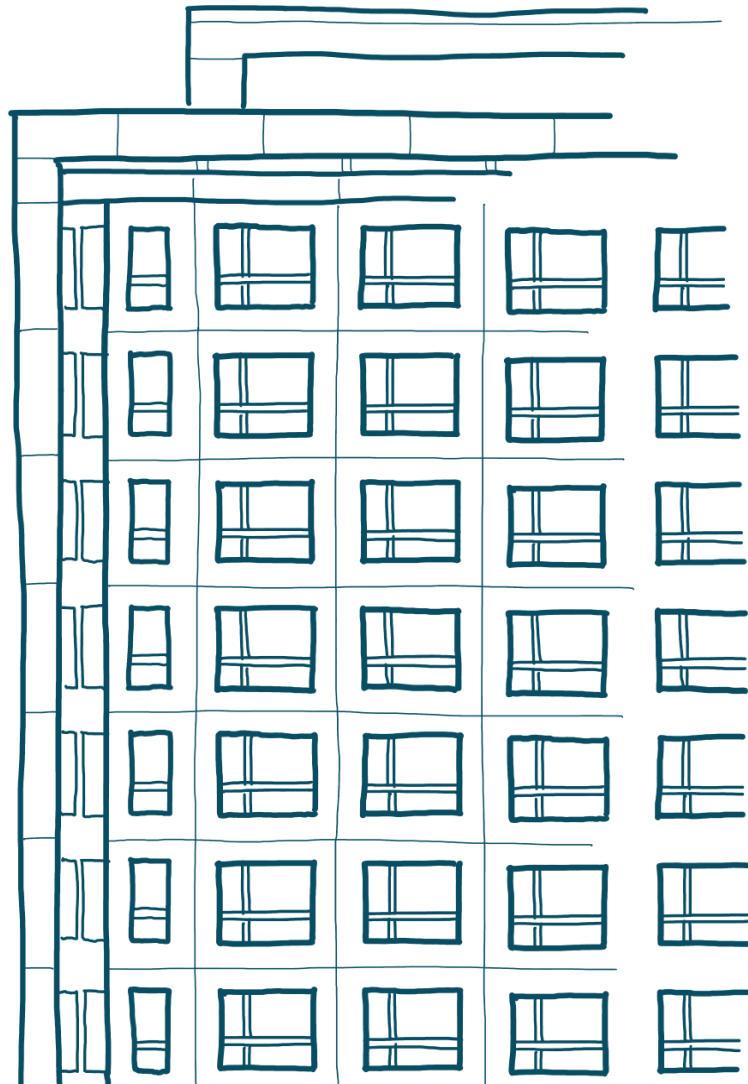




NEXT Re



Condensed
Half-Year
Financial
Report

2025

CONTENTS

1. COMPANY PROFILE	2
Company information and structure	2
Company offices/positions.....	3
Shareholding structure as at 30 June 2025	4
2. INTERIM REPORT ON OPERATIONS	5
Financial highlights.....	5
Significant events in the half-year	7
Events following the reporting period	9
The economic context and the real estate market	12
Real estate portfolio	15
Economic performance analysis.....	22
Balance sheet analysis.....	24
Transactions with related parties.....	25
Legal and regulatory framework of Listed Real Estate Investment Companies (SIIQ)	27
Risk management	30
Corporate Governance.....	36
Equity investments held by directors and members of the board of statutory auditors.....	37
Other information on the management	37
Foreseeable performance trend	38
EPRA performance indicator.....	39
3. CONDENSED HALF-YEAR FINANCIAL STATEMENTS OF NEXT RE SIIQ S.P.A.....	42
Financial statements of NEXT RE.....	42
Statement of financial position	43
Statement of profit/loss for the period.....	44
Statement of changes in shareholders' equity.....	46
Cash flow statement.....	47
Notes to the financial statements	48
Certification of the condensed half-year financial statements.....	80
Report of the Independent Auditors	82
Valuations of independent experts	84

1. COMPANY PROFILE

Company information and structure

NEXT RE SIIQ S.p.A. (hereinafter also referred to as “**NEXT RE**” or the “**Company**” or the “**Parent Company**”) with registered office in Rome, Via Zara 28, Tax Code and VAT no. 00388570426, REA number RM-1479336, is a real estate investment company with shares listed on the Euronext Milan market (“**EXM**”) organised and managed by Borsa Italiana S.p.A.

The Company currently manages a portfolio consisting of office and commercial properties.

Company offices/positions

Board of Directors

The composition of the Board of Directors - appointed by the Shareholders' Meeting of 16 May 2023 - is as follows:

Mirko Bertaccini	Chairman
Giovanni Naccarato	Managing Director
Giuseppe Colombo	Vice-Chairman
Luca Matrigiani	Independent Director
Camilla Giugni	Independent Director
Eleonora Linda Lecchi	Independent Director
Maria Spilabotte	Independent Director

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholders' Meeting of 23 April 2024, was composed as follows:

Luigi Mandolesi	Chairman
Sara Mattiussi	Statutory Auditor
Roberto Mazzei	Statutory Auditor
Sergio Mariotti	Alternate Auditor
Roberta Di Giovanni	Alternate Auditor

The manager in charge pursuant to Article 154-bis paragraph 2 TUF (Consolidated Finance Act)

Francesca Rossi

Independent Auditors

EY S.p.A. is appointed as statutory auditor for the period 2021-2029.

Shareholding structure as at 30 June 2025

Sharolder	Percentage % of capital
CPI Property Group S.A.	79.79%
Dea Capital Partecipazioni S.p.A.	4.99%
Associazione Nazionale di Previdenza ed Assistenza a Favore dei Ragionieri e Periti Commerciali	2.76%
Other shareholders	12.29%
Treasury shares	0.17%
TOT. 100.00%	

According to the information available to the Company, the only Shareholder with a shareholding of more than 5% of the share capital (taking into account the Company's SME status pursuant to Article 1, paragraph 1, letter w-quater.1, TUF), is 'CPI PROPERTY GROUP S.A.' (hereinafter also 'CPI PG') for a total of no. 17,573,318 shares equal to 79.79% of the share capital, of which no. 6,561,263 are listed ordinary shares and no. 11,012,055 class B shares all unlisted.

With reference to the Class B Shares, these attribute the same rights as the ordinary shares except that

- they do not grant the right to attend or vote at the ordinary shareholders' meeting of the Company nor the right to request that it be convened;
- they grant the same right to share in the profits as the ordinary shares, which shall be automatically and proportionally reduced to the extent necessary for the right to share in the profits of each shareholder holding Class B Shares, considering any other ordinary shares held, to be equal to - and, in any event, not to exceed - 60% of the Company's profit-sharing rights.

2. INTERIM REPORT ON OPERATIONS

Financial highlights

The following are the key indicators as at 30 June 2025 compared to 31 December 2024 and 30 June 2024.

PERFORMANCE		30/06/2025	30/06/2024
Rental income	<i>Euro/milione</i>	2.2	3.3
Net operating income (NOI)	<i>Euro/milione</i>	1.78	2.6
Fund from operation (FFO)	<i>Euro/milione</i>	0.3	0.6
EBITDA	<i>Euro/milione</i>	0.35	1.1
EBIT (Operating result)	<i>Euro/milione</i>	0.05	0.99
Profit/(Loss) for the period	<i>Euro/milione</i>	0.55	0.36

ASSET		30/06/2025	31/12/2024
Total assets	<i>Euro/milione</i>	85.01	132.5
Investment property	<i>Euro/milione</i>	74.82	120.6
Commercial surface	<i>m²</i>	40,079	43,879
Occupancy	<i>%</i>	100%	100%
WALT	<i>Years</i>	2.2	3.6
Portfolio assets	<i>No.</i>	5	6

INDEBTEDNESS		30/06/2025	31/12/2024
Shareholders' equity	<i>Euro/milioni</i>	77.59	78.09
EPRA NRV	<i>Euro/milioni</i>	76.6	78.01
Total financial debt	<i>Euro/milioni</i>	-0.33	1.35
Net loan to value (NET LTV)	<i>%</i>	0.4%	(1.17%)
EPRA LTV	<i>%</i>	0.6%	(0.4%)
Loan to value (LTV) of the portfolio	<i>%</i>	0.3%	0.4%

- the **net result** as at 30 June 2025 shows a profit of 0.55 million Euro compared to a profit of 0.36 million Euro as at 30 June 2024;
- **EBITDA** is positive at 0.35 million Euro, compared to 1.1 million Euro in the first half of 2024;
- **Shareholders' equity** amounts to 77.59 million Euro as at 30 June 2025, compared to 78.09 million Euro as at 31 December 2024;
- **Total financial debt** amounted to - 0.33 million Euro as at 30 June 2025, compared to 1.35 million Euro as at 31 December 2024;
- **Net Loan to Value** was 0.4% as at 30 June 2025, compared to -1.17% as at 31 December 2024.

EBITDA, which represents the margin before financial management results, asset adjustments and revaluations, and taxes, amounts to approximately 0.35 million Euro. It includes, in addition to the margin from Net Rental Revenues of 1.78 million Euro (2.60 million Euro as of June 30, 2024), personnel costs of 0.33 million Euro (0.34 million Euro as of June 30, 2024), and general expenses of 1 million Euro (1.01 million Euro as of June 30, 2024). The variation in Net Operating Income is attributable to the removal from the Company's managed real estate portfolio of the asset located in Milan, Via Spadari, as further detailed below.

As of June 30, 2025, a fair value adjustment of real estate investments amounting to - 0.24 million Euro was recognized in order to align the values of the assets in the portfolio with the values resulting from the independent expert's valuations.

The **net result for the period**, amounting to 0.55 million Euro as of June 30, 2025, also includes the financial management result, which totals 0.5 million Euro. The Company released the debt for withholding taxes on interest amounting to 0.5 million Euro, following a positive response from the Italian Revenue Agency to the ruling request submitted to confirm the applicability of the exemption provided by Directive 2003/49/EC (commonly known as the Interest and Royalties Directive) on interest due on loans granted by the parent company CPI Property Group S.A. (hereinafter also referred to as "CPI PG"). This provision had been set aside in relation to withholding taxes on accrued but not yet paid interest on loans contracted with CPI PG in 2021. Compared to the first half of 2024, a significant saving in financial charges is noted, following the early partial repayment of the loan with CPI PG, which took place in December 2024, as communicated to the market on December 19 and 20, 2024.

The value of **investment properties** amounts to 74.82 million Euro, compared to 75.06 million Euro as of December 31, 2024, and reflects the aforementioned negative fair value adjustment of 0.24 million Euro. It should be noted that, as of December 31, 2024, the balance sheet also included the item Assets held for sale, amounting to 45.5 million Euro, related to the value of the property located in Milan, Via Spadari. On March 5, 2025, the sale of the aforementioned property was finalized through the signing of the acknowledgment deed confirming the fulfillment of the suspensive condition—namely, the non-exercise of the pre-emption right within the legal timeframe from the receipt of the relevant notification, as may be applicable according to the assessment of the competent authorities, pursuant to Article 60 of Legislative Decree No. 42/2004, by the Ministry of Cultural Heritage and Activities, and pursuant to Article 63, third paragraph of the same decree, by the Region or other relevant Public Territorial Entity—to which the effectiveness of the sale was subject.

Total financial debt decreased from 1.35 million Euro on 31 December 2024 to -0.33 million Euro on 30 June 2025. This change is mainly attributable to the release of debt for withholding taxes on interest on loans contracted with CPI PG and the change in cash and cash equivalents relating to the payment of the dividend approved by the Shareholders' Meeting on 18 April 2025, amounting to 1.06 million Euro, and the repayment of financial debt amounting to 0.24 million Euro in the first half of the year.

Given the change in financial debt and the value of property investments, the **net loan-to-value** ratio rose from -1.17% on 31 December 2024 to 0.4% on 30 June 2025.

Further details can be found in the sections entitled 'Property Portfolio', 'Analysis of Economic Performance' and 'Analysis of Financial Performance' in this report.

Alternative performance measures

The content of the "alternative performance indicators" not provided for by the international accounting standards adopted by the European Union (IFRS-EU) is provided below. These indicators are used in this Report in order to allow for a better assessment of the Company's economic and financial performance in accordance with the recommendations of the Guidelines published in October 2015 by ESMA. The meaning, content and basis of calculation of these indicators are set out below:

Net operating income (NOI): indicates the profitability of the real estate portfolio and corresponds to the item Net rental income in the Condensed Half-Year Financial Report.

EBITDA: result before value adjustments such as depreciation and impairment of fixed assets, fair value adjustments of investment properties and financial assets at fair value, financial management results, and taxes. EBITDA measures the Company's operating performance.

Total financial debt: calculated in accordance with the ESMA Guidelines on financial indebtedness, published on March 4, 2021, which the supervisory authority Consob required to be adopted starting from May 5, 2021.

Net Loan to Value (Net LTV): Ratio between bank and other financial debts, net of cash and cash equivalents, and the value of investment properties, including those classified under assets held for sale. This indicator measures the sustainability of the Company's financial structure.

EPRA LTV: The indicator is calculated as the ratio between net debt, determined in accordance with the EPRA guidelines, and the market value of the assets held. This indicator expresses the Company's leverage from the shareholders' perspective.

Portfolio Loan to value (LTV): Ratio between the nominal value of the outstanding debt related to loans contracted for the assets in the portfolio and the market value of all assets in the portfolio (including investment properties measured at fair value, the market value of the portion of the Rome, Via Zara asset recorded under Other tangible assets, and any assets classified under Assets held for sale). This indicator measures the sustainability of the financial debt in relation to the Company's real estate portfolio.

Fund from operation (FFO): It is calculated as the net profit/(loss) for the period, adjusted for non-cash income and expense components and non-recurring items.

EPRA NRV (NET REINSTATEMENT VALUE): This indicator aims to highlight the long-term net asset value. It represents the reinvestment value of the Company, assuming no property disposals. It is calculated starting from shareholders' equity (as reported in the financial statements under IFRS), excluding certain assets and liabilities that are not expected to materialize under normal operating conditions, such as: the fair value of hedging derivative instruments; deferred taxes on the market valuations of properties and hedging derivatives.

WALT: It indicates the weighted average lease term of the annual lease agreements in place for NEXT RE's real estate portfolio as of June 30, 2025. This index has been calculated based on the first contractual maturity of each lease agreement in force, excluding any early termination options.

Occupancy: Ratio between leasable area and leased area of the assets in the portfolio.

Significant events in the half-year

The main significant events of the first half of 2025 are shown below.

On **6 February 2025**, the Company announced that it had approved the preliminary results for the year ended 31 December 2024, with the key results presented below:

- The **preliminary net result** for the 2024 financial year showed a profit of 1.61 million Euro compared to a loss of 9.44 million Euro at 31 December 2023;
- **Preliminary EBITDA** for the 2024 financial year was positive and estimated at 2.06 million Euro, compared to -0.64 million Euro for the 2023 financial year;
- **Preliminary net equity** was estimated at 78.09 million Euro as at 31 December 2024, compared to 76.49 million Euro as at 31 December 2023;
- **Preliminary total financial debt** was estimated at 1.35 million Euro positive as at 31 December 2024, compared to 57.08 million Euro negative as at 31 December 2023;
- The **preliminary net loan-to-value ratio** was estimated at -1.88% as at 31 December 2024, compared to 44% as at 31 December 2023.

On **March 5, 2025**, the Company, following up on the announcement made on December 20, 2024, disclosed that it had finalized the sale transaction (the "Transaction") of the property located in Milan, Via Spadari 2/A, through the signing of the acknowledgment deed confirming the fulfillment of the suspensive condition—namely, the non-exercise of the pre-emption right within the legal timeframe from the receipt of the relevant notification, as may be applicable according to the assessment of the competent authorities, pursuant to Article 60 of Legislative Decree No. 42/2004, by the Ministry of Cultural Heritage and Activities, and pursuant to Article 63, third paragraph of the same decree, by the Region or other relevant Public Territorial Entity—to which the effectiveness of the Transaction was subject.

The Transaction enabled NEXT RE to initiate the rotation process of its existing real estate portfolio and to reduce its debt exposure, thereby anticipating the achievement of certain objectives set out in the 2024–2028 Industrial Plan.

On **12 March 2025**, the Company announced that it had approved the Annual Financial Report as at 31 December 2024, prepared in accordance with international accounting standards (IAS/IFRS), the main results of which did not differ significantly from the preliminary figures disclosed to the market on 6 February 2025 – as reported above – as indicated below:

- **Consolidated profit/(loss)** for the year shows a profit of 1.61 million Euro compared to a loss of 9.44 million Euro at 31 December 2023;
- **Consolidated EBITDA** for the 2024 financial year amounted to 2.06 million Euro, compared to a loss of 0.64 million Euro at 31 December 2023;
- **Consolidated net equity** amounted to 78.09 million Euro as at 31 December 2024, compared to 76.5 million Euro as at 31 December 2023;
- **Total consolidated financial debt** amounted to 1.35 million Euro at 31 December 2024, compared to 57.08 million Euro at 31 December 2023;
- **Profit/(Loss) for the year** shows a profit of 1.6 million Euro compared to a loss of 9.44 million Euro as at 31 December 2023;
- **Shareholders' equity** amounted to 78.09 million Euro at 31 December 2024, compared to 76.49 million Euro at 31 December 2023;
- the **consolidated Net Loan to Value** was -1.88% at 31 December 2024, compared to 44% at 31 December 2023.

Also on **12 March 2025**, the Board of Directors:

(i) resolved, after consulting with the Board of Statutory Auditors, to propose the distribution of an ordinary dividend of Euro 0.06 (gross of any statutory withholdings) per ordinary share in circulation (excluding treasury shares held in portfolio on the record date referred to in Article 83-terdecies of the Consolidated Law on Finance, calculated on the basis of NEXT RE's results and current legislation on listed real estate investment companies (SIIQ);

(ii) approved the 2025-2029 Business Plan, which envisages significant growth in the size of the Company's real estate portfolio – considered more sustainable than that envisaged in the previous 2024-2028 Business Plan – to be achieved through capital increases in kind which, together with the significant reduction in financial debt achieved at the end of 2024, will reasonably enable NEXT RE to present itself at the end of the Plan period with economics, size and profitability conditions such as to make it an instrument capable of generating value for shareholders and all stakeholders;

(iii) convened the Ordinary Shareholders' Meeting in first call for 18 April 2025 to deliberate on: (1) the approval of the financial statements and consolidated financial statements as at 31 December 2024; (2) the advisory vote on the second section of the Report on remuneration policy and remuneration paid (due to the approval, by the Shareholders' Meeting of 23 April 2024, of the Company's Remuneration Policy with reference to the financial years 2024-2026); (3) the renewal of the authorisation to purchase and dispose of treasury shares pursuant to Articles 2357 et seq. of the Italian Civil Code and Article 132 of Legislative Decree No. 58 of 24 February 1998, subject to the revocation of the resolution passed by the Shareholders' Meeting on 23 April 2024 insofar as it has not been used;

(iv) approved the Report on Corporate Governance and Ownership Structure for the 2024 financial year, prepared in accordance with Article 123-bis of the Consolidated Law on Finance, and the Report on Remuneration Policy and Remuneration Paid, prepared in accordance with Article 123-ter of the Consolidated Law on Finance.

On **18 March 2025**, the Company received a positive response from the Italian Revenue Agency to the request for a ruling submitted in order to obtain confirmation of the exemption provided for in Directive 2003/49/EC

(the so-called Interest and Royalties Directive) on interest due on loans granted by the parent company CPI PG.

On **April 18, 2025**, the Ordinary Shareholders' Meeting unanimously approved the proposals submitted by the Board of Directors on the agenda of the meeting, and specifically:

- approved the 2024 Financial Statements in the version prepared by the Board of Directors and published on March 27, 2025 on the Company's website and on the authorized storage mechanism 1Info;
- approved the proposed dividend distribution with an ex-dividend date of 5 May 2025, a record date of 6 May 2025 and a payment date of 7 May 2025, resolving in this context to:
 - o to allocate Euro 80,723.94 to the legal reserve;
 - o to distribute, based on Next Re's results and current legislation on listed real estate investment companies, an ordinary dividend (gross of any statutory withholdings) of 0.06 Euro per ordinary share outstanding on the record date referred to in Article 83-terdecies of the Consolidated Law on Finance (excluding treasury shares held in the portfolio on that date);
 - o to allocate Euro 267,171.81 to the statutory reserve;
 - o to carry forward Euro 192,954.62;
- expressed a favourable opinion on the second section of the Report on remuneration policy and remuneration paid pursuant to Article 123-ter of the Consolidated Finance Act;
- authorised the Board of Directors to purchase and dispose of treasury shares pursuant to Article 2357 et seq. of the Italian Civil Code and Article 5 of EU Regulation No. 596/2014, Article 132 of the Consolidated Law on Finance, Article 144-bis of the Regulation adopted by Consob Resolution No. 11971/99, subject to revocation of the shareholders' meeting resolution of 23 April 2024, insofar as it has not been used.

