctive values of its brand and to maintain them over time, or (iii) the spreading by third parties of partial, untrue or defamatory information about the Group and (iv) the inability to attract and/or retain customers.
The risk is mitigated by the tightly controlled process that products need to go through before the commercialization: i) first of all the manufacturer has to be authorized and recognized by the relevant regulatory bodies to produce; ii) there are regulations and technical standards issued by the same regulatory bodies to which products must comply with; iii) tests are performed in third-party authorized laboratories; iv) before being commercialized, the products undergo a stringent internal quality control process.

Risks associated with implementing future strategies and programs

The Group is exposed to the risk of not being able to achieve its growth strategy, or of not achieving it within the planned time frame, if the basic assumptions on which it is based, including the assumptions in the business plan, prove to be incorrect or if the strategy does not produce the expected results for other reasons, including those outside the Group's control.
Although no significant deviations from the estimates made by management have been found in the past, the estimates and assumptions contained in this document, although currently considered reasonable, may prove to be incorrect in

the future also due to the occurrence of unforeseen factors and/or circumstances other than those considered, which could impact on the Group's results or performance.

Risks associated with protection of the Group's know-how and industrial secrets

To make the production processes increasingly efficient and, consequently, to make the product offerings competitive, the Group must continually update its technologies, also by investing in research and development; should the Group not be able to acquire or adequately develop the technologies currently available, or those available in the future, it may have to change or reduce its development objectives or see its competitive strength reduced.
The Group, as owner of IP assets that are worth and strategic for their success on the market, is subject to risks related to their protection and is actively engaged in the implementation of actions aimed at containing and, possibly, eliminating such risks of undue use of such intangible assets, directly bearing the related costs.
The Group has implemented both internal and external procedures aimed at the protection of the know-how internally developed.

Risks Related to Cybersecurity

The Group recognizes that cybersecurity represents a significant risk in the current technological and regulatory context. The evolution of digital threats, including cyberattacks, unauthorized access to systems, data theft, and malware, could compromise operational continuity, the protection of sensitive information, and corporate reputation.
To mitigate these risks, the Group has implemented protective and control measures, including strengthening security infrastructures, continuously monitoring systems, training personnel, and conducting penetration tests. Furthermore, cybersecurity strategies are periodically reviewed and updated in accordance with the industry’s best practices and regulatory developments to ensure an adequate level of protection and safeguard the trust of customers and stakeholders.

Main risks considered by the management to be of low materiality are the following:

Credit risk

The financial activities of the Group are to be considered as of good credit quality.
Customers are selected after being carefully evaluated under a commercial and financial standpoint. Many of the Group’s top customers are historical and loyal partners, with a good financial capacity and a demonstrated track in terms of reliability and timing of payments. For these reasons, the risk of bad debt is well below the normal standards deemed physiological by the bank system for any commercial enterprise. The current size of the bad debt provision is in fact such as to cover all the positions considered to be of possible risk. Based on these elements, the Group has evaluated not to proceed with credit risk hedging actions with any insurance tools.

Liquidity risk

The liquidity risk is related to the ready availability of sufficient cash and financial resources when needed to meet commitments associated with financial instruments and carry out operations and planned investments.
The Group’s approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring losses or risking damage to the reputation of any of the Group’s entities.
There are no significant risk factors for the Group, considering that the credit lines granted by the banks are largely adequate for the current business needs.

Market risk

The specific market risks to which the Group is exposed are those arising from fluctuations in exchange and interest rates.
As regards the interest rate risk, the Group has covered its exposure on medium-long term debt positions mainly recurring to fixed interest rates. Therefore, based on the current composition of debts, the Group did not deem it necessary to resort interest rate risk hedging instruments.
As for the exchange rate risk associated with commercial relations with foreign customers and suppliers, for which transactions are not regulated in the functional currency of each of the consolidated entities, the risk is mitigated by the fact that the total volumes of transactions in foreign currency are lower than the volumes made in functional currency. The Group ensures that the net exposure is kept to an acceptable level, by dealing with currencies that do not

fluctuate significantly. Under these circumstances, the Group did not consider it necessary and / or appropriate to enter into financial hedging instruments.

Other risks considered by management to be at low materiality are risks associated with products counterfeiting, risks associated with the license agreements to use the Bell Helmets trade mark, risks associated with key people, risks associated with the loss of qualified resources and the difficulty of finding new ones, risks associated with APIs (Alternative Performance Indicators), risks associated with transactions with related parties, risks associated with international activities and regulations in the various markets in which the Group operates, risks associated with compliance with workplace safety regulations, risks associated with tax regulations, risks associated with potential conflicts of interest of directors, risks associated with the failure to adopt the organizational model pursuant to Legislative Decree no. 231/2001, risks connected to potential overdue tax payables, risk of interruption of production and catastrophic events.

