

**REPORT OF THE BOARD OF AUDITORS**  
**ON THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024**  
**PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE 58/1998 AND ARTICLE 2429,**  
**PARAGRAPH 2, OF THE ITALIAN CIVIL CODE**

Dear Shareholders,

This Report, prepared pursuant to Article 153 of Legislative Decree no. 58/1998 (the "*TUF*"), reports on the activities carried out by the Board of Statutory Auditors (the "*Board*") of Dexelance S.p.A. (hereinafter "Dexelance" or "the Company") in the financial year ended 31 December 2024, in accordance with the provisions of Article 149 of the TUF and Article 2403 of the Italian Civil Code, taking into account the "Rules of Conduct of the Board of Statutory Auditors" recommended by the National Council of Accountants and Auditors, Consob provisions on the "*Board of Statutory Auditors*" and the indications contained in the Corporate Governance Code promoted by Borsa Italiana.

The Board of Statutory Auditors is identified with the '*Internal Control and Audit Committee*', which is entrusted with further specific control and monitoring functions in the field of financial reporting and auditing, provided for by Article 19 of Legislative Decree No. 39 of 27 January 2010.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 9 May 2023, effective as of 18 May 2023, the date of commencement of trading, in accordance with the applicable legal and regulatory provisions, for three consecutive financial years.

The members of the Board of Statutory Auditors complied with the limit on the accumulation of offices provided for in Article 144-*terdecies* of the Regulation on Issuers.

The legal audit assignment, pursuant to the TUF and Legislative Decree No. 39/2010, is carried out by EY S.p.A. (hereinafter 'EY' or the 'Audit Firm'), as resolved by the Shareholders' Meeting of 17 March 2023 for the duration of nine financial years (2023-2031).

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It should be noted that, pursuant to Article 149 of the TUF, the Board of Statutory Auditors supervises:

- on compliance with the law and the statute;
- on compliance with the principles of good administration;

- on the adequacy of the Company's organisational structure for the aspects within its competence, the internal control system and the administrative-accounting system as well as on the reliability of the latter in correctly representing management events;
- on how to concretely implement the corporate governance rules laid down in codes of conduct drawn up by companies managing regulated markets or by trade associations, which the Company, by means of public disclosures, declares that it complies with;
- on the adequacy of the instructions issued by the Company to its subsidiaries pursuant to Article 114(2) of the TUF.

▪ *Supervision of compliance with the law and the articles of association*

The Board of Statutory Auditors acquired the information instrumental to the performance of the supervisory duties assigned to it through participation in the meetings of the Board of Directors and intra-Board committees, hearings of the directors of the Company and the Group, exchanges of information with the Auditing Firm, and through the additional control activities performed.

In particular, the Board of Statutory Auditors, with reference to its activities during the financial year ended 31 December 2024, declares that it has:

- held six (6) meetings in order to acquire information instrumental to the performance of its supervisory tasks;
- attended all the meetings of the Board of Directors, obtaining from the directors, on more than a quarterly basis, adequate information on the general performance of operations and its foreseeable evolution, as well as on the most significant operations, in terms of size and characteristics, carried out by the Company and its subsidiaries;
- attended the Ordinary and Extraordinary Shareholders' Meeting on 22 April 2024;
- acquired the elements of knowledge necessary to carry out the activity of verifying compliance with the law, the articles of association, the principles of proper administration and the adequacy and functioning of the Company's organisational structure, through the acquisition of documents and information from the heads of the functions concerned and through periodic exchanges of information with the Auditing Firm;