On **24 April 2025**, the Company approved the Additional Financial Information as at 31 March 2025, the main results of which are reported below:

- **Profit/(Loss) for the period** shows a profit of 0.6 million Euro as at 31 March 2025 (0.3 million Euro as at 31 March 2024);
- **EBITDA** was positive at 0.1 million Euro at 31 March 2025 (0.6 million Euro at 31 March 2024);
- **Shareholders' equity** amounted to 78.7 million Euro at 31 March 2025, compared to 78.09 million Euro at 31 December 2024;
- **Total financial debt** amounts to 0.9 million Euro as at 31 March 2025, compared to 1.35 million Euro as at 31 December 2024;
- **Net Loan to Value** as at 31 March 2025 is -1.2% (-1.88% as at 31 December 2024).
- **Net Operating Income** is 0.9 million Euro and includes rental income of 1.1 million Euro and property-related costs of -0.2 million Euro.

No further significant events were reported during the period.

Events following the reporting period

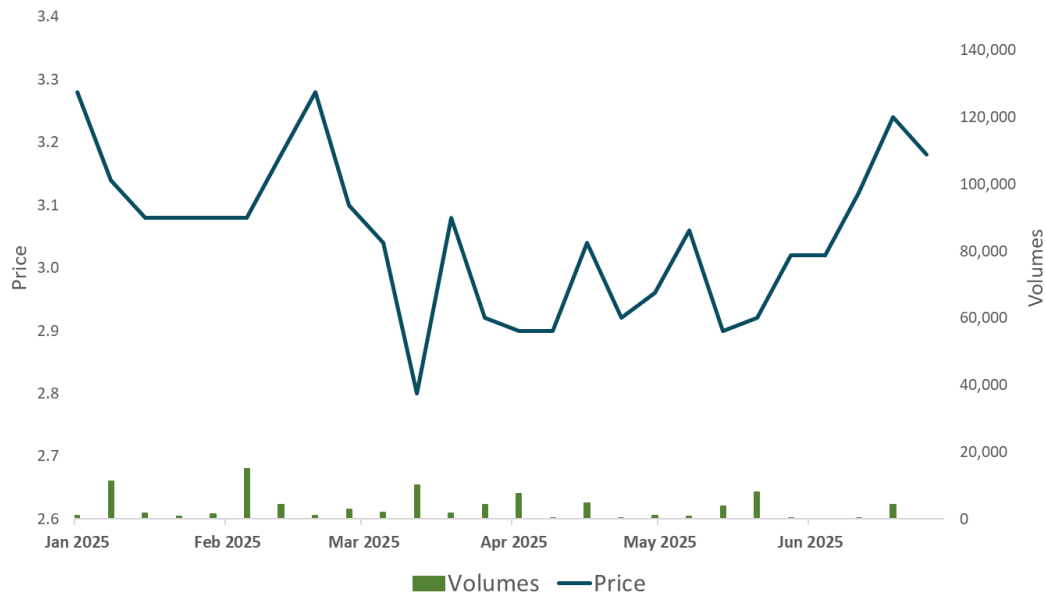
No further significant events occurred after the end of the half-year.

Stock performance

NEXT RE is a company listed on the Euronext Milan market of the Italian Stock Exchange. Its ordinary shares admitted to trading are identified by the ISIN Code IT0005330516 and the Alphanumeric Code NR¹.

The following graph shows the NEXT RE share performance over the period 2 January 2025 - 30 June 2025 and the volumes traded on the Euronext Milan in the first half of 2025.

Graph 1



Fonte: Bloomberg

The performance of NEXT RE's share price during the first half of 2025 was influenced, inter alia, by the following factors: (i) the publication, on 6 February 2025, of the preliminary consolidated results for the financial year ended 31 December 2024; (ii) the completion of the sale of the property located in Milan, Via Spadari 2/A, through the signing of the deed recognising the fulfilment of the condition precedent to which the effects of the sale were subject; (iii) the approval by the Board of Directors, on 12 March 2025, of the financial statements for the year ended 31 December 2024; (iii) the approval, on the same date, of the business plan for the period 2025-2029; (iv) on the same date, after consulting the Board of Statutory Auditors, it resolved to propose the distribution of an ordinary dividend of €0.06 (gross of any withholding taxes) for each ordinary share in circulation (excluding treasury shares held in portfolio); (v) publication, on 27 March 2025, of the Annual Financial Report as at 31 December 2024; (v) approval by the Shareholders' Meeting, on 18 April 2025, of the Annual Financial Report, the distribution of the dividend and the remuneration policy; (vi) the approval, on 24 April 2025, of the additional financial information as at 31 March 2025.

During the first half of 2025, the total volume traded on Euronext Milan was 88.2 thousand ordinary shares listed for a total value of 266.7 thousand, corresponding to a volume-weighted average price on Euronext Milan of 3.02 Euro per share. Average weekly volumes amounted to approximately 3,500 shares, with a maximum of 15,100 shares traded in the week between 31 January 2025 and 7 February 2025.

¹The Company's share capital, as set forth in the related notice of change dated 30 December 2021, consists of 22,025,109 shares, of which: (i) 11,013,054 listed ordinary shares (ISIN IT0005330516); (ii) 11,012,055 class B shares (ISIN code IT0005474603), without the right to attend or vote at the Company's ordinary shareholders' meeting and with the same right to share in profits as the ordinary shares automatically and proportionately reduced to the extent necessary so that the right to share in profits of each class B shareholder, taking into account any other ordinary shares held, is equal to - and, in any event, not more than - 60% of the rights to share in the profits of the Company.

The graph below shows the performance of the NEXT RE share and the FTSE Italia All-Share index (base 100), during the period 2 January 2025 - 30 June 2025.

Graph 2



Fonte: Bloomberg

During the first half of 2025, NEXT RE shares recorded a decline (-3.05%) compared to the positive performance of the FTSE Italia All-Share index (16.13%).

We report below the data recorded by the NEXT RE share during the period 2 January 2025 - 30 January 2025 (extremes included).

Table 1

		Data
Maximum official price (Eu)	3.28	18/02/2025
Minimum official price (Eu)	2.80	14/03/2025
Last official price (Eu)	3.18	30/06/2025
No. of listed ordinary shares ¹	10,974,849	30/06/2025
Capitalisation of listed ordinary shares ¹ (Eu)	34,900,020	30/06/2025
Free float percentage of listed ordinary shares ^{2,3} (%)	35.56%	18/04/2025

Notes: 1) 11,013,054 listed ordinary shares, net of 38,205 treasury shares. Please recall that the share capital also includes 11,012,555 unlisted class B shares; 2) Calculated excluding the equity investments of CPI Property Group (5,971,020 listed ordinary shares) and DeA Capital Partecipazioni S.p.A. (1,101,255 listed ordinary shares) in the Company's listed ordinary share capital; 3) Date of the last extraordinary shareholders' meeting of the Company.

For further information on the NEXT RE share performance and for company updates please visit the corporate website www.nextresiiq.it and, more specifically, the Investors section.

The economic context and the real estate market

Macroeconomic framework

The global economy is facing a period of moderate growth and significant challenges; according to the International Monetary Fund (IMF), global growth is forecast at 3.3% for both 2025 and 2026, slightly below the historical average of 3.7% recorded between 2000 and 2019. This slowdown is attributable to several factors, including trade tensions, protectionist policies and geopolitical uncertainties.

In the first quarter of 2025, the global economy showed signs of resilience despite persistent challenges. According to the Organisation for Economic Co-operation and Development (OECD), global Gross Domestic Product (GDP) grew by 3.2% in the second half of 2024, with growth of 3.3% forecast for both 2025 and 2026. However, recent indicators suggest a possible slowdown, with weakening business and consumer confidence in some key economies. Inflation remains a key concern for many economies. Although there have been signs of moderation, inflationary pressures persist, influenced by factors such as geopolitical tensions and disruptions in supply chains.

In the Eurozone, economic growth has slowed slightly; according to the European Central Bank's (ECB) March 2025 projections, real GDP is expected to increase by 0.9% in 2025, strengthening to 1.2% in 2026 and 1.3% in 2027. These estimates represent a downward revision from previous forecasts, reflecting current economic uncertainties. With regard to inflation, the ECB expects it to moderate in 2025, returning to the 2% target by 2026-2027, thanks to easing cost pressures and the effect of previous monetary policy decisions. In such a complex macroeconomic scenario, the Eurozone labour market has shown some stability, with an average unemployment rate of 6.3% expected in 2025, falling slightly by 2027.

In 2025, the European Central Bank (ECB) continued its cycle of interest rate cuts, implementing six consecutive cuts of 25 basis points each. The latest intervention, on 6 March, brought the deposit rate to 2.50%, the main refinancing rate to 2.65% and the marginal lending rate to 2.90%. This less restrictive monetary policy aims to stimulate economic growth in a context of persistent weakness in economic activity in the Eurozone.

Inflation in the euro area showed signs of stabilising, standing at 2.4% in December 2024. However, core inflation, mainly influenced by services, remains high at 2.7%. The ECB's projections indicate average inflation of 2.3% in 2025, with a further decline to 1.9% expected in 2026, thus approaching the 2% target.

The Italian economy recorded modest growth in 2024, with GDP increasing by 0.5%, below the government's target of 1%. Forecasts for 2025 indicate growth of 0.9%, according to the OECD, while the Italian government is aiming for 1.2%. These discrepancies highlight the uncertainties surrounding the country's economic outlook. A positive sign comes from the labour market: in February 2025, the unemployment rate fell to 5.9%, the lowest level since 2007, with the creation of 47,000 new jobs. However, business and consumer confidence declined in March, reflecting concerns about the future economic outlook.

Italy has encountered difficulties in accelerating the spending of European Union recovery funds; by December 2024, approximately €63.9 billion of the €122 billion received since 2021 had been used, representing only 45% of the available funds. This delay could hamper key projects and negatively affect economic growth over the next two years.

The recent tariffs imposed by the United States could have a significant impact on Italian companies, especially in the pharmaceutical, fashion and food sectors. Confindustria has expressed concern in this regard, emphasising the need for European negotiations to prevent further escalation that could further slow down and cause downturns in the markets.

Looking ahead, the Italian economy faces several challenges, including the need to accelerate spending of EU recovery funds, address international trade tensions and improve business and consumer confidence. The effective implementation of EU-funded projects and structural reforms will be crucial to stimulating economic growth and ensuring fiscal sustainability.

The global economic outlook for 2025 shows moderate growth, with significant differences between regions. While the United States is showing solid growth, the Eurozone and Italy face more complex challenges. Trade tensions, protectionist policies and geopolitical uncertainties continue to pose risks to the global economy. To support sustainable and inclusive growth in the long term, it will be essential for governments to adopt flexible economic policies and implement structural reforms.

An analysis of interest rates shows that inflation rates in most advanced economies have been on a downward trend since 2022. Specifically for Italy, average inflation rose from 1.9% in 2021 to 8.2% in 2022, then fell to 5.7% in 2023 and 1% in 2024. In the first three months of 2025, inflation rates in Italy rose again, averaging 1.7%, although this was still below the average inflation rate recorded in the Eurozone countries (2.2%).

The Office Market in Rome

The office property market in Italy continued to evolve in the early months of 2025, showing positive signs but also challenges related to the limited supply of high-quality space and the structural changes taking place in the world of work. Although overall investment volumes remained below pre-pandemic averages, interest in high-quality properties was increasingly evident, with a growing preference for certified and sustainable spaces. During 2024, the sector had already shown signs of recovery, but the beginning of 2025 consolidated this trend, despite the complex economic environment and rising interest rates.

In the office segment, demand was mainly concentrated on Grade A and A+ properties, which accounted for a significant proportion of transactions, confirming companies' preference for modern, well-located spaces. Property quality remains a determining factor, and central locations in major Italian cities such as Milan, Rome and Turin continue to dominate preferences.

In Rome, the market experienced a moderate recovery, with take-up of around 30,000 sq m in the first quarter of 2025. Although this represents an increase compared to the decline recorded in 2024, the shortage of high-quality properties, especially in the CBD, continues to limit market growth. In this context, rents in the most sought-after areas, such as EUR and the area between the Colosseum and Termini, have stabilised, with an average value of € 650/sq m/year, while the most advantageous contracts continue to focus on properties with ESG certifications, a trend that is becoming increasingly important for investors and companies.

From an investment perspective, the office sector has continued to attract attention from institutional investors, despite an ongoing uncertain economic environment. In the first three months of 2025, real estate investments in office properties exceeded €1.5 billion, marking a 10% increase compared to the same period in 2024. Milan attracted the majority of investments, with particular interest in properties located near metro stations and in areas with a high density of services. However, the scarcity of new developments and the slowdown in disposal operations have limited the number of transactions compared to previous years.

The growing focus on sustainability continues to influence demand. In 2025, it is estimated that over 40% of new leases in Italy involved LEED, BREEAM or equivalent certified buildings. For the rest of 2025, the outlook is generally positive, with demand remaining focused on modern, sustainable and well-located properties, but growth could slow if the shortage of supply continues to be felt, especially in the most dynamic cities such as Milan and Rome. Operators will need to continue to respond to a market that increasingly demands adaptable spaces that are attentive to sustainability and energy efficiency issues. Flexible workplace management policies will continue to influence corporate strategies, with companies focusing on solutions that combine efficiency, sustainability and employee wellbeing.

The office market in Italy in 2025 will be characterised by continuous evolution, where the quality of supply, sustainability and adaptability of spaces will be crucial factors in attracting both companies and investors. Ongoing developments in many of Italy's major cities, together with a growing focus on energy efficiency, will be key to consolidating a recovery that could continue, but which will require an ever-increasing ability to adapt to the needs of a constantly changing market.

The Office Market in Bari

In the first half of 2024, office sales saw a significant increase compared to the same period last year. The Revenue Agency reported 57 transactions, compared to 33 in the first half of 2023, representing a positive difference of +69%.

The final figures released next year will tell us whether this excellent performance will be confirmed in the second half of the year. In the meantime, market sentiment does not reflect these figures, with a slight decline in transaction volume expected in the coming months.

As for the other indicators of the sales market, the office sector shows a certain stability in the second half of 2024, with small fluctuations in prices and sales times. The Business District and suburbs are the areas with

the most stable parameters compared to the first part of the year; the centre, on the other hand, is showing signs of distress, with a slowdown in prices and longer sales times, indicating possible difficulties in some central areas. The average negotiation discount shows a decrease of one percentage point on a half-yearly basis, from 14.5% to 13.5%.

There have been localised improvements in the rental market in the Business District and semi-central areas, with shorter leasing times and rising rents.

The Retail Market in Milan

With approximately 890 transactions, the volume of retail property sales in Milan during the first half of 2024 experienced a significant slowdown (-9.2%) compared to the same period the previous year. This decline follows a negative annual figure for 2023 as well, which showed a year-on-year change of -4.9%. Sales prices continued to show a positive annual performance for the sixth consecutive half-year since the pandemic, although price trends varied widely across different areas of the city.

However, the upward trend was interrupted by a half-yearly change of -1%, with negative values recorded across all urban zones. On an annual basis, both sales and rental times increased (around 6 months for sales and 4 months for rentals), while average discounts remained stable—lower in the city center (8%) and higher in the outskirts (11%).

The average discount remains the lowest among major Italian cities.

A similar trend was observed in the rental segment, with average rents increasing on an annual basis (+1.3%) but declining over the half-year (-0.7%). The market also recorded longer absorption times compared to the previous semester (around 4 months), with relatively consistent timing across different locations. Gross annual yields remained stable at 6.7%.

The Retail Market in Roma

The retail real estate market in Italy began a recovery path in 2024, which saw positive trends consolidate in the first three months of 2025. Although 2024 marked a turning point with significant investment growth, 2025 has emerged as a crucial year for the sector, with further expansion in the retail segment and adaptation to new dynamics related to digital integration and evolving consumer needs.

In 2024, investments in the retail sector reached 2.2 billion euro, a 205% increase compared to the previous year. This trend continued in the first quarter of 2025, with a further 15% increase compared to the same period in 2024. Notably, the first quarter of 2025 saw a strong concentration of investments in high-value urban areas such as Milan, Rome, Florence, and Venice, where retail benefited from the recovery of international tourism and growth in the luxury and fashion sectors. Data published by Nomisma and the Revenue Agency confirmed significant interest from institutional investors, with commercial property transactions yielding annual returns above 5%, in line with forecasts.

One sector that experienced strong acceleration was high street retail, where demand for space in the main shopping streets of major Italian cities increased. In the first quarter of 2025, there was a 12% growth compared to the previous year, driven by the ongoing expansion of luxury brands and emerging labels, which chose increasingly strategic locations. The most prestigious streets in Italian cities also saw rental prices rise, with increases ranging from 7% to 10%, depending on location.

At the same time, the shopping center segment continued its transformation. In 2024, many facilities underwent major renovations and upgrades, aiming to enhance immersive experiences, entertainment, and food services. These trends continued in the first quarter of 2025, with strong demand growth for spaces dedicated to interactive experiences and omnichannel solutions that integrate physical and digital offerings. According to OMI data, the most attractive locations saw increased customer traffic, resulting in shopping center occupancy rates reaching 95%, up from 92% at the end of 2024.

The large-scale retail sector (GDO) followed a similar trajectory, with growing demand for commercial spaces, especially in peripheral areas and smaller urban centers. In early 2025, supermarket chains and convenience stores further expanded their presence, investing in new openings and modernizing existing spaces.

GDO, particularly in Northern Italy, benefited from rising demand for small, well-located commercial spaces, with a preference for compact and flexible structures.

However, despite the evident recovery, the retail real estate market continued to face some challenges.

Digitalization and e-commerce have forced operators to rethink the role of physical spaces. In response, new business models have been developed that integrate online and offline experiences. Additionally, environmental regulations and growing attention to sustainability are shaping the construction and management of commercial properties. More and more retail projects—both in GDO and high street sectors—are moving toward eco-friendly solutions, focusing on energy efficiency and low-impact materials. In the first quarter of 2025, the percentage of retail projects with environmental certifications increased by 18%, a trend expected to continue throughout the year.

Real estate portfolio

As at 30 June 2025, NEXT RE's portfolio consisted of five assets. Two of these were for commercial use, while the other three were mainly for office use. The total market value of the portfolio was 76.89 million Euro. Of this, 74.82 million Euro was classified under 'Investment property' in the condensed half-year financial statements, while 2.07 million Euro was classified under 'Other tangible fixed assets'. However, this was recognised at 1.64 million Euro net of related depreciation (as an instrumental portion and not an investment).

The properties are located in Milan (2), Rome (2) and Bari (1). The total gross area of the portfolio is 40,079 square metres, while the commercial area is 21,997 square metres.

During the first half of 2025, NEXT RE SIIQ did not make any new investments.

As explained in the Annual Financial Report as at 31 December 2024, on 20 December 2024 the company entered into a sale and purchase agreement with Zeta Investment S.r.l. for the sale of the Milan property in Via Spadari for 45.5 million Euro. The transfer of ownership and possession was subject to the Ministry of Cultural Heritage and Activities, or other local public authorities, not exercising their right of pre-emption pursuant to Articles 60 and 63 of Legislative Decree No. 42/2004.

On 21 February 2025, the Ministry confirmed via certified email that it did not intend to exercise its right of pre-emption, thereby dissolving the condition precedent. Subsequently, on 5 March 2025, following the receipt of all documents requested by the counterparties and the completion of technical formalities, the sale became effective and the transfer of the asset was finalised.

As at 30 June 2025, all properties in the Company's portfolio are fully leased/utilised.

Also in terms of occupancy and utilisation of the property portfolio, it should be noted that:

- with effect from 1 October 2020, NEXT RE directly utilises a portion of the property located in Rome, at Via Zara 22/32.
The portions used by NEXT RE are: the offices on the first floor, four parking spaces and a warehouse in the basement, the areas of which are indicated below as 'Porzione Strumentale Zara' (Zara Instrumental Portion). The remaining areas of the property are referred to as: "Zara Investment Portion" for the areas leased to third parties - "Zara Common and Non-Leasable Portion" for the remaining common areas. The property in Rome, Via Zara 22/32, is therefore now fully utilised and occupied, but only partially leased;
- The lease agreement with the Guardia di Finanza (Italian Financial Police) for the property in Rome, Via Vinicio Cortese, expired on 1 October 2021; pending the conclusion of negotiations for a possible new lease agreement, the tenant continues to use the property, paying the relevant occupancy allowance to NEXT RE.