Management does not consider that these risks can have a significant influence on the financial statements to date.

39. Other Information

Personnel

The following table shows the number of employees of the Group of December 31, 2024 and the average for the year, broken down by homogeneous categories.

Headcount	12.31.2024	Average 2024	12.31.2023	Average 2023
Managers	58	56	54	53
Employees (office)	125	123	124	119
Warehouse / Production	390	374	375	383
Total	**573**	**553**	**553**	**555**

The increase in the total number of employees compared to the previous year is mainly due to the hiring of personnel in the production facilities of the Group.

Fees to Directors and Statutory Auditors

	2024	2023	Variations + (-)
Board of Directors	883,391	807,441	75,950
Statutory Auditors	31,500	31,500	-

Fees paid to the Board of Directors refer to the parent company Racing Force S.p.A. and to other consolidated companies, where applicable.
The fees to the statutory auditors are those referred to the parent company Racing Force S.p.A.

Fees to Independent Auditors

	2024	2023	Variations + (-)
KPMG Italy - audit	45,000	45,000	-
KPMG Bahrain	15,253	15,120	133
Total	**60,253**	**60,120**	**133**

Fees to KPMG Italy - audit relate to the financial statements of Racing Force S.p.A. for 22 thousand Euro, to the Group's consolidated financial statements for 12 thousand Euro and to the limited audit of the half-yearly consolidated financial statements for 11 thousand Euro.
Fees to KPMG Bahrain refer to the audit of the financial statements of Racing Force International Wll.
These values do not include monetary revaluation and expenses.

Donations and contributions

During the fiscal year the parent company made in kind donations for 8 thousand Euro to the association San Francesco Onlus of La Spezia.

Commitments, guarantees and contingent liabilities

There are no commitments, guarantees or potential liabilities not shown in the financial statements, with the exception of the mortgage related to the building in Ronco Scrivia against the loan granted by Banco BPM during 2021, for a residual amount of 1,154,827 Euro as of December 31, 2024.

Derivative financial instruments

The Group did not invest in derivative financial instruments.

Relationships with related parties

All the balances with related parties at year end are disclosed throughout the Notes to these consolidated financial statements.

A summary of the balances with related parties of December 31, 2024 and the transaction recorded in the Profit and Loss during the fiscal year is provided below.

Related party	Relationship	Receivables	Payables	Revenue	Costs
SAYE S.p.A.	A	16,181	-	16,181	-
KJK Protective Technologies LLC	B	20,101	-	101	-
GMP Consulting	B	-	-	-	5,000
Nehoc Systems Ltd	B	-	-	3,841	-
MSV Ltd	C	-	87,656	-	105,032

A: parent company; B: Subsidiaries' shareholders and top managers; C: companies controlled by shareholders or top managers of consolidated entities.

Revenues from SAYE S.p.A., and the corresponding receivable as of year-end, are related to the profit realized under the liquidity agreement with TP ICAP – Midcap division and to Group products sales.

The balances as of December 31, 2024 include the loan to KJK Protective Technologies LLC for Euro 20,000 in addition to interest accrued and not yet collected at the end of the period for Euro 101.

GMP Consulting provides accounting and administrative consultancy to the subsidiary Racing Force Holdings Sarl

The revenues from Neoch Systems Ltd are related to sales of non-technical apparel under Racing Spirit brand.

MSV Ltd is a company which provided technical services, as well as research and development support, managed by the Chief Technical Officer (CTO) of the Group.

All other commercial relations with related parties were concluded under normal market conditions.

Material events arising after the balance sheet date

Events occurring after the end of the period that highlight conditions already existing at the reporting date and requiring changes to the values of assets and liabilities, in accordance with the relevant accounting standard, are recognized in the financial statements, in accordance with the postulate of accrual, to reflect the effect that such events have on the financial situation and on the economic result at the end of the year.

Events occurring after the end of the period that indicate situations arising after the balance sheet date, which do not require changes in the balance sheet values, in accordance with the provisions of the relevant accounting standard, as they pertain to the following year, are not recognized in the financial statements but are illustrated in the explanatory notes, if deemed material for a more complete understanding of the situation of the Group.

Regarding the ongoing conflicts in Ukraine and the Gaza Strip, there remains significant global uncertainty about the impacts these wars will have on the world economy and businesses. This uncertainty is compounded by statements concerning the introduction and intensification of custom duties by the American administration, as well as potential countermeasures that could be adopted by the European Union and Asian countries.

As of today, no significant effects have been recorded on the Group's operating results, but it will be necessary to continue monitoring the situation's evolution throughout the year.

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