- attended, at least through its Chairman or another member, all the meetings of the Control and Risk, Related Party Transactions and Sustainability Committee and met, for the purpose of mutual exchange of information, with the Supervisory Board;
- monitored the functioning and effectiveness of the internal control system and the adequacy of the administrative and accounting system, in particular with regard to the reliability of the latter to represent management events, meeting periodically with the Head of *Internal Audit*;
- promptly exchanged with the heads of the Independent Auditors data and information relevant to the performance of their respective duties pursuant to Article 150, paragraph 3 of the TUF, including through the examination of the results of the work performed and the receipt of the reports provided for by Article 14 of Legislative Decree No. 39/2010 and Article 11 of EU Regulation. 2014/537
- monitored the functionality of the control system of the Group companies and the adequacy of the provisions issued to them, also pursuant to Article 114(2) of the TUF;
- ascertained the conformity of the statutory provisions with the legal and regulatory provisions;
- monitored the concrete implementation of the corporate governance rules adopted by the Company in compliance with the principles and recommendations of the Corporate Governance Code (as set forth in the Corporate Governance Report) promoted by the Corporate Governance Committee of Borsa Italiana S.p.A;
- supervised the conformity of the internal procedure concerning Related Party Transactions with the principles indicated in the Regulation approved by Consob with resolution no. 17221 of 12 March 2010 and subsequent amendments, as well as its compliance, pursuant to Article 4, paragraph 6 of the same Regulation;
- Acquired information, through the exchange of information with the bodies in charge, on the fulfilment of obligations related to the regulations on Market Abuse (Regulation (EU) No 596/2014 - "MAR" and subsequent additions), on corporate reporting and *Internal Dealing*, with particular reference to the handling of inside information and the procedures adopted in this regard by the Company;
- met with representatives of the supervisory bodies (board of auditors/single auditor) of the subsidiaries, in order to discuss issues of common importance;
- acknowledged the contents of the Consolidated Half-Year Report, without it being

necessary to make any comments, and ascertained that the said Report had been made public in the manner prescribed by law;

- took note of the contents of the Quarterly Reports, without the need to comment.

In the course of the supervisory activity carried out by the Board of Statutory Auditors in the manner described above, no facts emerged from which to infer non-compliance with the provisions of the law and the articles of association or such as to justify reporting to the Supervisory Authorities or mention in this Report.

▪ *Supervisory activities on compliance with the principles of sound administration*

Considering the indications provided by CONSOB with Communication DEM/1025564 of 6 April 2001, amended and supplemented with Communication DEM/3021582 of 4 April 2003 and with Communication DEM/6031329 of 7 April 2006, the Board of Statutory Auditors monitored compliance with the principles of proper administration, ensuring that the transactions resolved and implemented by the directors were in compliance with the aforementioned rules and principles, as well as inspired by principles of economic rationality and not manifestly imprudent or risky, in conflict of interest with the Company, in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets.

In this regard, the Board of Statutory Auditors acquired information from the heads of the competent corporate functions in charge, and met with the CEO several times during the year, including at meetings of the Board of Directors and intra-board committees, in order to obtain information on management performance and the internal control system.

During these meetings, the Board noted a regular flow of information from the operational structures and the constant updating by the Board of Directors on the activities carried out by the Company.

The Board considers that the *governance* tools and institutions adopted by the Company represent a valid safeguard for compliance with the principles of proper administration.

- I. The most important economic, financial and asset transactions carried out by the Company have been analytically detailed in the Dexelance Group Management Report for the financial year 2024.

Based on the information provided by the Company and the data acquired in connection with the aforementioned transactions, the Board of Statutory Auditors deems it appropriate to point out the following:

- on 1 October 2024, the merger by incorporation of the company Nian Design S.r.l. into the parent company Cubo Design S.r.l. was executed, based on the merger plan approved by the Shareholders' Meeting on 7 August 2024;
  - on 15 October 2024, the acquisition by Dexelance S.p.A. of the remaining portion of the share capital of the subsidiary Axo Light S.r.l. (equal to 49%) was finalised in advance; the objective of the transaction is the continuation of the Group's consolidation in the "Lighting" strategic area with a view to greater organisational effectiveness and renewed synergic interaction between the companies belonging to the operating segment.
- II. In the course of its audits during the financial year ended 31 December 2024, the Board of Statutory Auditors did not detect any atypical and/or unusual transactions with third parties, Group companies and related parties, as defined by Consob Communication DEM/6064293 of 28 July 2006. The Board of Statutory Auditors acknowledges that the information provided in the Report on Operations and in the explanatory notes to the separate and consolidated financial statements concerning significant events and transactions that do not recur frequently and intra-group transactions and transactions with related parties is adequate.
- III. It should be noted that the Company regularly engages in commercial and financial transactions with its subsidiaries, represented by Group companies, which consist of transactions falling within the scope of ordinary activities, concluded at market terms and conditions.