As of the date of this report, there are five tenants/users of the properties in the portfolio, excluding NEXT RE: OVS S.p.A., the Ministry of Justice, the Guardia di Finanza, the Canadian Embassy and Dico S.p.A...

The following table provides details of the property portfolio owned by NEXT RE.

Table 2

Property Number	City	Address	Intended use	Gross area (sqm)	Commercial area (sqm)	Tenants	Market value as at 30/06/2025
1	Milan	via Cuneo, 2	Commercial	6,395	3,327	OVS S.p.A.	26,400
2	Milan	corso San Gottardo, 29/31	Commercial	4,928	2,620	OVS S.p.A.	15,900
3A	Rome	via Zara, 22/32	Commercial	523	492	Dico S.p.A.	13,690
3B	Rome	via Zara, 22/32	Management offices (Investment)	3,113	2,189	Ambasciata del Canada	
3C	Rome	via Zara, 22/32	Non-leasable areas	946	-	n.a.	-
3D	Rome	via Zara, 22/32	Management offices (Accessory)	476	388	NEXT RE SIIQ	2,070
4	Bari	viale Saverio Dioguardi, 1	Management offices	19,118	10,485	Ministero della Giustizia	14,260
5	Rome	via Vinicio Cortese, 147	Management offices/Archive	4,580	2,496	Guardia di Finanza	4,570
				40,079	21,997		76,890

Key events in the first half of 2025 relating to NEXT RE's the real estate portfolio

During the first half of 2025, asset management activities continued across the real estate portfolio, along with the ongoing management of relationships with the tenants of each individual property. These activities are described in detail in the following sections, with a focus on each asset.

Additionally, following the fulfillment of the suspensive condition related to the sale agreement for the Milan asset in Via Spadari and the completion of the transaction (as outlined in the previous paragraph), all related management activities were carried out. These included settlement adjustments, lease contract monitoring, supervision of maintenance work, and preparation of supporting documentation.

Milan – via Cuneo, 2

For the property in question, during the first half of 2025, the relationship with the tenant OVS S.p.A. continued without any particular issues. There were also no significant events during the period.

Milan – corso San Gottardo, 29/31

For the property in question, during the first half of 2025, the relationship with the tenant OVS S.p.A. continued without any particular issues. There were also no significant events during the reporting period.

Rome – via Zara 22/32

During the first half of 2025, the lease agreements with the Canadian Embassy and DICO S.p.A. continued without any significant developments, as did the instrumental use of certain premises by NEXT RE.

In the first half of 2025, the installation of a photovoltaic system with a capacity of approximately 20 kWp was completed to serve the instrumental portion of the asset used as offices. It is estimated that the energy production could make the headquarters self-sufficient for approximately 50% of its current consumption.

Bari – viale Saverio Dioguardi, 1

In the first half of 2025, the lease agreement with the Ministry of Justice remained stable, with no significant issues arising.

Rome – via Vinicio Cortese, 147

With regard to the property in Via Cortese, it should be noted that the lease agreement with the Guardia di Finanza expired on 30 September 2021; however, at the date of this Report, the Guardia di Finanza continues to occupy the property, paying the occupancy allowance.

Subsequent events after June 30, 2025, related to the real estate portfolio

As of the date of this Report, no significant events have occurred concerning the real estate portfolio of Next Re SIIQ after June 30, 2025. In particular, there have been no acquisitions or disposals of assets, no significant changes in lease agreements, no updates to balance sheet values, and no new encumbrances on the properties held by the Company.

Summary of the real estate portfolio

The table below summarises the main characteristics of the real estate portfolio owned by NEXT RE. The average gross yield was calculated on the basis of the annual rental income as at 30 June 2025, determined as described later in this chapter.

Table 3

Real estate portfolio	Market value as at 30/06/2025 (A)	Lease fees as at 30/06/2025 (B)	Gross average yield as at 30/06/2025 (B/A)	Gross area (sqm)	Leasable area (sqm)	Leased area (sqm)	Vacant area (sqm)	Occupancy rate
Milan, via Cuneo, 2	26,400	1,344	5.09%	6,395	3,327	3,327	0	100%
Milan, corso San Gottardo, 29/31	15,900	632	3.97%	4,928	2,620	2,620	0	100%
Rome, Via Zara 22/32 (Investment)	13,690	759	5.54%	3,636	2,681	2,681	0	100%
Rome, Via Zara 28 (Accessory)	2,070	n.a.	n.a.	1,422*	388	388	0	100%
Bari, viale Saverio Dioguardi, 1	14,260	975	6.84%	19,118	10,485	10,485	0	100%
Rome, via Vinicio Cortese, 147	4,570	589	12.88%	4,580	2,496	2,496	0	100%
TOTAL	76,890	4,299	5.59%	40,079	21,997	21,997	0	100%

* including non-located areas

The table above includes the market gross value of the Zara Accessory Portion, classified - net of the relative depreciation - under Other tangible assets in the Financial Statements.

Main real estate indicators

Market value of the real estate portfolio

As indicated above, the total value of the property portfolio at 30 June 2025 is 76.89 million Euro. Compared to the date of the last valuation, 31 December 2024, the value of the real estate portfolio owned decreased by 0.2 million Euro, the components of which are shown in the following table. For an analysis of the changes in value for each asset, please refer to the Explanatory Notes to the condensed half-yearly financial statements at 30 June 2025.

Table 4

Real estate portfolio	Market value as at 31/12/2024	Capitalised costs	Delta fair value	Market value as at 30/06/2025
Milan, via Cuneo, 2	26,400	-	-	26,400
Milan, corso San Gottardo, 29/31	15,900	-	-	15,900
Rome, Via Zara 22/32 (Investment)	13,761	-	71	13,690
Rome, Via Zara 28 (Accessory)	1,989	-	81	2,070
Bari, viale Saverio Dioguardi, 1	14,300	-	40	14,260
Rome, via Vinicio Cortese, 147	4,700	-	130	4,570
TOTAL	77,050	-	(160)	76,890

It should be noted that the above market values also include the value attributed by the independent expert to the portion of the property in Rome, Via Zara, used for operational purposes, amounting to 2,070 thousand Euro as at 30 June 2025 (1,989 thousand Euro as at 31 December 2024). This portion is not accounted for at fair value under Investment property but is depreciated and recognised under Other tangible fixed assets for 1,637 thousand Euro at 30 June 2025 (1,666 thousand Euro at 31 December 2024). The net change in fair value shown above also includes the positive change relating to the portion used for operational purposes; in the condensed half-year financial statements at 30 June 2025, only the adjustment to fair value of the properties classified under Investment property was recognised, for a total negative amount of 241 thousand Euro.

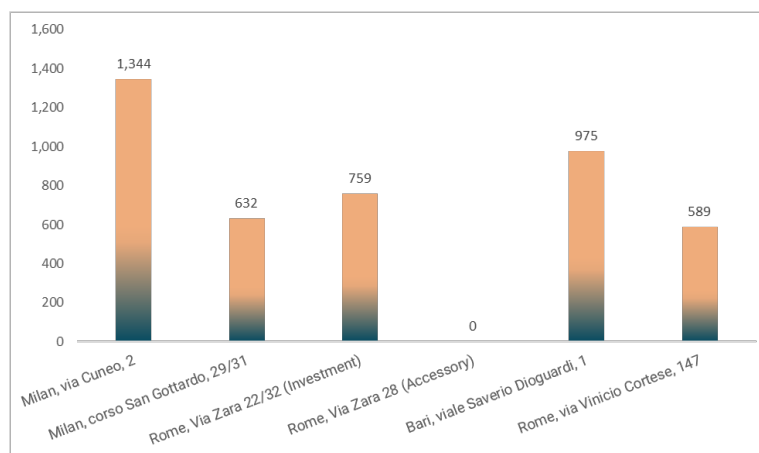
Value of outstanding annual lease payments and stabilised annual lease payments as at 30 June 2025

Annual rental fees in place refer to the annual rental fees in force on the reference date.

Stabilised annual rental fees refer to the rental fees under the various contracts (therefore considering the maximum value of the contractually agreed fee based on any step-ups) known and contracted on the reference date. The rents indicated do not include market rents for vacant and/or leased properties, nor do they include uncertain items such as ISTAT adjustments and any variable components of the rent. For the property in Via Vinicio Cortese, Rome, only the last rent in force before the expiry of the contract was considered, on the basis of which the occupancy allowance is still paid by the tenant today.

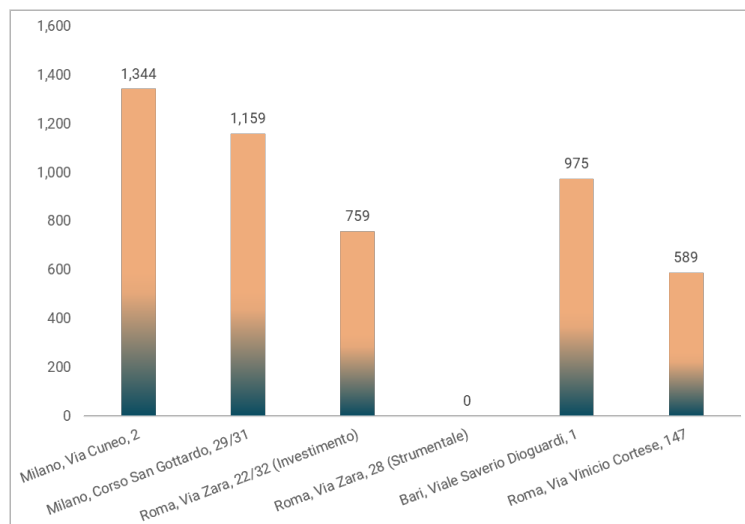
The value of existing yearly rents as at 30 June 2025 is Euro 4.3 million distributed among the various properties as shown in the following chart.

Graph 3



The value of stabilised yearly rents is equal to Euro 4.8 million as shown in the chart below.

Graph 4



Net rental income for the first half of 2025

Net rental income for the first half of 2025, as reported in the Profit/(Loss) for the period statement, amounts to:

Table 5

Description	30/06/2025 (€/000)
Rental income	2.217
Net real estate costs	(434)
Net rental income	1.783

With regard to the information previously provided in the tables relating to rental fees, please note that:

- Net rental income also includes income from charges passed on to tenants;
- revenues relating to the property in Milan, Via Cuneo, are instead recorded net of the annual portion of the capex contribution paid to the tenant in 2018 and 2021 and net of the temporary rent reductions granted to the tenant for the relevant period;
- rental income is recognized in the income statement on a straight-line basis.

Property data by intended use

The following table summarises the main information relating to NEXT RE's real estate portfolio, broken down according to the main intended use of the individual properties (only for the Rome, Via Zara property has been considered the main intended use of the office building which also includes the residual commercial portion of the ground floor considered).

Table 6

Prevalent intended use	Leasable area (sqm)	Leased area (sqm)	Market value as at 30/06/2025 (A)	% value of total portfolio	Lease fees as at 30/06/2025 (B)	Gross average yield as at 30/06/2025 (B/A)	Occupancy rate
Commercial	5,947	5,947	42,300	55.01%	1,976	4.67%	100%
Management offices (Investment)	15,662	15,662	32,520	42.29%	2,323	7.14%	100%
Management offices (Accessory)	388	388	2,070	2.69%	-	0.00%	100%
	21,997	21,997	76,890	100%	4,299	5.59%	100%

The changes in the carrying amount of the portfolio by intended use in the first half of 2025 are shown in the table below; the carrying amount of the Investment property item in the condensed half-year financial statements does not include the value of the portion of the property in Via Zara, Rome, used for operational purposes, amounting to 1,637 thousand Euro (fair value of 2,070 thousand Euro). The sale value of the asset in Milan, Via Spadari, equal to the agreed purchase price, was allocated to the two intended uses on the basis of the relative surface areas.

Table 7

(Euro thousands)	Commercial	Management offices	Total Portfolio
Real estate assets as at 1 January 2025	82,484	38,077	120,561
Purchases	0	0	0
Sales	(40,184)	(5,316)	(45,500)
Capitalised costs	0	0	0
Reclassifications	0	0	0
Balance prior to the valuation of real estate assets	42,300	32,761	75,061
Net write-ups/(write-downs) for the year	0	(241)	(241)
Balance as at 30 June 2025	42,300	32,520	74,820

Duration of lease contracts (WALT)

The index represents the weighted average lease term (WALT) of existing contracts relating to NEXT RE's real estate portfolio as of June 30, 2025, and is equal to 2.2 years. This index was calculated based on the first contractual expiry date of the individual existing lease agreements, without taking into account any early termination options.

Table 8

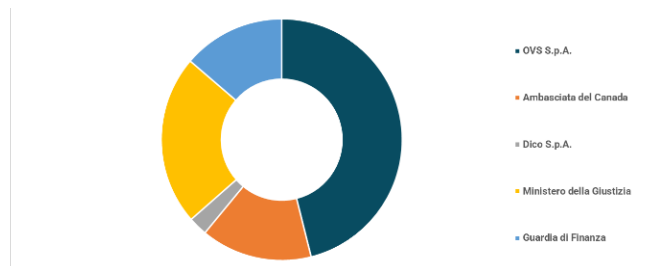
CITY	PROPERTY	TENANT	WALT on lease fees as at 31/12/2024	WALT on lease fees as at 30/06/2025
Milan	Via Spadari 2 - Management offices	ITX Italia S.r.l.	6.8	disposed asset
	Via Spadari 2 - Management offices	Luisa Via Roma S.p.A.	5.0	
	Via Spadari 2 - Commercial	OVS S.p.a.	4.5	
	via Cuneo, 2		3.0	
	corso San Gottardo, 29/31		3.5	3.0
Rome	via Zara, 22/32	Ambasciata del Canada	1.1	0.6
		DICO S.p.A.	2.3	1.8
	via Vinicio Cortese, 147	Guardia di Finanza	0.0	0.0
Bari	viale Saverio Dioguardi, 1	Ministero della Giustizia	6.0	5.5
WALT ON APPLICABLE LEASE FEES REAL ESTATE PORTFOLIO			3.6	2.2

Tenants

As of June 30, 2025, NEXT RE's real estate portfolio is leased/used by five (5) different tenants/users (excluding NEXT RE for the instrumental portion): OVS S.p.A., the Ministry of Justice, the Guardia di Finanza, the Canadian Embassy, and Dico S.p.A..

The following chart shows the concentration analysis for each tenant based on the annual rent in place at the date of this report (for the property in Via Cortese, Rome, the occupancy allowance paid by the Guardia di Finanza was considered).

Graph 5



Occupancy rate

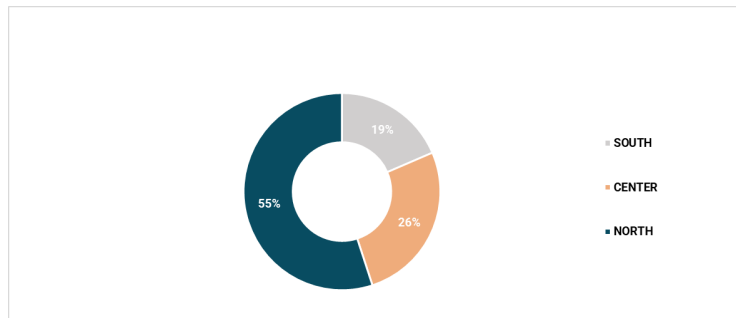
The occupancy rate of NEXT RE's real estate portfolio as of June 30, 2025, is 100%, stable compared to the figure as of December 31, 2024..

Geographical allocation

As of June 30, 2025, NEXT RE's real estate portfolio is distributed across three cities: Milan, Rome, and Bari.

The following chart shows the geographical allocation (NORTH – CENTER – SOUTH) of the portfolio based on the market values of the properties as of June 30, 2025.

Graph 6



For further details on real estate assets, please refer to the more detailed information provided in the Explanatory Notes, "Note 1. Real estate investments."

Economic performance analysis

Below is a managerial reclassification of the results in order to facilitate a better understanding of how the economic result for the period was formed.

Table 9

<i>(values in € thousands)</i>	30/06/2025	30/06/2024
Rental income	2,217	3,297
Costs relating to property assets	(434)	(700)
Net Operating Income	1,783	2,597
Net income/(expenses) from real estate disposals	0	0
Other revenues and income	1	2
Personnel costs	(331)	(345)
Overhead costs	(1,005)	(1,067)
Other costs and expenses	(98)	(88)
EBITDA	350	1,100
Amortisation and write-downs	(58)	(55)
Fair value adjustment of property investments	(241)	(57)
EBIT	52	988
Financial income/(expenses)	499	(631)
EBT (Earnings Before Taxes)	550	357
Taxes	0	0
Net result for the period	550	357

Net Operating Income: The real estate management margin amounts to 1,783 thousand Euro compared to 2,597 thousand Euro as of June 30, 2024. It is noted that in the corresponding period of the previous fiscal year, this item included 819 thousand Euro related to the difference between rental income and costs associated with the Milan asset located in Via Spadari, which was sold effective December 20, 2024. On a like-for-like portfolio basis, the Net Operating Income is in line with the figure as of June 30, 2024. Rental income decreased by 1,080 thousand Euro and increased by 20 thousand Euro on a like-for-like basis due to ISTAT adjustments to lease contracts. Property-related costs decreased overall by 266 thousand Euro and increased by 24 thousand Euro on a like-for-like basis.

Personnel costs: this item, amounting to €331 thousand at June 30, 2025, is virtually in line with the first half of 2024 and includes employee costs together with provisions for MBOs amounting to €82 thousand.

General costs: this item shows a balance of 1,005 thousand Euro as of June 30, 2025 (1,067 thousand Euro as of June 30, 2024) and mainly includes directors' emoluments of 284 thousand Euro, including short-term incentive remuneration of 71 thousand Euro, asset advisory fees of 266 thousand Euro, consulting fees of 203 thousand Euro, and fees for the board of statutory auditors, independent auditors, supervisory body, and internal audit of 117 thousand Euro.

The item **Amortization and depreciation** includes, among other things, the amortization of the portion of the asset in Rome, Via Zara, used for business purposes, amounting to 28 thousand Euro.

The item **Other costs and expenses** includes, among other things, ordinary costs for CONSOB and stock exchange fees and membership fees.

The item **Fair value adjustment of investment property** is negative and amounts to 241 thousand Euro. It reflects the change in fair value recorded, compared to December 31, 2024, based on the valuations prepared by the independent expert who estimated the market value of the assets in the portfolio as of June 30, 2025.

The item **Financial income/(expenses)** mainly includes income from the release of debt for interest withholdings of 528 thousand Euro following the positive response from the Italian Revenue Agency to the request for a ruling submitted in order to obtain confirmation of the exemption provided for by Directive 2003/49/EC (the so-called Interest and Royalties Directive) on interest due on loans granted by the parent company CPI PG. This provision had been allocated in relation to withholding taxes on interest accrued but not yet paid on loans contracted with CPI PG in 2021. Financial expenses include interest expense on loans granted by the parent company CPI PG for 67 thousand Euro; compared to the first half of 2024, there was a significant decrease in interest accrued during the period following the partial early repayment and partial write-off of the debt in December 2024.

The Company applies the specific regulations provided for in Article 1, paragraphs 119 et seq. of Law No. 296/2006 and the related implementing decree to income deriving from exempt operations, while it applies the ordinary rules of taxation for IRES and IRAP purposes to income deriving from non-exempt operations. As of June 30, 2025, ordinary operations show a tax loss and no deferred taxation has been recognized.

Balance sheet analysis

The following table shows the composition of NEXT RE's invested capital and sources of financing as of June 30, 2025, and December 31, 2024.

Table 10

(Values in € thousands)

Voce	30/06/2025	31/12/2024
A. Fixed capital	76.591	76.840
B. Net working capital	(164)	(1.000)
C. Assets held for sale	0	45.514
D=A.+B.+C. Invested capital	76.427	121.354
E. Shareholders' equity	(77.591)	(78.095)
F. Other non-current assets and liabilities	1.493	1.488
G. Liabilities related to assets held for sale	0	(46.097)
H. Long-term payables to banks and other lenders	(50)	(6.335)
I. Short-term payables to banks and other lenders	(6.084)	(509)
J. Available cash and cash equivalents	5.805	8.195
K.=H.+I.+J. Total financial debt	(329)	1.351
L.=E.+F.+G.+K. Sources of financing	(76.427)	(121.354)

COMPOSITION OF ITEMS:

A. Fixed capital: includes real estate investments, intangible assets, rights of use, other tangible assets and investments;

B. Net working capital: this includes trade receivables and payables and other current assets and liabilities;

F. Other non-current assets and liabilities: these include other non-current assets, employee benefits, provisions for risks and assets and liabilities relating to deferred and pre-paid tax assets and liabilities and non-current tax payables;

K. Total Financial Debt: is determined as required by Consob in Attention Notice no. 5/21 with evidence of the method of representation indicated in the Guidelines on disclosure requirements pursuant to EU Regulation 2017/1129 (so-called Prospectus Regulation) published by ESMA as further specified below.

Net working capital was negative by 164 thousand Euro.

Shareholders' equity, including profit for the period of 550 thousand Euro, amounted to 77,591 thousand Euro.

The balance of other non-current assets and liabilities amounts to 1,493 thousand Euro and refers to i) other non-current assets of 1,572 thousand Euro, ii) provisions for employee severance indemnities of -29 thousand Euro, iii) provisions for risks of -49 thousand Euro.

The following tables show NEXT RE's total financial debt as at June 30, 2025, and December 31, 2024, as required by Consob in "Attention Notice No. 5/21," highlighting the presentation method indicated in the Guidelines on disclosure requirements pursuant to EU Regulation 2017/1129 (the "Prospectus Regulation") published by ESMA. As of May 5, 2021, the Guidelines update the previous CESR Recommendations (including the references in Communication No. DEM/6064293 of July 28, 2006 on net financial position).

In this regard, the ESMA Guidelines provide for the following main changes to the debt statement:

- a. there is no longer any mention of “Net financial position,” but rather “Total financial debt”;
- b. non-current financial debt must also include trade payables and other non-current payables, i.e., payables that are not interest-bearing but have a significant implicit or explicit financing component;
- c. within current financial debt, the current portion of non-current financial debt must be disclosed separately.

Table 11
(Values in Euro thousands)

<i>Values in Euro thousands</i>	30/06/2025	31/12/2024
A. Cash and cash equivalents	5,805	4,541
B. Cash equivalents	0	3,654
C. Other current financial assets	0	0
D. Liquidity	5,805	8,195
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	0	0
F. Current portion of the non-current financial payable	(6,084)	(509)
G.= (E+F) Current financial debt	(6,084)	(509)
H.= (G-D) Net current financial debt	(279)	7,686
I. Non-current financial debt (excluding current portion and debt instruments)	(50)	(6,335)
J. Debt instruments	0	0
K. Trade payables and other non-current payables	0	0
L.= (I+J+K) Non-current financial debt	(50)	(6,335)
H+L Total financial debt	(329)	1,351

**values restated on the basis of Consob "Attention Notice no. 5/21"*

Total financial debt decreased from 1,351 thousand Euro at December 31, 2024, to -329 thousand Euro at June 30, 2025. Non-current financial debt was reclassified to the current portion of non-current financial debt for 5,814 thousand Euro relating to outstanding loans with CPI PG maturing in the first half of 2026. In addition, the same debt relating to loans with CPI PG decreased by 528 thousand Euro during the period due to the release to the income statement of the portion relating to the debt for interest withholdings following the positive response from the Italian Revenue Agency to the request for a ruling submitted in order to obtain confirmation of the exemption provided for by Directive 2003/49/EC (the so-called Interest and Royalties Directive) on interest due on loans granted by the parent company CPI Property Group S.A. (hereinafter also “CPI PG”). This provision had been allocated in relation to withholding taxes on interest accrued but not yet paid on loans contracted with CPI PG in 2021. Finally, current financial debt was reduced following the repayment of 243 thousand Euro in installments on Intesa San Paolo mortgage loans based on the current amortization plans. Cash and cash equivalents decreased from 8,195 thousand Euro at December 31, 2024, to 5,805 thousand Euro, also following the payment of the dividend for the 2024 financial year in May 2025..

Transactions with related parties

Information on transactions with related parties is provided below.

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

There were no significant transactions with related parties in the first half of 2024.

TRANSACTIONS AND RELATION WITH RELATED PARTIES OF LESSER IMPORTANCE

On **April 24, 2025**, the Company's Board of Directors, upon the proposal and with the favorable opinion of the Independent Committee, resolved to approve minor transactions with related parties relating to the short-term incentive compensation proposals for the Chairman of the Board of Directors and Director in charge of the Internal Control and Risk Management System, Mr. Mirko Bertaccini, the Chief Executive Officer, Giovanni

Naccarato, and the Manager responsible for preparing the company's financial reports and Chief Financial Officer, Francesca Rossi, all of whom are related parties of the Company pursuant to Article 2.1, letter a) of Next Re's Related Party Procedure (the "**OPC Procedure**").

The proposals relating to the determination of short-term incentive remuneration for the 2025 financial year ("**MBO**") for the aforementioned executive directors and the manager with strategic responsibilities were formulated by the Independent Committee to the Board of Directors in accordance with the Remuneration Policy approved by the Company's Shareholders' Meeting on April 23, 2024, for the three-year period 2024-2026 (the "**Remuneration Policy**"); these were considered individually for each beneficiary in accordance with the provisions of Communication no. DEM/10078683 of September 24, 2010.

Therefore, each transaction was classified as a related party transaction of minor significance, as the maximum value, even assuming the maximum level for the MBO of each beneficiary was reached, was significantly lower than the threshold of greater significance applicable in relation to the value index referred to in paragraph 1.1, letter a) of Annex 3 to Consob Regulation no. 17221/2010, amended by resolution no. 22144 of December 22, 2021 (the "**OPC Regulation**").

The exemption provided for in Article 9.1.(c) of the OPC Procedure concerning remuneration assigned in accordance with the Remuneration Policy and quantified on the basis of criteria that do not involve discretionary assessments did not apply. In fact, although the economic terms of the individual transactions are in line with the provisions of the Remuneration Policy, the transactions required a discretionary assessment.

The Independent Committee, which met on April 24, 2025, expressed its favorable opinion pursuant to Article 7, paragraph 1, letter a), of the OPC Regulation and Article 4.2 of the OPC Procedure, and subsequently, the Board of Directors, with the favorable opinion of the Board of Statutory Auditors, approved the individual transactions with the abstention of the directors concerned.

There are no transactions with related parties of minor importance other than those described above.

Legal and regulatory framework of Listed Real Estate Investment Companies (SIIQ)

The special regime for Listed Real Estate Investment Companies (“SIIQ”) – introduced and governed by Article 1, paragraphs 119-141-bis of **Law No. 296/2006**, as amended, and by the implementing provisions of the **Ministry of Economy and Finance Regulation No. 174/2007** (“MEF Regulation”) – provides for exemption from IRES and proportionally from IRAP taxation (the so-called Special Regime) on business income deriving, inter alia, from real estate leasing activities (the so-called “Exempt Management”). Income deriving from other activities possibly carried out by the SIIQ is instead subject to the ordinary IRES and IRAP regime (the so-called “Ordinary Management”).

The Special Regime has undergone amendments following Decree-Law No. 133/2014, known as the “Unlock Italy” Decree, converted with amendments by Law No. 164 of November 11, 2014. More recently, Article 1, paragraph 718 of Law No. 234 of December 30, 2021 (“2022 Budget Law”), amended, effective from January 1, 2022, Article 1, paragraph 125 of Law No. 296/2006, concerning the extension of the Special Regime to subsidiaries, as further detailed in the paragraph below titled “Requirements of the SIIQ Special Regime” (all of the above, together with Law No. 296/2006 and MEF Regulation No. 174/2007, jointly referred to as the “SIIQ Legislation”).

Requirements of the Special Regime for SIIQs

The requirements for access to the Special Regime required by the SIIQ Legislation can be summarised as follows:

(i) Subjective requirements

The Special Regime is available to companies that:

- a. are established as joint-stock companies listed in regulated markets in Italy or in EU or EEA member states included on the “White list” referred to in Ministerial Decree of 4 September 1996;
- b. mainly carry out real estate leasing activities.

The provisions of Art. 1, paragraph 125 of Italian Law no. 296/2006, as amended by Art. 1, paragraph 718 of the 2022 Budget Law, establish that the Special Regime may be extended, in the presence of a joint option, to joint stock companies, limited partnerships and limited liability companies, provided that the relative share capital is not less than that specified in Art. 2327 of the Italian Civil Code (€ 50,000), which are unlisted, resident in Italy, also primarily engaged in real estate leasing activities, as defined in paragraph 121 of Article 1 of Italian Law no. 296/2006, in which, alternatively:

- 1) a SIIQ or SIINQ (Unlisted Real Estate Investment Company) holds more than 50% of the voting rights at the ordinary shareholders' meeting and 50% of the profit sharing rights; or
- 2) at least one SIIQ or SIINQ and one or more other SIIQs or SIINQs or real estate FIAs (alternative investment funds) referred to in Art. 12 of M.D. no. 30 of 5 March 2015, whose assets are at least 80% invested in real estate for lease purposes or in investments in SIIQs or SIINQs or other real estate AIFs that invest in the same assets or rights in the same proportions, jointly hold 100% of the investment in its share capital, as well as voting rights in the ordinary meeting and profit sharing rights, provided that the SIIQ or SIINQ or the investing SIIQs or SIINQs hold at least 50% of the voting rights in the ordinary shareholders' meeting and profit sharing rights.

Since 2009 the Special Regime has also been extended to Italian permanent establishments - which mainly carry out real estate lease activities - of companies resident in EU or EEA member states included on the above-mentioned “White list”.

(ii) Statutory Requirements

The Articles of Association of the SIIQ must necessarily contain certain provisions and in particular:

- a. rules in terms of investments;
- b. limits to risk concentration on investments and counterparties;
- c. maximum leverage limit, individual and at group level.

(iii) Shareholding Structure Requirements

Paragraph 119 of Italian Law 296/06 also sets the following requirements:

- a. Control requirement: no shareholder may hold, directly or indirectly, more than 60% of the voting rights at the ordinary shareholders' meeting and more than 60% of the rights to participate in the profits of the SIIQ;
- b. Free float requirement: for this requirement to be met, at least 25% of the shares must be held by Shareholders who, at the time the option is exercised, do not directly or indirectly own more than 2% of the voting rights at the Ordinary Shareholders' Meeting or more than 2% of the rights to participate in profits (not required for companies already listed).

(iv) Objective requirements

Application of the Special Regime is subject to the condition that the companies concerned "*mainly carry out real estate lease activities*" (Art. 1, par. 121, Italian Law 296/2006 and Art. 1 of the Decree). This prevalence must be verified on the basis of two indices:

- a. Asset test: real estate properties intended for lease, investments in other SIIQs or SIINQs, investments in real estate funds and in qualified real estate SICAFs must represent at least equal to 80% of the assets;
- b. Profit test: during each year, income from lease activities, income from SIIQs or SIINQs, income from real estate funds and qualified real estate SICAFs, capital gains realised on properties intended for lease, must represent at least 80% of the positive components of the income statement.

Failure to comply with one of the prevailing conditions (asset test or profit test) for three consecutive years results in the definitive termination of the Special Regime and the application of the ordinary rules as from the second of the years considered. Failure to comply with both prevalence parameters for even just one tax period will result in the automatic forfeiture of the SIIQ Special Regime with effect from the same period.

(v) Additional provisions

- a. Companies that opt for the Special Regime have the obligation, in each financial year, to distribute to shareholders (i) at least 70% of the net profit deriving from real estate leasing activities, from the ownership of investments in SIIQ/SIINQ and in SICAF and qualified real estate funds (as resulting from the Income Statement of the relevant annual financial statements), if the total profit for the year available for distribution is equal to or higher than the exempt operating income, or (ii) at least 70% of the total profit for the year available for distribution, if this is lower than the profit deriving from the leasing activity and from the ownership of equity investments in SIIQ, SIINQ and qualified real estate funds or SICAF (so-called exempt management).
- b. Furthermore, there is the obligation to distribute, in the two financial years following the year of realisation, 50% of the income deriving from net capital gains realised on real estate properties intended for lease and on investments in SIIQ, SIINQ and qualified real estate funds or SICAF.

Failure to distribute the portion of exempt management profit subject to the mandatory distribution described above will result in the forfeiture of the special SIIQ scheme with immediate effect.

Causes of immediate termination of the Special Regime

Companies must meet the requirements set forth in paragraph 119 of Italian Law 296/06 within the first period of effectiveness of the SIIQ regime and for its entire duration. If one of the above-mentioned requirements - except for the free float requirement - is no longer met, the SIIQ regime will be terminated with effect from the same tax period.

In particular, the following constitute grounds for immediate termination of the SIIQ special regime:

- (i) the revocation of the admission to the listing of shares in regulated markets (it being understood that the mere temporary suspension of shares from trading does not constitute a cause for termination),
- (ii) non-compliance with the shareholding requirement, which requires no shareholder to directly or indirectly hold more than 60% of the voting rights at the Ordinary Shareholders' Meeting and more than 60% of the rights to share in profits; however, where the 60% shareholding requirement is exceeded as a result of extraordinary corporate transactions or transactions in the capital market, the special regime is suspended until the shareholding requirement is re-established (Italian Inland Revenue Circular no. 32/E/2015, in para. 2 "*Requirements and procedures for access to the regime*" states, moreover, that "*where the control requirement ...is exceeded for a limited period of time, it will be deemed as having been met, without interruption, for the entire tax period. It is understood that this requirement must be met at the end of the tax period considered...*").

The Company's exercise of the option and maintenance of the SIIQ regime

The Company exercised the option to access the Special Regime on September 7, 2016, with effect from the tax period beginning on January 1, 2017, and met all the requirements necessary for the application of the tax benefits provided for by the SIIQ Regulations (including the so-called "control" requirement) by the end of the 2017 financial year: consequently, the Special Regime takes effect from the first tax period for which the option was exercised (January 1, 2017). In the same manner in which the option was exercised (September 7, 2016), the Italian Revenue Agency was notified (January 17, 2018) of the integration of the participation requirements that were not met at the time the option was exercised.

It should be noted that, following the takeover bid launched by the controlling shareholder CPI PG, the latter came to hold more than 60% of the ordinary shares. Specifically, as of November 26, 2021, CPI PG held a total stake of 77.1078% of the Company's subscribed capital, represented by 16,983,075 voting shares, of which 11,012,055 shares were not admitted to trading (the "**Unlisted Shares**"), equal to all of the Company's unlisted shares, and 5,971,020 ordinary shares admitted to trading on the Euronext Milan market (equal to 54.22% of the total listed shares), with the consequent failure to meet the control requirement.

In order to allow the control requirement to be restored and the Company to maintain the Special Regime by December 31, 2021, on November 26, 2021, the Board of Directors convened the Shareholders' Meeting and submitted to it a proposal for the mandatory conversion, at a ratio of 1:1, of 11,012,055 unlisted ordinary shares into 11,012,055 Class B shares without the right to participate or vote at the Company's ordinary shareholders' meeting and with the same right to participate in the profits of the ordinary shares, which will be automatically and proportionally reduced to the extent necessary so that the right to participate in the profits of each shareholder holding Class B shares, taking into account any other ordinary shares held, is equal to - and, in any case, not greater than - 60% of the rights to participate in the profits of the Company.

On December 27, 2021, the Extraordinary Shareholders' Meeting unanimously approved the above-mentioned mandatory conversion, as a result of which CPI PG came to hold a total stake of 77.1078% of the Company's subscribed share capital, represented by (i) 5,971,020 ordinary shares with voting rights admitted to trading on the EXM market - equal to 54.22% of the share capital with voting rights at the Company's ordinary shareholders' meeting - and (ii) 11,012,055 Class B Shares, with the characteristics described above.

At the Ordinary Shareholders' Meeting to approve the 2022 financial statements, held on May 16, 2023, it emerged that CPI PG had increased its stake in ordinary shares (7,061,263 ordinary shares) corresponding to 64.11% of the capital with voting rights at the Company's ordinary shareholders' meetings and, as a result, the latter did not meet the control requirement as of December 31, 2022.

Following the reports and checks promptly carried out by the Company, CPI PG re-established the control requirement in June 2023 by selling 500,000 ordinary shares (see internal dealing communication of June 23, 2023).

Therefore, as of December 31, 2023, CPI PG held a total stake of 79.79% of the Company's total subscribed share capital, represented by (i) 6,561,263 ordinary shares with voting rights admitted to trading on the EXM market - equal to 59.57% of the share capital with voting rights at the Company's ordinary shareholders' meeting - and (ii) 11,012,055 Class B shares, with the characteristics described above.

As anticipated, pursuant to Article 1, paragraph 119, of Law No. 296/06, if the control requirement is exceeded at the end of the tax period as a result of extraordinary corporate transactions or capital market transactions, the Special Regime is suspended until the requirement is reestablished. The suspension is a different and additional scenario compared to the termination of the Special Regime, from which it differs in that, once the control requirement is restored, it is possible to reapply the Special Regime starting from the tax period in which it occurs, without the need to exercise a new option and pay a new "entry tax." Therefore, in the case in question, since the control requirement was verified positively on December 31, 2023, the suspension of the application of the Special Regime for the Company concerned only the 2022 tax period, with the consequent redetermination of taxable income and the subjection of the entire income produced by the Company in that year to IRES and IRAP according to the ordinary applicable taxation rules.

As is well known, the recalculation of taxes due for the year 2022 resulted in the Company having to pay an additional IRAP (regional business tax) of €64 thousand and recognizing a loss of €3.5 million for IRES (corporate income tax) purposes, to be transferred to the tax consolidation to which the Company adheres. On November 3, 2023, the Company paid the additional IRAP to the tax authorities, in addition to penalties and interest, resulting from the recalculation of taxes due for the 2022 tax period according to the ordinary rules for determining them.

In light of the above, the Company resumed application of the Special Regime starting from the 2023 tax period. The reinstatement of the control requirement and the end of the Special Regime suspension period were duly and promptly communicated to the Revenue Agency.

As of June 30, 2025, CPI PG continues to hold a total stake of 79.79% of the Company's total subscribed share capital, represented by (i) 6,561,263 ordinary shares with voting rights admitted to trading on the EXM market - equal to 59.57% of the share capital with voting rights at the Company's ordinary shareholders' meeting - and (ii) 11,012,055 Class B shares, with the characteristics described above.

With reference to the prevalence tests carried out on June 30, 2025, these showed that both the asset test and the income test were above 80% and therefore the objective requirements were maintained on that date.

Risk management

MAIN RISKS AND UNCERTAINTIES TO WHICH NEXT RE IS EXPOSED

During the first half of 2025, NEXT RE faced a series of risks, identified as financial, operational, ESG, climate change, strategic, and compliance risks. To control, prevent, and minimize these risks, the company applies the international principles of Enterprise Risk Management (ERM), a risk management technique that aims to protect NEXT RE from the possible materialization of these risks through the use of various tools. In accordance with the principles of the Corporate Governance Code for Listed Companies, the Board of Directors: (i) appointed the Director responsible for the Internal Control and Risk Management System (ii) established an "Independent Committee" with propositional and advisory functions in matters of controls, risks, appointments, remuneration, transactions with related parties, investments, and divestments. The Committee is made up of "Independent" Directors who monitor the process of identifying the main business risks, which identifies the risk factors for the Issuer, including all risks that may be significant in terms of the medium- to long-term sustainability of the company's business. The Internal Control and Risk Management System is a set of rules, procedures, and organizational structures designed to monitor compliance with corporate strategies, the effectiveness and efficiency of business processes, compliance with laws and

regulations, as well as the Articles of Association, corporate rules, and procedures. This System must aim to facilitate the identification, measurement, management, and adequate monitoring of the risks assumed by the Issuer and the degree of its exposure to risk factors, taking into account the possible correlations between the various risk factors, the significant probability of the risk occurring, the impact of the risk on business operations, and, finally, the extent of the risk as a whole. Essentially, it must allow the company to deal with the various types of risk to which it is exposed over time, such as operational, market, liquidity, credit, settlement, legal, reputational, etc., in a reasonably timely manner.

1. FINANCIAL RISKS

The company's activities expose it to the following financial risks: *market risk, interest rate risk, credit risk, and liquidity risk.*

1.1 Market Risks

Real estate investments are measured at fair value, and changes in fair value are recognized in profit or loss for the period. Therefore, fluctuations in the real estate market resulting from adverse changes in macroeconomic variables may affect the Company's results. Market risk is the risk of losses associated with fluctuations in the prices of properties in the portfolio. This risk also includes the effects of property vacancy rates (known as vacancy risk).

Market risk thus includes price risk, which can be identified as the risk of depreciation of a financial instrument or real estate portfolio as a result of unfavorable market trends. As NEXT RE is a company operating in the real estate market, it is therefore subject to the aforementioned risk. The monitoring of risks related to price changes is also ensured with the support of independent experts. The real estate portfolio consists mainly of high-quality properties and is diversified within large urban centers, particularly Milan and Rome, cities whose real estate markets are less volatile than those of secondary cities. In terms of vacancy risk, the Company favors long-term leases and implements an active asset management process aimed at understanding tenants' needs and maximizing their satisfaction.