On the whole, the Board of Statutory Auditors assesses the information provided in the ways indicated regarding the aforesaid transactions to be adequate and, on the basis of the data acquired, to appear congruous and in keeping with the company's interest.

- *Supervision of the adequacy of the company's organisational structure, internal control system*

Supervision of the adequacy of the organisational structure of the Company and the Group was carried out through knowledge of the Company's administrative structure and the exchange of data and information with the heads of the various corporate functions, the heads of *Internal Audit*, the Supervisory Board and the Independent Auditors

In the light of the checks carried out, in the absence of any critical issues detected, the organisational structure of the Company appears adequate in view of its purpose, characteristics and size.

With reference to supervising the adequacy and efficiency of the internal control system, also pursuant to Article 19 of Legislative Decree No. 39/2010, the Board met with the *Internal Audit* Function order to assess the implementation of the audit plan and the *risk assessment* process; the Board also held additional meetings with the other corporate functions, also through the participation of at least one of its members in the relevant meetings with the Control and Risk, Related Party Transactions and Sustainability Committee and with the Supervisory Board.

The Board of Statutory Auditors noted that the Company's internal control system is based on a structured and organic set of rules, procedures and organisational structures aimed at preventing or limiting the consequences of unexpected results and at enabling the achievement of strategic and operational objectives (i.e. consistency of activities with objectives, effectiveness and efficiency of activities and safeguarding of corporate assets), compliance with applicable laws and regulations (*compliance*) and correct and transparent internal and market information (*reporting*).

The guidelines of this system are defined by the Board of Directors, with the assistance of the Control and Risk, Related Party Transactions and Sustainability Committee.

The Board of Statutory Auditors, to the extent of its competence, ensured the timely activation of the internal control systems, also in the subsidiaries, where this was necessary or even only appropriate in relation to the circumstances of the case.

Dexelance is equipped with the organisational model provided for by Legislative Decree 231/2001 ("*Model 231*"), of which the Code of Ethics is an integral part, aimed at preventing

the occurrence of criminal offences relevant to the decree and, consequently, the extension of administrative liability to the Company.

The Company's Supervisory Board reported to the Board of Auditors on the activities carried out during the financial year 2024, including the process of updating the Organisational Model, without reporting any critical profiles.

The latest update of Model 231 was approved at the Board of Directors' meeting held on 11 March 2024.

On the basis of the information and evidence gathered, also with the support of the preliminary activity of the Control and Risk, Related Party Transactions and Sustainability Committee, the Board of Directors carried out an overall assessment of the adequacy of the internal control and risk management system for the 2024 financial year, deeming it to be overall suitable to allow, with reasonable certainty, an adequate management of the main risks identified

In the opinion of the Board of Statutory Auditors, in light of the information acquired, the Company's internal control and risk management system appears to be adequate, effective and effectively operational.

▪ *Supervisory activities concerning the adequacy of the administrative and accounting system and the statutory audit activities*

The Board of Auditors monitored the adequacy and reliability of the administrative-accounting system with respect to the correct representation of management events, obtaining information from the heads of the respective functions, examining company documents and analysing the results of the work carried out by the Independent Auditors. The Manager in charge of preparing the company's accounting documents was assigned the functions established by law and provided with adequate powers and means to perform the related tasks.

The Board of Statutory Auditors acknowledged the certifications issued by the Chief Executive Officer and the Manager responsible for preparing the company's financial reports, pursuant to Article 154-bis of the TUF, in accordance with Article 81-ter of Consob Regulation no. 11971 of 14 May 1999, on the adequacy of the administrative and accounting system in relation to the characteristics of the company and the effective application of the administrative and



accounting procedures for the preparation of the separate financial statements of Dexelance S.p.A. and the consolidated financial statements of the Dexelance Group.