1.2 Interest rate risk

The risk of losses arising from the financing of operating activities, in particular, consists of an increase in financial expenses resulting from rising interest rates. The granting of fixed-rate intercompany loans mitigates the Company's exposure to the risk of interest rate fluctuations. With regard to existing loans taken out in the past at variable rates, the Company, as part of the guidelines of the Business Plan approved by the Board of Directors on February 6, 2023, had begun a rationalization and streamlining of the Company's economic and financial structure, which provided for the early repayment of almost all variable-rate loans using existing cash. As of June 30, 2025, almost all financial debt is remunerated at a fixed rate.

1.3 Credit risk

Credit risk, or counterparty default risk, arises from the loss that the Issuer may incur due to the inability of a contractual counterparty to fulfill its obligations, in particular its payment obligations. In this regard, it should be noted that the Company's investment strategy favors counterparties with high credit standing. It is believed that the write-downs already made are representative of the actual risk of uncollectibility. With regard to bank deposits, it should be noted that the Company operates on a continuous and long-term basis with counterparties of primary standing and with adequate credit ratings, thereby limiting the associated credit risk.

1.4 Liquidity risk

Liquidity risk is the risk that the Issuer will encounter difficulties in meeting future obligations associated with financial and commercial liabilities to the extent and on the dates specified.

As of June 30, 2025, the Company had cash and cash equivalents of 5,805 thousand euro and financial debt of 6,135 thousand euro, of which 6,084 thousand euro is due within the next twelve months. The Company periodically updates its financial forecasts in order to monitor and promptly identify any actions to be taken.

2. OPERATIONAL RISK

Operational risk is the risk of incurring losses resulting from the inadequacy or malfunctioning of procedures, human resources, and systems, or from external events. Operational risks are addressed through the adoption of appropriate internal procedures and the implementation of an internal control system.

Operational risks translate into the risk that assets may not meet certain characteristics—required by new regulations, increased management costs, or the ever-growing expectations of stakeholders—and lose value in terms of both rent and fair value.

2.1 Risk of Tenants

This risk is mitigated by specific provisions set forth in the Company's bylaws, which stipulate that the Company shall not generate—either directly or indirectly—rental income from a single tenant or from tenants belonging to the same corporate group in excess of two-thirds of the Group's total rental income. The above-mentioned 30% threshold does not apply in cases where the Company's real estate assets are leased to tenants that are part of a nationally or internationally recognized corporate group..

2.2 Reputational Risk

Reputation has been assessed as a form of trust in the future and, consequently, reputational risk is the loss of this trust, generated as a result of a series of negative choices or operational errors. This results in a loss of "trust" or "credibility" in the company on the part of customers, shareholders, investors and counterparties. The Company mitigates this risk with an appropriate organisational structure and actions deemed useful for improving corporate communication through procedures designed to regulate relations with stakeholders and investors.

3. ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) AND CLIMATE CHANGE RISKS

3.1 Climate risk

Although the Company is not subject to sustainability reporting obligations under Legislative Decree No. 125/2024, it places significant emphasis on climate-related matters. In particular, while it does not conduct a structured double materiality assessment, the Company periodically re-evaluates which climate-related sustainability issues may generate impacts, risks, and opportunities, following the double materiality approach.

Where material negative impacts—either potential or actual—are identified (impact materiality), or where risks of deterioration in financial performance or asset value are observed (financial materiality), the Company undertakes to implement policies and actions aimed at preventing, mitigating, or remediating such impacts or financial risks.

The selection of climate-related issues takes into account Application Requirement No. 16 of ESRS 1 under the European Sustainability Reporting Standards, which the Company voluntarily adopts as a best practice, and supplements as necessary with entity-specific issues relevant to its business model.

Given the nature of the Company's investment activities, the assessment of potential impacts, risks, and opportunities arising from climate-related sustainability issues is conducted across short-, medium-, and long-term time horizons.

3.2 Physical risk

The physical risk to real estate assets refers to the potential loss of value or functionality of properties due to natural events, climate change, or structural deterioration. This risk can manifest as immediate damage caused by extreme events, or as gradual deterioration over time.

To manage and minimise this risk, the company takes a proactive approach involving prevention, mitigation and, where necessary, remediation policies and actions. These include periodic property condition

assessments, preventive maintenance programme implementation, structure adaptation to the latest safety standards and comprehensive insurance policy subscription. Additionally, the company carefully considers physical risk factors when making investment and divestment decisions, with the aim of optimising the long-term resilience of its property portfolio.

3.3 Transition Risk

Transition risk in the context of real estate refers to the potential risks arising from the transition to a low-carbon economy. These risks include possible regulatory changes, evolving market preferences, and technological innovations that could affect the value and competitiveness of properties.

To manage and mitigate this risk, the company has adopted a multi-level strategy based on prevention, mitigation and, where necessary, remediation policies and actions. These include implementing advanced energy monitoring systems, investing in energy efficiency and sustainable technologies, attaining recognised environmental certifications (such as BREEAM in Use) for key assets and integrating climate sustainability issues into investment and management decision-making processes. Furthermore, the company maintains an ongoing dialogue with stakeholders to anticipate and adapt to evolving market demands regarding climate sustainability, thereby ensuring the competitiveness of its property portfolio in the context of the energy transition.

3.4 Risk of asset devaluation due to non-compliance with green standards

The risk of real estate assets losing value due to non-compliance with green regulations or market sustainability expectations is a critical challenge in the sector. This risk manifests in two main ways: tenants may exercise early termination options or choose not to renew leases if properties do not meet their sustainability requirements, and investors may lose interest in assets that do not align with green standards, potentially leading to depreciation. The combined effect of these factors could result in a significant loss of value for non-compliant properties.

To mitigate this risk, the company is adopting a multifocal strategy that includes continuous analysis of the gap between properties' current performance and required standards, implementation of energy and environmental upgrade plans, constant dialogue with tenants and investors to anticipate their needs and integration of ESG criteria into investment and management decisions. This approach aims to maintain the attractiveness of the assets for both tenants and investors, thereby preserving their long-term value.

3.5 Mitigation of ESG risks

The company recognises that transitioning to a low-carbon, sustainable, resource-efficient circular economy in line with the United Nations' Sustainable Development Goals is fundamental to ensuring the long-term competitiveness of the European Union and the global economy. It is continuing the process of adapting its operational and organisational structure, which began in 2021, with the aim of incorporating ESG risk monitoring and management principles and criteria into its operational management and investment processes.

On 28 May 2024, the updated Sustainability Policy was approved. This policy aims to collect, organise and implement the actions and processes necessary to integrate the ESG sustainability principles to which the company intends to adhere. It also identifies the specific cross-cutting actions needed to implement these ESG components in Next Re's strategy and operations. Following the aforementioned Sustainability Policy approval, the technical committee was reconstituted to guide, monitor and support the Board of Directors on ESG issues (the 'ESG Committee').

In line with the Company's sustainability strategy, all assets have already obtained BREEAM International-In Use 2015 – Part 1 (Asset Performance) certification. The Company is currently awaiting certification under the new BREEAM protocol for two assets, and assessments are underway for a possible transition to the new protocol for the remaining assets.

With regard to transition risks and their potential impact on the fair value assessments of the real estate portfolio, as previously mentioned, the company has started to integrate ESG factors into its business model. As part of this process, an analysis has been carried out to identify potential interventions on assets aimed at reducing their environmental impact, and this analysis is ongoing. Currently, however, there are no objective parameters or specific databases available to accurately reflect the impacts related to ESG issues in property valuations. Nevertheless, properties that achieve good or excellent levels of energy efficiency are valued differently in the property market as they are more attractive to higher-end tenants.

It should also be noted that NEXT RE's insurance policies for its property portfolio include an 'all risks' clause, which protects the property in the event of adverse weather conditions.

3.6 Impact of the risk of climate change on financial statement items and on the use of accounting standards

For information on the impact of climate change on balance sheet items, please refer to the Explanatory Notes on the condensed half-yearly and annual financial statements in the chapter on Valuation criteria and accounting principles, specifically the paragraphs on Investment property, Provisions for risks and charges, Financial liabilities, and Use of estimates and assumptions.

4. STRATEGIC RISK

Strategic risk consists of the actual or potential risk of an impact on revenues or capital resulting from incorrect business decisions related to the company's strategic objectives, business strategies and resources used to achieve strategic objectives.

The Company mitigates this risk by implementing a strategic planning process and investment analysis and evaluation, in line with the Business Plan.

5. COMPLIANCE AND LEGAL RISK

Compliance risk refers to the possibility of facing legal or administrative penalties, financial losses or reputational damage due to violations of self-regulatory rules, laws, regulations or measures imposed by supervisory authorities.

Legal risk is defined as the risk of loss or reduction in the value of portfolio assets due to contracts or legal documents that are inadequate, incorrect, or contain significantly onerous clauses. As this risk is a manifestation of operational risk, it is necessary to diagnose the cause of any loss or reduction in portfolio value.

This section includes risks relating to liability under Legislative Decree 231/01, penalties for violating regulations governing listed companies, liability under Law 262/05 and the risk of not meeting the requirements of the SIIQ regime.

- Liability under Legislative Decree 231/01: the company has adopted an 'Organisational Model' under Legislative Decree 231/01, as described in more detail in the 'Organisational Model and Code of Ethics' section relating to compliance with Legislative Decree 231/2001.
- Sanctions related to the violation of regulations governing listed companies: The company ensures constant monitoring of compliance with applicable regulations for listed companies, particularly those on market abuse (EU Regulation 596/2014 and related European and national provisions, including Legislative Decree No. 107 of 10 August 2018), transactions with related parties (Consob Regulation 17221/10) and disclosure obligations (Legislative Decree 58/98 and Consob Regulation 11971/99). The Company also constantly monitors developments in market legislation and regulations, as well as their possible impact on the Company's compliance obligations.
- Liability pursuant to Law 262/05: application of sanctions relating to the responsibilities of the manager responsible for preparing accounting and corporate documents.

The measures adopted to monitor risk exposure and mitigate impacts are described below. In accordance with this law, the company has adopted an administrative and accounting control system for financial reporting. This system is designed to provide adequate certainty that the economic, equity and financial information produced is true and fair, and that it is prepared in accordance with appropriate administrative and accounting procedures. This applies to the preparation of the annual and half-yearly financial statements, and financial reporting in general. Implementation and verification activities are referred to the internal structure operating under the instructions and supervision of the Manager in charge, who is appointed by the Board of Directors in accordance with the law's provisions.

Maintenance of SIIQ regime requirements

Maintaining SIIQ status requires compliance with the subjective, participatory, objective and statutory requirements set out in the relevant legislation. NEXT RE is exposed to the risk of no longer meeting some of these requirements and, as a result, losing its SIIQ status. Should this occur, the Company would lose the tax benefits associated with this regime, particularly the exemption from income tax on rental income. Furthermore, NEXT RE would not be required to distribute dividends under the terms of the SIIQ regulations.

The company constantly monitors compliance with tax regulations and verifies that the income and asset requirements of the SIIQ regime are met. The measures adopted to monitor risk exposure and mitigate impacts are as follows: assessments of the adopted tax model are examined with the support of specialised professionals and the Administrative Department, which monitors changes in regulations and accounting processes. In particular, separate accounts are kept for taxable and tax-exempt operations. The management team conducts asset and profit tests, as well as monitoring the composition of the shareholding and control structures, on a half-yearly basis and in advance in the event of extraordinary transactions. This ensures compliance with the requirements established by the regulations.

With regard to compliance with the participation requirements (including the 'control' requirement), please refer to the previous paragraph of this report entitled 'Legal and regulatory framework of SIIQs'.

Furthermore, as of 30 June 2025, all objective requirements, including capital and income requirements, have been met. Regarding the Asset Test, the value of properties intended for lease exceeds 80% of the total asset value. Regarding the Profit Test, revenue from leasing owned properties or other real rights exceeds 80% of the positive components of the income statement.

Regarding the individual statutory requirements, the following should be noted: Article 4 of the Articles of Association provides for the following:

(1) Investment rules:

'The Company shall not invest in a single property with uniform urban and functional characteristics: (i) directly, in an amount exceeding two thirds of the total value of its real estate assets; and (ii) directly and/or through subsidiaries, real estate funds and other real estate investment vehicles, in an amount exceeding two thirds of the total value of the real estate assets of the group to which it belongs.' In this regard, it should be noted that in the case of development plans subject to a single urban planning project, portions of the property subject to individual and functionally independent building permits, or portions equipped with sufficient urbanisation works to ensure connection to public services, cease to have uniform urban and functional characteristics.

(2) Limits on investment and counterparty risk concentration.

'The Company may not generate: (i) directly, rental income from the same tenant, or from tenants belonging to the same group, in excess of two-thirds of the Company's total rental income; and (ii) directly, or through subsidiaries, real estate funds and other real estate investment vehicles, rental fees from the same tenant, or from tenants belonging to the same group, in excess of two-thirds of the Group's total rental fees.' This limit does not apply if the company's real estate assets are leased to tenants belonging to a nationally or internationally important group.

(3) The maximum financial leverage limit.

The Company may assume: (i) Direct financial debt (including financial debt to subsidiaries and the parent company), net of cash and cash equivalents, and financial receivables from the parent company, up to a total nominal value of 70% of the sum of the total value of its real estate assets, the carrying amount of investments in subsidiaries and financial receivables from subsidiaries. (ii) Directly and through subsidiaries, real estate funds and other real estate investment vehicles, consolidated financial debt (including to the parent company), net of cash and cash equivalents, and financial receivables from the parent company, for a total nominal value not exceeding 70% of the total value of the group's real estate assets. These limits may be exceeded in exceptional circumstances or circumstances beyond the company's control. Unless the shareholders and/or the company have a different interest, the excess may not continue for more than 24 months.

The rules on real estate investments, risk concentration limits and financial leverage, as set out in points (1), (2) and (3) above, shall apply for as long as the company retains its SIIQ status. Upon loss of SIIQ status and the definitive termination of the special regime for listed real estate investment companies, as provided for by applicable legislation and regulations, these rules shall cease to have effect.

It has been confirmed that the limits referred to in points (1), (2) and (3) above have not been exceeded.

As described in the previous section of this report, entitled 'Legal and regulatory framework of SIIQs', the Special Regime was suspended for the 2022 tax period due to CPI PG's temporary failure to meet the control requirement. This was promptly reinstated in June 2023, resulting in the redetermination of taxable income and the application of ordinary taxation rules to the entire income received by the company. The reinstatement of the control requirement in June 2023, together with compliance with the additional requirements set out in the regulations, allowed the company to return to applying the Special Regime from the 2023 tax period. This was duly and promptly communicated to the Revenue Agency.

As anticipated, the control requirement and the additional participation requirements are met as of 30 June 2025. Please refer to the previous paragraph entitled 'Legal and regulatory framework of SIIQs'.

Corporate Governance

On 26 July 2024, the Board of Directors approved an update to the Organisation, Management and Control Model (hereinafter referred to as the '**MOGC**' or '**Organisational Model**') pursuant to Legislative Decree 231/2001. This update consists of a General Section, a Special Section, the Code of Ethics, the List of Predicate Offences and additional annexes to the General Section.

Through this update, the company has made certain formal revisions to adapt the MOGC to changes in its organisational structure, in terms of both the nomenclature of the departments/operating units and the prevention protocols designed to ensure the suitability of the internal control and risk management system. The general section has remained substantially unchanged, with the special section being integrated through the introduction of new phases/macro-processes susceptible to the possible commission of offences falling within the scope of Legislative Decree 231/2001.

In particular, the following have been integrated into the mapping of crime-risk areas and the related control protocols: (i) a new "Sustainability" macro-process within the Governance processes; (ii) a new "Evaluation Criteria" phase within the "Independent Expert" macro-process.

These changes to the organisational model were reviewed and validated by the Supervisory Body in accordance with Legislative Decree 231/2001 and supported by a leading advisor.

Equity investments held by directors and members of the board of statutory auditors

As of 30 June 2025, none of the members of the Board of Directors or the Board of Statutory Auditors holds any shares in NEXT RE's share capital, either directly or indirectly via subsidiaries, trust companies or intermediaries.

Other information on the management

Personnel and organisational structure

As of 30 June 2025, the workforce consists of four employees, including two executives. One of these executives is the Chief Financial Officer and Manager, responsible for preparing the company's financial reports pursuant to Articles 154-bis of the Consolidated Law on Finance and 21-bis of the Articles of Association. This executive is Dr Francesca Rossi.

Research and development activities

The Company did not engage in any research and development activities during the first half of 2025.

Treasury shares and/or shares of parent companies

As of 30 June 2025, the company held a total of 38,205 treasury shares directly, equivalent to 0.17% of the share capital.

Relationships with subsidiaries, associates, parent companies and companies subject to the control of parent companies

For information on the nature of the relationships between group companies and related parties, please refer to the description in Annex 1: 'Related party transactions' in the explanatory notes to the condensed interim financial statements.

Secondary offices

As of June 30, 2025, the Company has no branch offices or local units.

Processing of personal data pursuant to Legislative Decree 196/2003

The company processes personal data in compliance with EU Regulation 679/2016 and Legislative Decree 196/2003 (as amended).

As the data controller, the Company undertakes to protect the confidentiality and rights of data subjects. In accordance with the aforementioned regulations, the processing of the provided data is based on the principles of correctness, lawfulness and transparency.

Certification pursuant to Article 2.6.2, paragraph 9 of the Regulations of the Markets organized and managed by Borsa Italiana S.p.A.

The Board of Directors of NEXT RE certifies that the conditions set out in Article 16 of the Regulations, as adopted by Consob Resolution No. 20249 on 28 December 2017 concerning markets, are met.

Right to opt out of the obligation to publish an information document in the event of significant transactions

In accordance with Article 3 of Consob Resolution No. 18079 dated 20 January 2012, we hereby announce that the Company is availing itself of the exemption set out in Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Issuers' Regulations.

Definition of SME

With reference to the definition of SME, as per Article 1, paragraph 1, letter w-quater.1) of the Consolidated Law on Finance, it should be noted that, as of the date of this financial statement, the Company falls within this definition as it has a turnover of less than €300 million and a market capitalization of less than €500 million.

Certifications

On August 7, 2019, the Company obtained ISO 9001:2015 certification, effective July 25, 2019, which was renewed on June 10, 2022, and July 8, 2025.

Intangible resources

Intangible resources are resources that have no physical substance on which the business model depends, are a source of value creation for the company, and are not always included in the balance sheet. They are divided into three categories: i) human capital, understood as the value provided by employees through the application of their skills, experience, and knowledge; ii) relational capital, understood as the intrinsic value in a company's relationships with its tenants, suppliers, investors, and other key players; iii) knowledge and structural capital, understood as the value created by a company through its innovations, processes, or locations. In addition to real estate investments, other tangible and intangible assets, and rights of use recorded in the balance sheet, there are other intangible resources not represented in the balance sheet, such as human resources, tenants, suppliers, end users of leased properties, and investors who play different roles in the SIIQ business model and are key resources for value creation that will help ensure the Company's success and future sustainability.

The Company pursues the goal of sustainable success through the actions of the Board of Directors, which conducts its activities with an eye to the future, orienting business strategies towards the creation of value for shareholders, taking into account the interests of the Company's other stakeholders in the medium and long term. For further information on the corporate governance system and ownership structure, as well as on the concept of value-oriented corporate governance, please refer to the Corporate Governance and Ownership Structure Report. For information on the shareholding structure, please also refer to the Shareholding Structure as of June 30, 2025 section of this Interim Management Report.

For information on employees, please refer to the Personnel and Organizational Structure section of this Management Report and to Note 10. Employee Benefits of the condensed half-year financial statements.

For information on tenants, please refer to the Real Estate Portfolio section of this Interim Management Report.

Foreseeable performance trend

As set out in the 2025-2029 Business Plan, approved on March 12, 2025, the Company will continue along the path already embarked upon, according to the following drivers: (i) capital increases in kind for €150 million over the period 2026-2028, aimed at increasing the size, quality, and performance of the real estate portfolio; (ii) the repayment of the remaining debt exposure maturing in 2025 and 2026 using existing financial resources and those generated by operations, which may make the Company more attractive to potential institutional investors who could contribute to the capital increase process.

The management of the real estate portfolio will also continue, focusing on consolidating long-term relationships with tenants of primary standing, with a constant commitment to improving the quality and sustainability of individual assets and the portfolio as a whole.