The Board of Statutory Auditors assessed the company's administrative-accounting system as adequate overall and reliable in correctly representing management events.

The Board of Statutory Auditors notes that on 24 March 2025 the Independent Auditors issued their report pursuant to Article 14 of Legislative Decree No. 39/2010 and Article 10 of EU Reg. No. 2014/537 in which they certified that:

- the Company's separate financial statements and the Group's consolidated financial statements as at 31 December 2024 give a true and fair view of the financial position and financial position, results of operations and cash flows for the year then ended in accordance with IFRS as adopted by the European Union;
- the Report on Operations and the information pursuant to Article 123-bis of the TUF contained in the Report on Corporate Governance and Ownership Structures are consistent with the Company's annual financial statements and the Group's consolidated financial statements and have been prepared in accordance with the law;
- the opinion on the separate and consolidated financial statements expressed in the aforementioned Reports is in line with that indicated in the Supplementary Report prepared pursuant to Article 11 of Regulation (EU) No 2014/537.

The aforesaid Reports of the Independent Auditors do not contain any remarks or statements issued pursuant to Article 14, paragraph 2, letters d) and f) of Legislative Decree No. 39/2010. The Auditing Firm also verified that the directors prepared the first and second sections of the Report on Remuneration Policy and Remuneration Paid as required by Article 123-ter, paragraph 8-bis of the TUF.

During the periodic meetings held by the Board of Statutory Auditors with the Independent Auditors, pursuant to Article 150, paragraph 3 of the TUF, no issues emerged that need to be highlighted in this Report.

Furthermore, the Board of Auditors did not receive any information from the Auditing Firm on material facts deemed reprehensible in the performance of the statutory audit of the separate and consolidated financial statements.

The separate financial statements as at 31 December 2024 have been prepared in XHTML format in accordance with the provisions of the European Commission's Delegated Regulation (EU) 2019/815 on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF)

The consolidated financial statements as at 31 December 2024 have been prepared in XHTML format and have been marked in accordance with the provisions of Delegated Regulation (EU) 2019/815.

Certain information contained in the notes to the consolidated financial statements when extracted from the XHTML format in an XBRL instance, due to certain technical limitations, may not be reproduced identically to the corresponding information displayed in the consolidated financial statements in XHTML format.

During the 2024 financial year, the Board did not receive any complaints pursuant to Article 2408 of the Italian Civil Code, or complaints from shareholders or third parties.

During the financial year 2024, based on the Auditor's reports, no further engagements were conferred on it or persons related to it with respect to the audit prohibited pursuant to Article 5 of Regulation (EU) No 537/2014.

Furthermore, the College has:

- a) verified and monitored the independence of the Independent Auditors, pursuant to Articles 10, *10-bis*, *10-ter*, *10-quater* and 17 of Legislative Decree No. 39/2010 and Article 6 of Regulation (EU) No 537/2014, ascertaining compliance with the relevant regulatory provisions
- b) examined the Transparency Report and the Additional Report prepared by the Independent Auditors in compliance with Regulation (EU) No 537/2014, noting that, on the basis of the information acquired, no critical aspects emerged in relation to the independence of the Independent Auditors;
- c) received confirmation in writing that the Audit Firm, up to time of issuing the declaration of independence, has not encountered any situations that could compromise its independence from Dexelance S.p.A. pursuant to the combined provisions of Art. 6, para. 2, letter A) of Regulation (EU) No 537/2014, 10 and 17 of Legislative Decree 39/2010 as well as Articles 4 and 5 of Regulation (EU) No 537/2014.

Finally, the Board of Statutory Auditors exchanged information with the supervisory bodies of the subsidiaries pursuant to Article 151 of the TUF, without any relevant aspects or ascertained circumstances being brought to its attention to be reported in this report.