EPRA performance indicator

This section of the financial report presents a number of performance indicators, which are calculated in accordance with the best practices defined by EPRA (European Public Real Estate Association) and set out in the EPRA Best Practices Recommendations guide. Specifically:

EPRA earnings is an indicator of a company's operating performance. They represent income generated, net of fair value adjustments, capital gains and losses arising from the sale of properties and other limited items. The content of this indicator has been supplemented by the publication of an update to the Best Practices Recommendations Guidelines 2024. These do not represent a company's core activities.

NET ASSET VALUE METRICS: these are the main performance indicators that provide stakeholders with information on the fair value of the company's assets and liabilities. They are calculated by adjusting the net equity reported in the financial statements in accordance with IFRS. This adjustment excludes certain assets and liabilities that are not expected to occur under normal operating conditions in the long term.

In October 2019, EPRA introduced three new net asset value indicators through its best practices recommendations: **EPRA Net Reinstatement Value (NRV)**, **EPRA Net Tangible Assets Value (NTA)** and **EPRA Net Disposal Value (NDV)**. These replace the previous indicators: EPRA NAV² and EPRA NNAV³. The new indices express the value of net assets for stakeholders, assuming different reference contexts.

NET REINSTATEMENT VALUE (NRV): This indicator aims to highlight the long-term value of net assets. It represents the repurchase value of the company assuming it does not sell real estate. It is calculated based on the group's net assets (as reported in the financial statements in accordance with IFRS), excluding certain assets and liabilities that are not expected to arise under normal operating conditions. These include the fair value of hedging derivatives and deferred tax.

NET TANGIBLE ASSETS (NTA): the assumption underlying the calculation of this index is that the company buys and sells real estate, with an impact on the company's deferred taxation. It represents a scenario where some properties could be sold. As of June 30, 2025, the Company has not recognized any deferred taxes, therefore no value is considered in the calculation of these indicators. Unlike NRV, the value of goodwill and intangible assets recorded in the financial statements is also excluded from the Group's net assets.

NET DISPOSAL VALUE (NDV): represents the value for stakeholders in a scenario of sale of the company, in which deferred taxes, financial instruments, and other adjustments are calculated to the maximum extent of their liability net of the related tax effect. In this sale scenario, the Group's equity is adjusted to take into account the fair value of the financial debt.

EPRA Cost Ratios: these are indicators intended to make the company's relevant structural and operating costs more comparable. They are calculated as a percentage of operating and general costs, net of management fees and other limited items that do not represent the company's activity, on gross rental income. There are two EPRA Cost Ratios: gross and net of direct vacancy costs.

EPRA Net Initial Yield (NIY): is a performance measurement index that expresses the ratio between annualized end-of-period rental income (including variable and temporary revenues), net of non-recoverable operating costs, and the market value of the real estate portfolio, net of properties under development.

² **EPRA Net Asset Value (NAV):** represented the Fair Value of net assets considering a long-term time horizon and business continuity; it is calculated starting from the relevant shareholders' equity (as reported in the financial statements according to IFRS principles) excluding certain assets and liabilities that are not expected to arise under normal business conditions, such as the Fair Value of hedging derivatives or deferred taxes on market valuations of real estate and hedging derivatives.

³ **EPRA Triple Net Asset Value (NNAV):** represented the value of the relevant equity by including in the calculation the Fair Value of the main equity components that are not included in the EPRA NAV, such as (i) hedging financial instruments, (ii) financial debt and (iii) deferred taxes.

EPRA “topped-up” NIY: this is a performance measurement index obtained by adjusting the EPRA Net Initial Yield with annualized end-of-period rental income (including variable and temporary revenues) and at full capacity, i.e., excluding any temporary incentives (such as rent reductions and step-ups).

EPRA Vacancy Rate: measures the vacancy rate of the portfolio as the ratio between the estimated market rent (ERV) of unoccupied premises and the ERV of the entire portfolio.

Like-for-like Rental Growth: measures the growth rate of rental income for the same scope (assets present for the entire current year and the previous year).

In February 2022, EPRA introduced a new financial indicator, **EPRA LTV (Loan-to-Value)**, which expresses the company's leverage from the shareholders' perspective, through an update of the Best Practices Recommendations Guidelines 2022.

The table below summarizes the main performance indicators obtained from the application of the EPRA Best Practices Recommendations, compared with the results for the previous year and December 31, 2024.

Table 12

	30/06/2025		30/06/2024		Δ Y-Y	Δ Y-Y (%)
	€ thousand	€ for share	€ thousand	€ for share		
EPRA Earnings	263	0.01	414	0.0	(151)	36.5%
	%		%			
EPRA Cost Ratio (including direct vacancy costs)	79.4%		64.3%		15.1%	
EPRA Cost Ratio (excluding direct vacancy costs)	79.4%		64.3%		15.1%	
LIKE FOR LIKE RENTS	1.0%		5.3%		-4.3%	

	30/06/2025		31/12/2024		Δ Y-Y	Δ Y-Y (%)
	€ thousand	€ for share	€ thousand	€ for share		
EPRA NRV	77,591	3.5	78,095	3.5	(505)	-0.6%
EPRA NTA	77,591	3.5	78,083	3.5	(492)	-0.6%
EPRA NDV	77,665	3.5	78,408	3.6	(743)	-0.9%
	%		%			
EPRA LTV	0.6%		-0.4%		1.0%	
EPRA Net Initial Yield	4.7%		4.5%		0.2%	
EPRA "Topped-up" Net Initial Yield	5.5%		5.0%		0.5%	
EPRA vacancy rate	0.0%		0.0%		0.0%	

The EPRA Earnings indicator is calculated by adjusting net income for non-cash items (write-downs, fair value adjustments of properties and financial instruments recognized in the income statement, any write-downs and revaluations of goodwill), non-recurring items (capital gains and losses arising from the sale of properties, profits from trading activities with related current taxes, costs relating to the early termination of loans), deferred taxes relating to the fair value of properties and financial instruments recognized in the income statement, and the same adjustments indicated above pertaining to third parties.

As of June 30, 2025, the indicator shows a positive value of 263 thousand Euro, down by approximately 151 thousand Euro compared to last year. The change is attributable to the combined effect of i) the reduction in NOI due to the sale of the asset located in Milan, via Spadari, ii) lower financial expenses incurred by the Company following the partial repayment of the loan to the Parent Company, and iii) the adjustment made in the calculation to take into account the write-off of the debt to related parties in relation to the previous point.

The EPRA Cost Ratio at June 30, 2025 shows an increase from 64.3% last year to 79.4%, mainly because last year's NOI included €819 thousand relating to the difference between rental income and costs associated with the asset in Milan, Via Spadari, which was sold with effect from December 20, 2024. Other costs are in line with the same period of the previous year.

The Company has no vacant properties, therefore the related costs are zero.

As of June 30, 2025, there are no operating costs capitalized on the value of the properties.

Like-for-like rental growth is calculated on the basis of rental income recognized in accordance with IFRS 16. Rental income relating to the real estate portfolio decreased compared with the same period last year, mainly due to lower ISTAT adjustments. On a like-for-like basis, revenues are in line with those recorded at June 30, 2024.

EPRA NAVs remained essentially unchanged compared to June 30, 2024, decreasing by less than one percentage point.

The EPRA LTV indicator is obtained by comparing the Company's net debt to the market value of the assets in the portfolio and measures the sustainability of the financial debt related to the real estate assets.

The EPRA LTV stands at 0.6% (compared to -0.4% in December 2024), an increase of approximately 1 p.p. due to the combined effect of the increase in net debt and the reduction in the value of investment property, which reflects, in addition to the adjustment of the value to fair value, the effects of the sale of the asset in Milan, via Spadari.

EPRA NIY increased slightly compared to the value recorded at December 31, 2024, due to the effect of the reduction in the value of the real estate portfolio.

3. CONDENSED HALF-YEAR FINANCIAL STATEMENTS OF NEXT RE SIIQ S.P.A.

Financial statements of NEXT RE

The financial statements are drawn up in Euro units.

Statement of financial position

	Note	30/06/2025	of which related parties	31/12/2024	of which related parties
ASSETS					
Non-current assets					
Investment property	1	74,820,000	-	75,060,543	0
Other property, plant and equipment	2	1,695,318	-	1,685,133	0
Rights of use	3	75,691	-	81,769	0
Intangible assets	4	-	-	12,224	0
Other non-current assets	5	1,571,552	-	1,549,685	0
Total non-current assets		78,162,561	-	78,389,354	0
Current assets					
Receivables and other current assets	6	1,024,974	194,524	443,999	0
Available cash and cash equivalents	7	5,804,549	-	8,194,882	0
Total current assets		6,829,523	194,524	8,638,881	0
Asset classified sale	8	-		45,513,885	
Total assets		84,992,084	194,524	132,542,120	0
EQUITY					
Share capital		63,264,528	0	63,264,528	0
Share premium reserve		22,931,342	0	22,931,342	0
Other reserves		12,823,136	0	12,457,956	0
Profits/(Losses) carried forward		(22,036,084)	0	(22,229,038)	0
Other items of the comprehensive income		57,583	0	56,095	0
Profits/(Losses) carried forward for the period		550,318	0	1,614,479	0
Total Shareholders' equity	9	77,590,823	0	78,095,362	0
LIABILITIES					
Non-current liabilities					
Employee benefits	10	28,990	-	26,525	0
Provisions for risks	11	49,155	-	35,043	0
Payables to banks and other lenders	12	50,379	-	6,335,145	6,274,622
Total non-current liabilities		128,524	-	6,396,713	6,274,622
Current liabilities					
Payables to banks and other lenders	12	6,084,475	5,813,727	509,231	0
Trade payables and other payables	13	1,188,262	491,057	1,443,534	619,154
Total current liabilities		7,272,737	6,304,784	1,952,765	619,154
Liabilities linked to assets classified for sale	14	-		46,097,280	
Total liabilities		7,401,261	6,304,784	54,446,758	6,893,776
		-	-	-	0
Total liabilities and Shareholders' equity		84,992,084	6,304,784	132,542,120	6,893,776

Statement of profit/loss for the period

	Note	30/06/2025	of which related parties	30/06/2024*	of which related parties
Lease income	15	2,217,197	0	3,296,707	0
Costs relating to property assets	16	(434,110)	0	(699,724)	0
Net lease income		1,783,087	0	2,596,983	0
Personnel expenses		(330,919)	0	(344,889)	0
Wages and salaries		(172,764)	0	(169,666)	0
National insurance charges		(78,042)	0	(80,197)	0
Severance indemnity fund (TFR)		(11,186)	0	(11,436)	0
Other personnel costs		(68,927)	0	(83,589)	0
Overhead costs		(1,004,567)	(591,423)	(1,065,878)	(745,151)
Amortisation/Depreciation		(57,937)	0	(55,255)	0
Total operating costs	17	(1,393,423)	(591,423)	(1,466,021)	(745,151)
Other revenues and income	18	770	0	2,106	0
Other costs and expenses	19	(98,174)	0	(87,898)	0
Total other income/(other expenses)		(97,404)	0	(85,792)	0
Positive fair value of investment property		0	0	598,432	0
Negative fair value of investment property		(240,543)	0	(655,399)	0
Net movement in fair value of investment property	20	(240,543)	0	(56,967)	0
Net operating income		51,717	(591,423)	988,203	(745,151)
Financial income	21	575,029	527,838	76,795	1,948
Financial expenses	21	(76,428)	(66,943)	(707,582)	(683,867)
Profit before tax		550,318	(130,528)	357,416	(1,427,070)
Taxes	22	0	0	0	0
Profit for the period		550,318	(130,528)	357,416	(1,427,070)

(* Condensed consolidated half-year financial statements as of June 30, 2024; please refer to the note Financial statements adopted by the Company)

Statement of other comprehensive income

	30/06/2025	30/06/2024 (*)
Profit/(Loss) for the period	550,318	357,416
Actuarial gains/(losses)**	1,488	1,314
Total other items of the comprehensive income statement	1,488	1,314
Total comprehensive profit/(loss)	551,806	358,730

(*) Condensed consolidated half-year financial statements as of June 30, 2024; please refer to the note Financial statements adopted by the Company

(**) items not reclassifiable to the income statement

Statement of changes in shareholders' equity

	Notes	Share capital	Share premium reserve	Fair value reserve	Legal reserve	Other reserves	Profits (losses) carried forward	Other items of the comprehensive income statement	Profit (Loss) for the year	Total Group shareholders' equity	Minorities' equity	Total Shareholders' equity
Balance as at 01/01/2024		63,264,528	22,931,342	8,874,373	7,161,495	(3,577,649)	(12,780,995)	55,530	(9,439,618)	76,489,006	0	76,489,006
Allocation of 2023 result		0	0	0	0	0	(9,439,618)	0	9,439,618	0	0	0
Other items of comprehensive income		0	0	0	0	0	0	1,314	0	1,314	0	1,314
Share-based payments reserve		0	0	0	0	0	0	0	0	0	0	0
Deconsolidation of Fidelio Engineering S.r.l.		0	0	0	(263)	0	(8,425)	0	0	(8,688)	0	(8,688)
Result for the period		0	0	0	0	0	0	0	357,416	357,416	0	357,416
Total comprehensive profit/loss		0	0	0	0	0	0	1,314	357,416	358,730	0	358,730
Balance as at 30/06/2024 (*)		63,264,528	22,931,342	8,874,373	7,161,232	(3,577,649)	(22,229,038)	56,844	357,416	76,839,049	0	76,839,049

(*) Condensed consolidated half-year financial statements as of June 30, 2024; please refer to the note Financial statements adopted by the Company

	Notes	Share capital	Share premium reserve	Fair value reserve	Legal reserve	Other reserves	Profits (losses) carried forward	Other items of the comprehensive income statement	Profit (Loss) for the year	Total
Balance as at 01/01/2025		63,264,528	22,931,342	8,874,373	7,161,232	(3,577,648)	(22,229,038)	56,095	1,614,479	78,095,361
Allocation of 2024 result		0	0	0	80,724	1,340,800	192,955	0	(1,614,479)	0
Dividend distribution		0	0	0	0	(1,056,344)	0	0	0	(1,056,344)
Other items of comprehensive income		0	0	0	0	0	0	1,488	0	1,488
Share-based payments reserve		0	0	0	0	0	0	0	0	0
Result for the period		0	0	0	0	0	0	0	550,318	550,318
Total comprehensive profit/loss		0	0	0	0	0	0	1,488	550,318	551,806
Balance as at 30/06/2025	9	63,264,528	22,931,342	8,874,373	7,241,956	(3,293,192)	(22,036,084)	57,583	550,318	77,590,823

Cash flow statement

	30/06/2025	of which with related parties	30/06/2024 (*)	of which with related parties
Profit before tax	550,318	(130,528)	357,416	(1,427,070)
Adjustments:				
Amortisation, depreciation and write-downs of fixed assets	57,937	0	55,255	0
(Positive)/negative fair value of investment properties (not realised)	240,543	0	56,967	0
Financial income	(575,029)	(527,838)	(76,795)	(1,948)
Financial expenses	76,428	66,943	707,582	683,867
Financial expenses paid	(12,130)	0	(33,953)	0
Financial income collected	59,986	0	68,251	1,948
Provision for severance and other risks	25,298	0	59,281	0
Cash flow generated by operations	423,351	(591,423)	1,194,004	(743,203)
Taxes (net of deferred taxes)	0	0	0	0
Cash flow generated by operations net of taxes	423,351	(591,423)	1,194,004	(743,203)
Other assets/other liabilities	(1,476,039)	(322,621)	(233,978)	(54,235)
Change in trade receivables	98,666	0	(482,977)	0
Change in trade payables	(133,291)	(128,097)	(203,225)	(54,235)
Change in other current assets	(348,814)	(194,524)	(91,078)	0
Change in other current liabilities	(837,491)	0	513,169	0
Change in other non-current assets	(21,867)	0	(10,840)	0
Change in tax receivables	(234,609)	0	43,526	0
Change in tax payables	1,367	0	(2,553)	0
Cash flow before investments and financing	(1,052,688)	(914,044)	960,025	(797,437)
Investments and divestments	(41,300)	0	4,569	0
(Increase)/decrease in properties	(41,300)	0	0	0
(Increase)/decrease in financial instruments	0	0	0	0
Deconsolidation of Fidelio Engineering S.r.l.	0	0	4,569	0
Financial assets	(1,296,346)	0	(225,518)	0
Dividend distribution	(1,056,344)	0	0	0
Other changes in equity	0	0	0	0
Increase in financial payables	0	0	0	0
Decrease in financial payables	(240,002)	0	(225,518)	0
Cash and cash equivalents generated during the year Note 23.	(2,390,333)	(914,044)	739,076	(797,437)
Initial cash and cash equivalents	8,194,882		5,741,857	
Final cash and cash equivalents	5,804,549		6,480,933	

(*) Condensed consolidated half-year financial statements as of June 30, 2024; please refer to the note Financial statements adopted by the Company

Notes to the financial statements

GENERAL INFORMATION

NEXT RE SIIQ S.p.A. (hereinafter also referred to as “**NEXT RE**” or the “**Company**”) with registered office in Rome, via Zara 28, with Tax Code, Rome Companies Register number and VAT number 00388570426, REA number RM-1479336, is a real estate investment company incorporated in Italy, with shares listed on the Euronext Milan market (“**EXM**”) organized and managed by Borsa Italiana S.p.A..

NEXT RE SIIQ S.p.A. is controlled by and subject to the management and coordination of CPI Property Group S.A..

The Board of Directors meeting on July 25, 2025 authorized the publication of these condensed interim financial statements. The condensed interim financial statements are subject to limited audit by EY S.p.A. pursuant to Article 14 of Legislative Decree No. 39 of January 27, 2010, and Article 10 of Regulation (EU) No. 537/2014, based on the mandate conferred by the Shareholders' Meeting on April 26, 2021, and assigned pursuant to Legislative Decree No. 39 of January 27, 2010, with a duration of nine financial years (2021-2029).

The condensed interim financial statements for the period ended June 30, 2025, have been prepared in accordance with IAS 34 – Interim Financial Reporting and, therefore, do not include all the disclosures required for the preparation of annual financial statements. For this reason, the condensed interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2024.

In accordance with the provisions of Article 5, paragraph 2, of Legislative Decree No. 38 of February 28, 2005, the condensed half-yearly financial statements have been prepared using the euro as the functional currency. The amounts in the condensed half-yearly financial statements are presented in euros. The figures in the notes to the financial statements are rounded to ensure consistency with the amounts shown in the balance sheet and income statement for the period. The notes to the condensed half-yearly financial statements are presented in thousands of euros, unless otherwise indicated.

The condensed half-year financial statements have been prepared on a going concern basis.

The Directors have assessed that there are no uncertainties regarding the Company's ability to continue as a going concern, based on the following:

- The financial statements as of June 30, 2025, show a cash balance of 5,805 thousand Euro;
- The results for the first half of 2025 and the cash flows are in line with the Budget, net of the positive contingencies recorded under financial income and the fair value adjustment of the real estate portfolio as of June 30, 2025, as further detailed in the following sections of this condensed half-year financial report;
- The twelve-month treasury plan, reviewed during the Board of Directors meeting held on July 25, 2025, outlines, under the steady-state scenario, the operating cash flows, investment and divestment activities, and forecasts adequate cash levels at the end of the period, allowing the Company to meet its financial debt repayment obligations scheduled for the first half of 2026.

PRINCIPLES OF NEW APPLICATION

The accounting standards adopted for the preparation of the condensed half-year financial statements as of June 30, 2025, are consistent with those used for the preparation of the financial statements as of December 31, 2024, with the exception of the adoption of new standards and amendments effective from January 1, 2025. The Company has not early adopted any new standard, interpretation, or amendment issued but not yet effective. One amendment applies for the first time in 2025, but it did not have any impact on the condensed half-year financial statements.

OF THE FINANCIAL STATEMENTS ADOPTED BY THE COMPANY

The financial statements and relevant disclosures have been drafted in accordance with IAS 1.

The Condensed half-year financial statements as at 30 June 2025 consist of the following primary statements:

- o Statement of Financial Position, which is presented by separating current and non-current assets and current and non-current liabilities, with a description in the notes for each asset and liability item of the amounts expected to be settled or recovered within and beyond 12 months from the reference date;
- o Statement of profit or loss for the period, which separately presents the costs relating to real estate assets that contribute to the item "Net rental income" and other costs classified by nature;
- o Statement of other comprehensive income;
- o Statement of changes in shareholders' equity;
- o Cash flow statement, prepared using the indirect method.

Please note that the comparative figures for the period ended 30 June 2024 in the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Shareholders' Equity and Cash Flow Statement are taken from the condensed consolidated interim financial statements at 30 June 2024 included in the 2024 Condensed Interim Financial Report, which was approved by the Board of Directors on 26 July 2024. These financial statements illustrate the effects of the deconsolidation of the investee Fidelio Engineering S.r.l. in the statement of financial position, the cash flow statement and the statement of changes in equity, as well as the economic effects of the transaction in the statement of profit or loss for the period, in accordance with IFRS 10. The figures in the condensed consolidated half-year financial statements therefore represent the financial position and results of operations of NEXT RE alone. This is because, as of 30 June 2024, the company was no longer a parent company. Control over Fidelio Engineering S.r.l. ceased during the reporting period.

The condensed interim financial statements include the Explanatory Notes, which provide information on valuation criteria and relevant accounting principles.

The condensed interim financial statements have been prepared on a historical cost basis, except for investment property, financial instruments, assets, and where applicable, derivative financial instruments and liabilities for non-monetary distributions, which are recorded at fair value.

VALUATION CRITERIA AND ACCOUNTING PRINCIPLES

The accounting standards are the same as those used to prepare the Annual Financial Statements as at 31 December 2024, to which reference is made for a detailed description of the same.

Use of estimates and assumptions

The preparation of the condensed interim financial report requires the Company to make estimates and assumptions that could affect the carrying amounts of certain assets and liabilities, costs and revenues, as well as the disclosure of contingent assets/liabilities at the reporting date.

The preparation of the financial statements and explanatory notes required the use of estimates and assumptions in determining certain assets and liabilities. The actual results that will arise from the occurrence of events may therefore differ from these estimates. The estimates and assumptions considered are reviewed on an ongoing basis and the effects of any changes are immediately recorded in the financial statements.

Estimates are used to determine the fair value of investment property, financial instruments, and derivative financial instruments. Estimates and assumptions are based on data that reflect the current state of available knowledge, and for most of these valuations, the support of independent experts and consultants has been used.

Real estate is valued twice a year, on June 30 and December 31, using specific valuations prepared by independent experts of recognized professionalism and integrity.

Real estate valuation assignments are only given to experts who undertake to operate with independence, integrity, and objectivity.

On April 24, 2025, in accordance with the Company's "Independent Expert" procedure, the Board of Directors of NEXT RE SIIQ S.p.A. appointed Protos Real Estate S.r.l. with the three-year mandate of independent expert for the half-yearly valuation of NEXT RE's assets for a fee of €10,260 for the first valuation as of June 30, 2025, and €5,130 for each of the subsequent valuations at constant scope.

In addition to following the recommendations of the supervisory authorities and the various best practices in the sector, NEXT RE has adopted a specific company procedure which, based on current legislation, defines, inter alia, the rules for the selection and appointment of independent experts, stipulating that only those individuals who meet predefined requirements of professionalism, independence, and integrity may be appointed.

Valuations by the Independent Expert are carried out for each property using valuation criteria compatible with the provisions of IFRS 13 and explained below:

- Comparative (or Market) Method: it is based on the comparison between the Property and other comparable assets, recently bought and sold and/or leased or currently offered on the same market or on competitive markets.
- Income method: it takes into consideration two different methodological approaches.
 - ✓ *Direct Capitalisation*: is based on capitalising, at a rate deducted from the real estate market, the future net income generated by the properties;
 - ✓ II. Discounted Cash-Flow (DCF) method, based:
 - a) On calculating, over a period of n. years, future net income from the lease of the property;
 - b) On calculating the property's Market Value by capitalising in perpetuity, at the end of such period, the net income;
 - c) Discounting up to the date of the net income (cash flow) valuation.

Depending on the specific characteristics of the property, the above methods are applied individually or in combination with each other. Valuations are carried out on the basis of the properties' highest and best use, considering only those technically possible, legally permitted and financially feasible uses that are potentially capable of giving the properties themselves the maximum value. The highest and best use is determined based on specific considerations relating to the property's type, location and urban characteristics, as well as the relevant property market.

When determining the capitalisation and discount rates used to value individual properties, the following factors are considered:

- the type of tenant currently occupying the property, or who is responsible for complying with the lease obligations, and the possible future occupants of vacant properties; as well as the general market perception of their creditworthiness;
- the division of insurance and maintenance responsibilities between the landlord and tenant;
- the remaining economic life of the property.

Operating procedures for periodic property valuations are governed by a specific internal procedure that regulates all activities in the process, including the selection and appointment of valuers, documentation sent to them, valuation methods, inspection of properties, operating and coordination rules with valuers and monitoring of the entire process.

The information and data used for valuation purposes may include, among other things:

- information provided to the valuers by NEXT RE, such as current rental rates, the terms and conditions of existing leases, property taxes, property management costs, including any anticipated incremental costs (capital expenditure);
- assumptions made directly by the appraisers (typically related to the reference market, such as the discount rate, the capitalisation rate, the inflation curve, etc.). The definition of these valuation elements is based on their professional judgement, considering careful observation of the reference market.

The information provided to the experts, the assumptions and the valuation models used by them are reviewed by the relevant departments, which are responsible for organising and coordinating the valuation activities, as well as monitoring and verifying them.

With regard to the sensitivity of fair value assessments to changes in the main unobservable inputs, it should be noted that fair value would be reduced in the following scenarios:

- decreases in current rental levels and/or in the estimate of annual rents per square metre;
- an increase in discount rates and/or capitalisation rates;
- the emergence of unforeseen additional expenses on properties;
- for properties on which future additional expenses (capex) are expected, an increase in the estimate of such expenses and/or an extension of their timing;
- problems related to the collection of rents from current tenants.

Opposite variations in the above phenomena would, on the other hand, lead to an increase in fair value.

The fair value of financial instruments is determined on the basis of directly observable market prices, where available, or, for financial instruments with limited circulation, using specific valuation techniques (mainly based on present value) that maximise observable market inputs.

In the rare circumstances where this is not possible, inputs are estimated, including with the methodological support of external advisors, taking into account the characteristics of the instruments being valued. Changes in the assumptions made in estimating input data could affect the fair value recognised in the financial statements for these instruments.

While aware of the effects of climate change on various areas of the economy and the Company, particularly the real estate sector, the impact of climate change on accounting principles and the use of estimates and assumptions within NEXT RE's scope of operations was considered to be insignificant.

In particular, management carried out its analysis based on the experience gained in relation to the Company's activities and the characteristics of the properties in its portfolio.

Specifically, the Company holds a real estate portfolio consisting of five assets leased to third parties, two of which are for commercial use and three for mainly office use. Taking into account the location of the properties – in the cities of Rome, Milan and Bari – and their good state of repair, management has not identified any significant risks arising from climate change, such as, for example, those related to the need to implement major adaptation measures, without which there could be a significant decrease in the value of the assets over time, or the possibility of extreme weather events that could affect the value of the properties. Furthermore, the existence of insurance policies currently reduces the economic exposure and potential economic damage due to any adverse weather events.

Taking into account the above, following in-depth studies and analyses, management and the administrative body have concluded that careful and constant monitoring of events related to climate change, with specific reference to the assets in the portfolio, can limit any negative effects, significantly mitigating the impact on the use of accounting principles and the use of estimates and assumptions.

Given the sector in which the company operates, it is estimated that climate risk will not have a significant impact on the use of accounting standards and estimates and assumptions. Furthermore, at present, it is believed that climate change will not lead to any material adjustments within the next twelve months. Please also refer to the section on ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) RISKS AND RISKS ARISING FROM CLIMATE CHANGE in the Interim Management Report.

Segment reporting

The company is considered a single segment by management. Currently, NEXT RE manages a portfolio consisting of office and commercial properties of various sizes; however, the management process and risks incurred remain consistent across all property types. Additionally, the information reviewed by the Board of

Directors only shows the property portfolio values broken down by property type and use (office or commercial), while the economic values are analysed by property. Given the reporting structure, resource allocation process and company activities, management therefore identifies a single segment (i.e. NEXT RE).

INFORMATION ON THE SPECIAL REGIME OF LISTED REAL ESTATE INVESTMENT COMPANIES - SIIQ

The special regime for Listed Real Estate Investment Companies (SIIQs) is introduced and governed by Law No. 296/2006 (hereinafter referred to as "Law No. 296/2006") and subsequent amendments, as well as by the provisions contained in the Ministry of Economy and Finance's implementing regulation No. 174/2007 (hereinafter referred to as the 'Decree'), provides exemption from IRES (corporate income tax) and proportionally from IRAP (regional business tax) ('Special Regime') on business income derived from property rental activities ('exempt management').

The Special Regime was amended by Decree-Law No. 133/2014, which came into force on 13 September 2014 and was subsequently converted with amendments by Law No. 164 of 11 November 2014.

For the purposes of applying the Special Regime, the net profit deriving from exempt management is subject to taxation at the level of the shareholders, as a result of its distribution. The distribution must be approved (under penalty of forfeiture of the special regime) when the financial statements for the financial year in which the exempt profit was generated are approved. In particular, the special regime entails the obligation, in each financial year, to distribute to shareholders (i) at least 70% of the net profit deriving from property rental activities, from the ownership of shareholdings in SIIQ/SIINQ and in Sicaf and qualified real estate funds, known as "exempt management" - (as shown in the income statement of the relevant financial statements), if the total profit for the financial year available for distribution is equal to or greater than the net profit from exempt management, or (ii) at least 70% of the total profit for the financial year available for distribution, if this is less than the net profit from exempt management. The distribution obligation in the aforementioned amount concerns the net profit of the income statement deriving from exempt management available, according to civil law rules, for distribution to shareholders (Article 7 of the 'decree').

Decree Law No. 133/2014 introduced an additional mandatory profit distribution regime, which complements the existing one and consists of the obligation to distribute, in the two financial years following that in which the profit was realised, 50% of the income corresponding to the net capital gains realised from the sale of properties intended for lease, shareholdings in SIIQ/SIINQ and Sicaf and qualified real estate funds.

NEXT RE exercised the option to access this special regime on 7 September 2016, with effect from the tax period starting on 1 January 2017.

NEXT RE, taking into account the change in share capital communicated to the market on 21 December 2017, announced that the total shareholding held as at 31 December 2017 (directly and indirectly) by the then controlling shareholder Sorgente SGR S.p.A. was less than 60% of the Company's share capital. In the same manner in which the option was exercised (7 September 2016), the Italian Revenue Agency was therefore notified (17 January 2018) of the integration of the shareholding requirements that were not met at the time the option was exercised.

Once all the requirements for the application of the tax benefits provided for by the special legislation on SIIQs (including the so-called 'control' requirement) had been met, the Special SIIQ Regime took effect from 1 January 2017.

INFORMATION ON COMPLIANCE WITH STATUTORY REQUIREMENTS (Art. 3, paragraph 2. Italian Ministerial Decree no. 174 of 7 July 2007)

With regard to the Statutory Requirements of NEXT RE SIIQ S.p.A., Art. 4 of the Articles of Association provides:

(1) Rules in terms of investments

The Company does not invest in a single real estate property having unitary urban and functional characteristics: (i) directly, in excess of 2/3 of the total value of its real estate assets; and (ii) directly and/or through subsidiaries, real estate funds and other real estate investment vehicles, in an amount greater than

2/3 of the total value of the real estate assets of the group it belongs to. In this regard, it must be noted that, in the case of development plans that are subject to a single urban planning design, those portions of the property that are subject to individual and functionally autonomous building permits or that are equipped with sufficient works so as to guarantee connection to public services cease to have unitary urban and functional features.

(2) Limits on the concentration of investment and counterparty risks

The Company cannot generate: (i) directly, lease payments, from a single tenant or from tenants belonging to the same group, in excess of 2/3 of the Company's total lease payments; and (ii) directly and through subsidiaries, real estate funds and other real estate investment vehicles, rents, coming from the same tenant or tenants belonging to the same group, in an amount greater than 2/3 of the total lease payments of the Group. The above mentioned limit does not apply if the Company's real estate is leased to any tenant(s) belonging to a group of national or international relevance.

(3) Maximum financial leverage level

The Company can assume: (i) directly, financial indebtedness (including financial payables to subsidiaries and the parent company), net of cash and cash equivalents and financial receivables from the parent company, for a total nominal value not exceeding 70% of the sum of the total value of its real estate assets, the carrying amount of the investments in subsidiaries and the nominal value of the financial receivables from subsidiaries; and (ii) directly and through subsidiaries, real estate funds and other real estate investment vehicles, consolidated financial indebtedness (including payables to the parent company), net of cash and cash equivalents and financial receivables from the parent company, for a total nominal value not exceeding 70% of the total value of the Group's real estate assets.

The aforesaid limits may be exceeded under exceptional circumstances or, in any case, not dependent on the will of the Company. Unless the Shareholders and/or the Company are otherwise interested, the overrun shall not extend beyond 24 months. The rules on investments in real estate, risk concentration limits and leverage provided for in points (1), (2) and (3) above shall apply for as long as the Company retains the status of a SIIQ. Once the qualification of SIIQ ceases to exist, with the consequent definitive termination of the special regime for listed real estate investment companies in the cases envisaged by the laws and regulations applicable from time to time, these rules will cease to have effect.

However, it is confirmed that the limits set out in points (1), (2) and (3) above have not been exceeded by NEXT RE SIIQ S.p.A.

INFORMATION ON COMPLIANCE WITH THE REQUIREMENTS FOR PERMANENCE IN THE SPECIAL SYSTEM

(1) Objective requirements

As envisaged by Art. 1, par. 121, of Italian Law no. 296/2006, the SIIQ must carry out mainly real estate leasing activities. This activity is considered to be prevalent if the real estate held as property or other rights in rem assigned to the lease, the investments in SIIQ / SIIQ and in real estate Funds (or SICAF) represent at least 80% of the assets (capital requirements) and if, in each financial year, the revenues deriving therefrom represent at least 80% of the positive components of the income statement (economic parameter). Failure to comply for three consecutive periods with one of the two requirements indicated above determines the definitive ending of the special regime from the second of the three financial years. Failure to comply with both requirements, with reference to the same year, determines the definitive ending of the special regime starting from the year in relation to which the condition of disqualification is realised.

The results of the calculation of the above parameters are shown below. Both parameters are met as of June 30, 2025, based on the balance sheet and income statement data from NEXT RE's financial statements as of that date.

Capital requirements

		30/06/2025	31/12/2024
NEXT RE SIIQ S.p.A. - Capital requirements			
Value of properties intended for lease	(A)	74,820	120,561
Investment in SIINQ and in qualified real estate funds	(B)	0	0
Numerator total	(C)=(A)+(B)	74,820	120,561
Total of balance sheet assets	(D)	84,992	132,542
Elements excluded from the denominator of the relationship:		0	0
Carrying amount of SIIQ registered office		(1,637)	(1,666)
Cash and cash equivalents		(5,798)	(4,682)
Trade receivables		(33)	(132)
Tax credits (including VAT)		(333)	(88)
Pre-paid expenses		(134)	(53)
Total adjustments	(E)	(7,936)	(6,621)
Denominator total: adjusted balance sheet assets	(F)=(D)+(E)	77,056	125,921
Capital requirements	(C)/(F)	97.10%	95.74%

The capital parameter, as shown in the table above, is given by the ratio between:

- the numerator, totaling Euro 74,820 thousand, which includes the carrying value of properties held for rental. This amount corresponds to the carrying value of "Investment properties" (item Real estate investments in the condensed half-year financial statements);
- the denominator, totaling Euro 77,056 thousand, which includes total assets (Euro 84,992 thousand) adjusted to exclude, in accordance with the criteria set out in Article 6 of Ministerial Decree 174/2007: the carrying value of the properties intended for use as the SIIQ's headquarters (Euro 1,637 thousand as of June 30, 2025); ii) the value of cash and cash equivalents net of deposits (Euro 5,798 thousand); iii) the value of trade receivables deriving from both exempt and, as clarified by the Italian Revenue Agency circular no. 8/E of 2008, taxable operations (Euro 33 thousand) iv) the value of tax receivables (Euro 333 thousand); v) prepaid expenses (Euro 134 thousand); vi) deferred tax assets, where valued.

Revenue parameter

Euro/000		30/06/2025	30/06/2024
NEXT RE SIIQ S.p.A. - Revenue parameter			
Rental fees and similar revenues	(A)	2,171	3,162
"Realised" gains on property sales	(B)	0	0
Dividends from SIIQ / SIINQ, SICAF and qualified real estate funds	(C)	0	0
Numerator total	(D)=(A)+(B)+(C)	2,171	3,162
Total positive economic components	(E)	2,793	3,974
Elements excluded from the denominator of the relationship:			
Write-ups of properties		0	(598)
Revenue from charge-backs of costs		(16)	(92)
Revenue from cost adjustments or related to hedging instruments		0	0
Contingent assets, fund releases and other reinstatements		(528)	(38)
Deferred tax assets and interest on tax credits		0	0
Total adjustments	(F)	(544)	(729)
Totale denominatore: componenti economici positivi rettificati	(G)=(E)+(F)	2,249	3,246
Parametro reddituale	(D)/(G)	96.52%	97.43%

The income parameter, as shown in the table above, is given by the ratio between:

- the numerator, totaling Euro 2,171 thousand, which refers to rental income from properties used for this activity (investment properties);
- the denominator, totaling Euro 2,249 thousand. This amount corresponds to the total amount of positive items in the income statement (Euro 2,793 thousand), adjusted so as not to include in the ratio any additional items that are not directly related to either exempt or taxable operations and whose inclusion in the denominator of the ratio could alter the result of the economic prevalence test. The following items have been excluded: i) income representing cost rebates, mainly relating to the rebate of costs to tenants of properties intended for lease (also excluded from the numerator of the income parameter) for Euro 16 thousand, and ii) contingent assets and releases of provisions for Euro 528 thousand.

With reference to the distribution obligations set forth in Article 1, paragraphs 123 and 123-bis, of Law No. 296/2006, it should be noted that the 2024 financial statements closed with a net profit of €1,614 thousand (resulting from a positive exempt income of €1,552 thousand and a positive taxable income of €63 thousand). Taking into account the results for the 2024 financial year, on April 18, 2025, the Shareholders' Meeting, upon the proposal of the Board of Directors of March 12, 2025, approved the distribution of dividends (€0.06 per share with an ex-dividend date of May 5, 2025, record date May 6, 2025, and payment date May 7, 2025) in compliance with the minimum legal requirements (Article 1, paragraph 123 of Law No. 296/2006), also taking into account the provisions of Article 7, paragraph 4, of Ministerial Decree No. 174/2007 (so-called carry forward). However, the conditions for any mandatory distribution were not met in relation to the additional distribution obligation provided for in Article 1, paragraph 123-bis of Law No. 296/2006. Please refer to the comments in note 9. Shareholders' equity.

The distribution obligations relating to the financial year ending December 31, 2025 will be verified and commented on in the financial statements at that date.

(2) Subjective requirements

NEXT RE SIIQ S.p.A., which prepares its financial statements in accordance with international accounting standards, complies with the subjective requirements set forth in the relevant regulations for remaining in the special regime, being a company: i) incorporated as a joint-stock company; ii) resident in Italy for tax purposes; iii) whose shares are traded on the Italian Stock Exchange.

It is also confirmed that in the first half of 2025 there were no extraordinary transactions that affected the requirements for remaining in the special regime.

(3) Requirements relating to the participatory structure

Based on the information available to the Company, as of June 30, 2025, there are no shareholders who directly or indirectly hold, pursuant to Article 1, paragraph 119, of Law No. 296/2006, as amended by Law No. 164/2014, more than 60% of the voting rights at the Ordinary Shareholders' Meeting and more than 60% of the rights to participate in profits. In this regard, it should be noted that in the tax period ended December 31, 2021, following the takeover bid launched by the controlling shareholder CPI PG, the latter came to hold more than 60% of the ordinary shares.

In particular, as of November 26, 2021, CPI PG held a total stake of 77.1078% of the Company's subscribed capital, represented by 16,983,075 shares with voting rights, of which 11,012,055 shares are not admitted to trading (the "**Unlisted Shares**"), equal to all of the Company's unlisted shares, and 5,971,020 ordinary shares admitted to trading on the Euronext Milan market (equal to 54.22% of the total listed shares), resulting in non-compliance with the control requirement.

In order to allow for the restoration of the control requirement and the Company's continued participation in the Special Regime by December 31, 2021, on November 26, 2021, the Board of Directors convened an Extraordinary Shareholders' Meeting for December 27, 2021, submitting to it a proposal for the mandatory conversion, at a ratio of 1:1, of 11,012,055 unlisted ordinary shares into 11,012,055 Class B shares without the right to participate or vote at the Company's ordinary shareholders' meeting and with the same right to participate in the profits of the ordinary shares, which will be automatically and proportionally reduced to the extent necessary so that the right to participate in the profits of each shareholder holding Class B shares, taking into account any other ordinary shares held, is equal to – and, in any case, not exceed - 60% of the rights to participate in the Company's profits.