▪ *Supervisory activities on the sustainability statement*

Pursuant to Legislative Decree No. 125/2024, the Board of Statutory Auditors monitored the adequacy of the procedures and structure governing the production of the consolidated sustainability report and compliance with the requirements of the law.

The engagement for the audit of sustainability reporting, pursuant to Legislative Decree 39/2010, was assigned for the years 2024-2026 to the auditing firm EY S.p.A. (hereinafter 'EY' or the 'Auditing Firm'), as resolved by the Ordinary Shareholders' Meeting of 21 January 2025. The Board of Statutory Auditors notes that on 24 March 2025 the Independent Auditors issued their Report pursuant to Article 14-bis of Legislative Decree no. 39/2010 for the limited assurance engagement of the consolidated sustainability reporting, in which it certified that, on the basis of the information obtained, the consolidated sustainability reporting of the Dexelance Group for the financial year ending 31 December 2024 has been prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (European Sustainability Reporting Standards).

▪ *Supervisory activities on how corporate governance rules are implemented in practice*

In relation to the provisions of Article 149, paragraph 1, letter c-bis, of the TUF concerning the supervision by the Board of Statutory Auditors '*on the procedures for the concrete implementation of the corporate governance rules laid down in codes of conduct drawn up by management companies of regulated markets or by trade associations, which the company, by means of public disclosures, declares that it complies with*', the Board of Statutory Auditors confirms the following

- the Company has adhered to and applies the Corporate Governance Code;
- Pursuant to the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, the Board of Statutory Auditors, as the Internal Control and Audit

Committee, obtains annual confirmation of its independence from the Auditing Firm (Standard Q.5.3) and monitors the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of certain of its members (Standard Q.3.7). In the latter regard, the Board of Statutory Auditors verified the existence of the independence requirements for the non-executive directors qualified as independent;

- The Company's Board of Directors currently consists of eleven directors, three of whom are independent, plus an Honorary Chairman, and was elected by the Shareholders' Meeting on 9 May 2023 with effect subject to the start of trading, which subsequently occurred on 18 May 2023. Its composition complies with the regulations on gender balance.

The independent director, lawyer Lea Lidia Lavitola, acts as Lead Independent Director.

For the purposes of verifying the independence of its directors, the Board of Statutory Auditors carried out the assessments within its competence on 28 February 2025, noting the correct application of the criteria and procedures for ascertaining the independence requirements set forth by law and the Corporate Governance Code and compliance with the requirements for the composition of the administrative body as a whole;

- Lastly, in accordance with the provisions of Rule Q.1.7 "Self-Assessment of the Board of Statutory Auditors" of the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, Recommendation no. 9 of the Corporate Governance Code and the regulations in force, the Board of Statutory Auditors assessed the suitability of the members and the adequate composition of the body, with reference to the requirements of professionalism, competence, honourableness, independence and diversity required by the regulations. The Board of Statutory Auditors acknowledged that each standing member provided the information necessary to carry out the self-assessment of the Board of Statutory Auditors and that, based on the statements made and the analysis carried out by the Board of Statutory Auditors, none of the causes of ineligibility and disqualification provided for by the regulations in force and by the Articles of Association apply to any of them.

The Board of Statutory Auditors also verified that the members of the Board of Statutory Auditors met and maintained the same independence requirements for directors, and informed the Company's Board of Directors at its meeting of 11 March 2025.

Detailed information on the Company's corporate governance system is contained in the Report on Corporate Governance and Ownership Structure for the financial year 2024.

▪ *Supervision of related party transactions*

Pursuant to Article 2391-bis of the Civil Code and Consob Resolution No. 17221 of 12 March 2010, as amended, containing the Regulation of Related Party Transactions (hereinafter also referred to as the 'Regulation'), Dexelance has adopted Procedures for Related Party Transactions (the 'Procedures').

During the financial year 2024, based on the information received, there were a number of transactions with related parties, which, to the best of our knowledge, were carried out:

- were carried out in substantial compliance with the Procedures and the Rules;
- are carried out in the interest of the Company, of an ordinary nature and concluded at conditions equivalent to market or *standard* conditions;
- do not include atypical or unusual transactions.

Transactions with related parties are adequately described in the financial statements; in particular, information on transactions with related parties is presented in the specific disclosures in the consolidated and separate financial statements ("Analysis of the Composition of the Main Items in the Statement of Financial Position as at 31 December 2024"), in which the amounts, types and counterparties are reported.

▪ *Supervisory activities in relations with subsidiaries*

Pursuant to Article 114(2) of the TUF: (i) listed issuers shall issue the necessary instructions for their subsidiaries to provide all the information required to comply with the disclosure obligations provided for by law and by Regulation (EU) No. 596/2014; (ii) the subsidiaries shall promptly transmit the required information.

The Board of Statutory Auditors monitored the adequacy of the provisions issued to the subsidiaries, having ascertained that the Company is able to promptly and regularly comply

with the reporting obligations provided for by law; this is also through the collection of information from the heads of organisational functions, for the purpose of the mutual exchange of relevant data and information. In this regard, there are no particular observations to report.

▪ *Supervision of the financial reporting process, proposals regarding the annual financial statements and their approval, and matters within the competence of the Board of Auditors*

The Board of Statutory Auditors has verified the existence of rules and procedures underlying the process of preparing and disclosing financial information, and in this regard, the Report on Corporate Governance and Ownership Structure sets out the reference guidelines for the establishment and management of the financial reporting process.

Finally, the Board of Statutory Auditors carried out its own checks on compliance with the provisions of law pertaining to the preparation of the draft separate financial statements and consolidated financial statements of the Group as at 31 December 2024, the respective explanatory notes and the Report on Operations, also making use of the information shared by the department heads and through the information obtained from the Independent Auditors. In particular, the Board of Statutory Auditors, on the basis of the controls carried out and the information provided by the Company, within the limits of its competence pursuant to Article 149 of the TUF, acknowledges that the separate financial statements and the consolidated financial statements of Dexelance S.p.A. as at 31 December 2024 have been prepared in accordance with the legal provisions governing their preparation and layout and the valuation criteria established by the International Financial Reporting Standards and the International Accounting Standards issued by the *International Accounting Standards Board* (IASB) and the related interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and adopted by the Commission of the European Community with Regulation No. 1725/2003 and subsequent amendments, in accordance with Regulation No. 1606/2002 of the European Parliament.

The separate and consolidated financial statements are accompanied by the prescribed declarations of conformity signed by the Chief Executive Officer and the Manager Responsible for Financial Reporting.

The Board of Directors conducted specific procedures to check (*impairment test*) the recoverable value of the non-current assets shown in the balance sheet items.

If the recoverable amount, defined as the higher of an asset's *fair* value and value in use, is estimated to be less than its carrying amount, the latter is reduced to the lower recoverable amount.

The *business plan* used for the purpose of the impairment test was approved by the Board of Directors on 29 January 2025.

In light of the Impairment Test, the Board of Directors found no significant impairment losses on non-current assets held as at 31 December 2024.

On the basis of the foregoing, in summary of the supervisory activity performed during the year, the Board of Statutory Auditors did not find any specific critical issues, omissions, reprehensible facts or irregularities and has no observations or proposals to make to the Shareholders' Meeting pursuant to Article 153 of the Consolidated Law on Finance, insofar as it is within its competence, not finding any reasons to prevent the approval of the resolution proposals formulated by the Board of Directors to the Shareholders' Meeting.

The Board of Statutory Auditors, therefore, in light of the considerations made and for the aspects within its competence, does not find any reasons to oppose the approval of the Financial Statements as at 31 December 2024 and the proposal for the allocation of the profit for the year formulated by the Board of Directors.

Milan, 24 March 2025

The Board of Auditors

Filippo Annunziata  
President

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Marzia Nicelli  
Statutory Auditor

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Fabio Buttignon  
Statutory Auditor

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