On December 27, 2021, the Extraordinary Shareholders' Meeting unanimously approved the aforementioned mandatory conversion, as a result of which CPI PG came to hold a total stake of 77.1078% of the Company's subscribed share capital, represented by (i) 5,971,020 ordinary shares with voting rights admitted to trading on the EXM market – equal to 54.22% of the share capital with voting rights at the Company's ordinary shareholders' meeting – and (ii) 11,012,055 Class B Shares, with the characteristics described above.

As described in the section of the Management Report entitled "Legal and regulatory framework of SIIQs," to which reference should be made, the application of the Special Regime was suspended for the 2022 tax period in view of the temporary failure to meet the control requirement by CPI PG, which was promptly re-established in June 2023, with the consequent redetermination of taxable income and the subjection of the entire income received by the Company to IRES and IRAP in accordance with the ordinary applicable taxation rules.

The subsequent reinstatement of the control requirement in June 2023 and its maintenance and verification as of December 31, 2023, allowed the Company, together with compliance with the other requirements of the legislation – which, as mentioned above, were met as of December 31, 2023 – to return to applying the Special Regime starting from the 2023 tax period, as duly and promptly communicated to the Revenue Agency.

Breakdown of economic components into exempt management and taxable management and relevant distribution criteria

The income statement as of June 30, 2025, broken down into tax-exempt and taxable operations, is shown below (figures in thousands of euros).

	Total (A)	Exempt management (B)	Taxable management (A)-(B)
Revenues from sales and services	2,193	2,193	0
Other revenues	25	25	0
Gross revenues	2,218	2,218	0
Cost for raw materials and services	(1,194)	(1,167)	(27)
Staff costs	(331)	(319)	(12)
Other operating expenses	(322)	(321)	(1)
Operating costs	(1,846)	(1,807)	(39)
Gross operating profit	372	411	(39)
Value adjustments	(313)	(311)	(2)
Operating profit	59	100	(41)
Financial income	575	540	35
Financial expenses	(84)	(82)	(2)
Income before taxes	550	558	(8)

The results reported in the table above for the two operations derive from the separation of the economic components for the first half of 2025, as resulting from the separate accounting adopted by the Company for these components. The purpose of separate accounting is to identify the operating results of exempt and taxable activities through: i) the allocation to each of the two management areas of the economic components specifically attributable to them; ii) the allocation to each of the two management areas, according to a reasonable pro rata percentage, of the "common" economic components (as they are not specifically attributable to either of the two management areas).

In particular, it should be noted that NEXT RE has adopted, for the purposes of allocating these 'common' components to the exempt (or taxable) business, the income parameter as more accurately calculated and expressed in the percentage (96.52%) shown in the table above in the paragraph 'income parameter', as this is considered the most appropriate percentage parameter for making the above allocation, since - net of economic components not attributable to any activity carried out - it effectively expresses the percentage incidence of the leasing activity in relation to the Company's overall activities.

It should also be noted that for income deriving from exempt management, the specific regulations provided for in Article 1, paragraphs 119 et seq. of Law No. 296/2006 and the related implementing decree were applied, while for income deriving from taxable management, the ordinary rules of taxation for IRES and IRAP purposes were applied.

Comments to the Notes to the consolidated financial statements
ASSETS
Note 1. Investment property

The value of real estate investments as of June 30, 2025, is Euro 74,820 thousand, compared to Euro 75,061 thousand as of December 31, 2024.

	30/06/2025	31/12/2024
Investment property	74,820	75,061
Investment property	74,820	75,061

The following table shows the changes that occurred during the period with regard to investment property.

	Buildings
Net carrying amount as at 31/12/2024	75,061
Increases	0
Reclassifications	0
Write-ups (write-downs)	(241)
Net carrying amount as at 30/06/2025	74,820

The table below shows the changes in the values of each property during the first half of 2025.

Property	31/12/2024	Increases	Riclassifications	Book value before adjustment	Market value	Adjustment to market value	30/06/2025
Milan, via Cuneo	26,400	0	0	26,400	26,400	0	26,400
Milan, C.S. Gottardo	15,900	0	0	15,900	15,900	0	15,900
Rome, via Zara	13,761	0	0	13,761	13,690	(71)	13,690
Bari, via Dioguardi	14,300	0	0	14,300	14,260	(40)	14,260
Rome, via Vinicio Cortese	4,700	0	0	4,700	4,570	(130)	4,570
	75,061	0	0	75,061	74,820	(241)	74,820

The item Fair value adjustments refers to adjustments made during the period to the value of properties to bring them into line with their fair value, in accordance with the relevant accounting standards.

The adjustment to fair value reflects the results of appraisals of the market value of the properties prepared by the Independent Expert, in compliance with the RICS Valuation - Professional Standards, which incorporate the IVS (International Valuation Standards), and in accordance with applicable regulations and the recommendations of the regulators.

The appraisals of the market value of the properties as of June 30, 2025, were prepared by Protos Real Estate S.r.l., which was appointed by the Board of Directors on April 24, 2025, to serve as Independent Expert for a three-year term. For the previous three-year period, until the valuation of the real estate assets as of December 31, 2024, this role was held by Colliers Valuation Italy S.r.l..

The following are the considerations relating to the change in fair value compared to the previous year recorded for each property:

- For the property located in Milan, Via Cuneo 2, no changes in fair value were recorded compared to December 31, 2024; changes in the main variables used in the valuation had no impact on the market value of the property;

- For the property located in Milan, Corso San Gottardo 29/31, no changes in fair value were recorded compared to December 31, 2024; changes in the main variables used in the valuation did not have an impact on the market value of the property;
- property located in Rome, Via Zara 22-32: the negative change in fair value recorded at June 30, 2025, amounted to Euro 71 thousand, or approximately 0.5% of the value at December 31, 2024; changes in the main variables used in the valuation did not have a significant impact on the market value of the property;
- Property located in Bari, Via Dioguardi 1: the negative change in fair value recorded at June 30, 2025, amounted to Euro 40 thousand, less than 0.3% of the value at December 31, 2024; changes in the main variables used in the valuation had no impact on the market value of the property;
- property located in Rome, Via Vinicio Cortese 147: the negative change in fair value recorded at June 30, 2025, amounts to Euro 130 thousand, approximately 2.7% of the value at December 31, 2024; changes in the main variables used in the valuation did not impact the market value of the property.

As required by IFRS 13, disclosure of the fair value hierarchy is provided below.

The fair value hierarchy classifies the inputs of the valuation techniques used to determine fair value into three levels. Specifically:

- o Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible to the entity at the measurement date;
- o Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a fixed (contractual) term, a Level 2 input must be observable for substantially the entire term of the asset or liability;
- o Level 3 inputs are inputs that are not observable for the asset or liability.

The real estate portfolio was valued using Level 3 fair value models, as the inputs that are not directly/indirectly observable on the market, used in the valuation models, are predominant compared to the inputs that are observable on the market.

The following table shows NEXT RE's real estate portfolio, broken down by type of legal status of the properties, valued at fair value as of June 30, 2025:

Property	Legal nature	Accounting criteria	Last appraisal date	Significant inputs not observable on the market (level 3) €/000
Milan, via Cuneo	Full ownership	IAS 40, fair value	30/06/2025	26,400
Milan, C.S. Gottardo	Full ownership	IAS 40, fair value	30/06/2025	15,900
Rome, via Zara	Full ownership	IAS 40, fair value	30/06/2025	13,690
Bari, via Dioguardi	Full ownership	IAS 40, fair value	30/06/2025	14,260
Rome, via Vinicio Cortese	Full ownership	IAS 40, fair value	30/06/2025	4,570
				74,820

The unobservable inputs considered most significant by NEXT RE are the discount rate, the exit rate or cap rate (the main difference in the calculation between the net exit rate and the gross exit rate concerns the inclusion of marketing costs in the latter) and the ERV (Estimated Rental Value or annual rent per square meter), as any change in these factors has a significant impact on the fair value.

With regard to the inflation rate, for rents not yet indexed with ISTAT updates, for the first valuation period, the Independent Expert considered an inflation rate of 1.85% in accordance with the latest ISTAT data. For subsequent periods of the model, an inflation rate of 2% was adopted, in line with the forecast parameters indicated by the International Monetary Fund for consumer inflation.

The following table shows the unobservable inputs used for each asset as of June 30, 2025:

Property	Legal nature	Method	Discount rate	Cap rate	ERV €/sqm/y
Milan, via Cuneo	Full ownership	Income (DCF)	6.3%	4,96% gross cap rate, 4,42% net cap rate	410
Milan, C.S. Gottardo	Full ownership	Income (DCF)	6.8%	5,38% gross cap rate, 5,02% net cap rate	350
Rome, via Zara	Full ownership	Income (DCF)	6.5%	5,80% gross cap rate %, 4,62% net cap rate	295 for office portion and 250 for commercial
Bari, via Dioguardi	Full ownership	Income (DCF)	7.2%	7,22% gross cap rate, 5,57% net cap rate	115
Rome, via Vinicio Cortese	Full ownership	Income (DCF)	7.8%	7,32 gross cap rate %, 6,21% net cap rate	160

Nella tabella seguente si riportano gli input non osservabili utilizzati per ciascun asset al 31 dicembre 2024:

Property	Legal nature	Method	Discount rate	Cap rate	ERV €/sqm/y
Milan, via Cuneo	Full ownership	Income (DCF)	6.35%	5,06% gross cap rate, 4,5% netto	400
Milan, C.S. Gottardo	Full ownership	Income (DCF)	7.11%	5,18% gross cap rate, 4,75% net cap rate	350
Rome, via Zara	Full ownership	Income (DCF)	6.66%	5,27 gross cap rate %, 4,5% net cap rate	300 or office portion and 220 for commercial
Bari, via Dioguardi	Full ownership	Income (DCF)	7.37%	6,3% gross cap rate, 5% net cap rate	100
Rome, via Vinicio Cortese	Full ownership	Income (DCF)	8.24%	7,12% gross cap rate %, 6,25% net cap rate	155

The discount rate is the rate used to discount expected cash flows and is represented by the weighted average cost of capital (WACC), i.e., the average cost of capital weighted by the specific weight of the two components of financial coverage of invested capital: own funds and third-party funds.

The exit rate, or cap rate, is the rate that corresponds to the ratio existing on the market between the rental yield (net or gross) and the value of a given property at the end of the period under consideration. as a measure of the return on investment, the exit rate implicitly assesses the risk of the investment in the property being valued or the average risk of the market class to which it belongs. The main difference between the gross cap rate and the net cap rate used by the independent expert concerns the inclusion in the latter of marketing costs estimated at 1.5% of the sale price.

The variations in the net and gross cap rates are attributable to the Independent Expert's assessment of the specific risk of the various assets, which, starting from the discount rate, takes into account the annual growth rate of market rents and an appropriate risk out for each property, considering the extrinsic and intrinsic characteristics of the properties.

The ERV is estimated by the Independent Expert through a market survey aimed at identifying the parameters within which sales and leases of properties with a similar use to those being valued are concluded. Surveys of unit rental values are based on sources such as the database of the Revenue Agency's Real Estate Market Observatory (OMI values for the first half of 2024) and the most relevant real estate portals (the Real Value Real Estate Observatory of Scenari Immobiliari and Nomisma).

In addition, the independent expert conducted direct surveys in the area, interviewing local brokers and analyzing offers for comparable properties for rent/sale.

In determining the explicit cash flows of the valuation model, the rental values relating to the leased portions are represented on the basis of the contractual conditions in force until the contract expiry date. At the end of

the contract, it was assumed that the property would remain vacant for approximately six months (50% vacancy), in order to carry out the necessary restyling work to put it back on the market.

Compared to December 31, 2024, the ERVs have undergone changes as a result of the change of Independent Expert who determined the ERV using the comparative method described above, which was calibrated with the rents paid by competitors and the rental requests for units currently offered on the market and refers to the analyses previously described and carried out within the territorial area defined by the potential market catchment area in which the the property is located, on the assumption that the lessor is an operator with proven technical and commercial experience.

The change in discount rates as of June 30, 2025, compared to December 31, 2024, is also affected by the general decrease in market interest rates. In determining the discount rates, the independent expert Protos Real Estate considered, for the purposes of the equity component, the moving average of the last twelve months of the ten-year BTP, equal to 3.66% (the yield of which is published in the Public Information Base of the Bank of Italy) and, for the debt component, the moving average of the last twelve months of the ten-year EURIRS, equal to 2.515% (published on the website <https://www.euribor.it/tassi-storici-eurirs/>). With reference to the valuation models as of December 31, 2024, prepared by the previous independent expert, it should be noted that for the debt component, the 6-month Euribor recorded on November 30, 2024, equal to 2.695%, was used, while the average monthly yield of BTPs over the last few years, equal to 2.59%, recorded on November 30, 2024, was used as the risk-free parameter.

The trend in market yields had a positive effect on the determination of the discount rate by the Independent Expert. The determination of the above rates, in addition to taking into account exogenous economic factors, reflects the specific conditions of the assets being valued and their specific risk, which takes into account, inter alia, tenant risk, context risk, property risk, and ESG risk. The discount rates adopted in the valuation as of June 30, 2025, decreased for all assets.

To confirm the soundness of the valuation process, a sensitivity analysis of the value of the real estate portfolio in relation to changes in unobservable inputs was carried out with the support of the Independent Expert. In particular, the fluctuation in the value of the Company's real estate portfolio was determined by varying the ERV of the individual properties by +/- 5% and the discount rate by +/- 0.5%, which includes the variation, to the same extent, of the net cap rate, as determined by the Independent Expert, starting from the discount rate. The variations applied to unobservable inputs were determined on the basis of the Independent Expert's judgment.

The maximum fluctuation recorded is within a range of +17% and -13% of the value of the real estate portfolio. The results of the analyses conducted for the various scenarios as illustrated above are summarized below:

Scenario	Sensitivity analysis result	% change compared to the market value of the real estate portfolio as at 30/06/2025*
Market value as at 30/06/2025 -5% ERV	73.450	-4%
Market value as at 30/06/2025 +5% ERV	80.400	5%
Market value as at 30/06/2025 -0,5% discount rate and -0,5% net cap rate	85.835	12%
Market value as at 30/06/2025 +0,5% discount rate and +0,5% net cap rate	69.620	-9%
Market value as at 30/06/2025 -5% ERV and - 0,5% discount rate and +0,5% net cap rate	81.875	6%
Market value as at 30/06/2025 -5% ERV and + 0,5% discount rate and -0,5% net cap rate	66.585	-13%
Market value as at 30/06/2025 + 5% ERV and - 0,5% discount rate and -0,5% net cap rate	89.850	17%
Market value as at 30/06/2025 + 5% ERV and + 0,5% discount rate and +0,5% net cap rate	72.700	-5%

*equal to Euro 76,890 thousand, including the portion of the asset in Rome, Via Zara, used for operational purposes, equal to euro 2,070 thousand

The results highlight the interrelationships between the inputs examined in determining fluctuations in the value of the real estate portfolio; in the various scenarios, in fact, the market rents assumed may have a different impact in terms of return on investment or in terms of risk, which could be reflected in the estimate of capitalization and discount rates. Similarly, changes in discount and capitalization rates could lead to compensation in changes in the value of the portfolio resulting from changes in market rents or rates themselves, but with different signs. Finally, given a reduction in expected returns and an increase in the expected sale value of an asset, as well as greater uncertainty, there could be no change in the value of the portfolio.

Finally, the table below shows the value of the Company's real estate portfolio, the residual debt relating to outstanding loans on the assets, the Net Asset Value (reported on a voluntary basis and calculated as the ratio between the nominal residual debt of the loans and the fair value of the assets), and the real estate Loan to Value indicator calculated as the ratio between the residual debt of the loans relating to the assets and their fair value as at June 30, 2025.

Property	Legal nature	Lending counterparty	Values as at 30 June 2025	Remaining debt as at 30 June 2025**	Net Asset Value Euro	Loan to Value	Maturity	Duration (years)
Milan, via Cuneo	Full ownership	CPI PG S.A.	26,400	0	26,400	0%	27/01/2026	0.6
Milan, C.S. Gottardo	Full ownership	CPI PG S.A.	15,900	0	15,900	0%	27/01/2026	0.6
Rome, via Zara***	Full ownership	CPI PG S.A.	15,760	0	15,760	0%	27/01/2026	0.6
Bari, via Dioguardi	Full ownership	****	14,260	-	14,260	0%		
Rome, via Vinicio Cortese		Intesa San Paolo	4,570	159	4,328	5%	05/12/2025	0.5
	Full ownership	Intesa San Paolo		83			01/07/2025	0.1
Total, excluding asset held for sale			76,890	242	76,648	0.3%		

**nominal debt values

***includes the value of the portion of Via Zara 28 used as the Company's registered office and operational headquarters

****property lease expiring in 2023

Please note that the above debt deadlines include extensions granted following the moratorium referred to in Article 56 of Decree Law No. 18 of March 17, 2020, converted, with amendments, by Law No. 27 of April 24, 2020, following the extension – pursuant to Article 1, paragraph 248, of Law No. 178 of December 30, 2020 (State budget for the 2021 financial year and multi-year budget for the three-year period 2021-2023) – of the suspension of payments.

Note 2. Other tangible fixed assets

The value of Other tangible fixed assets as of June 30, 2025, is €1,695 thousand, compared to €1,685 thousand as of December 31, 2024.

	30/06/2025	31/12/2024
Instrumental building	1,637	1,666
Other assets	17	19
Photovoltaic system	41	0
Other tangible fixed assets	1,695	1,685

The changes that occurred during the period are as follows:

	Instrumental building	Other assets	Total
Net carrying amount as at 01/01/2025	1,666	19	1,685
Increases	0	41	41
Decreases	0	0	0
Amortisation and write-downs	(28)	(3)	(31)
Final balance as at 30/06/2025	1,637	58	1,695
Historical cost	1,909	80	1,989
Accumulated amortisation	(272)	(22)	(294)
Net carrying amount	1,637	58	1,695

This item mainly includes the value, net of the related accumulated depreciation, of the instrumental portion of the property located in Rome, at Via Zara 28 (the Company's headquarters), amounting to €1,637 thousand. The decrease compared to December 31, 2024, is attributable to the recognition of the depreciation charge.

During the first half of the year, a photovoltaic energy production system was installed at the headquarters in Via Zara 28.

The Company has no commitments to purchase new fixed assets.

Note 3. Rights of use

The value of the item "rights of use" as of June 30, 2025, is Euro 76 thousand, compared to Euro 82 thousand as of December 31, 2024..

	30/06/2025	31/12/2024
Rights of use	76	82
Rights of use	76	82

Rights of use	
Net carrying amount as at 01/01/2025	82
Increases	0
Decreases	0
Amortisation and write-downs	6
Net carrying amount as at 30/06/2025	76

The item as of June 30, 2025 includes the value of rights of use with reference to leasing contracts relating to three company cars.

Note 4. Intangible assets

The value of intangible assets as of June 30, 2025, is zero, compared to Euro 12 thousand as of December 31, 2024.

This item mainly included the asset with a defined useful life relating to costs incurred in connection with the project to implement the Business Central and RefTree accounting and management systems, which became operational at the beginning of the second half of 2020. The change refers to the recognition of the amortization charge for the half-year.

Note 5. Other non-current assets

The following table summarizes the composition of Other non-current assets as of June 30, 2025, and December 31, 2024..

	30/06/2025	31/12/2024
Capex contribution Milan, via Cuneo	140	186
Covid Concessions Milan, via Cuneo	103	137
Linearisation of fees	1,329	1,227
Other non-current assets	1,572	1,550

The item as of June 30, 2025, amounts to Euro 1,572 thousand and mainly refers to:

- the long-term portion of the capex contribution paid to the customer OVS in the second half of 2021 for the property in Milan, Via Cuneo, for Euro140 thousand; such contributions paid to the tenant for property redevelopment works are deducted from future rent payments over the term of the contract.
- the amounts relating to temporary rent reductions granted to the tenant OVS for Euro 103 thousand, with reference to the lease agreement for the asset in Via Cuneo, Milan, which will be recognized in the income statement in the years following the next one as a reduction in rental income;
- the effects of the linearization of rent payments for Euro 1,329 thousand, which will be recognized in the income statement starting from July 1, 2026; the current portion is classified under Receivables and other current assets.

Note 6. Receivables and other current assets

This item includes financial assets measured at amortized cost, consisting of trade receivables, tax receivables, and other receivables, as detailed below.

	30/06/2025	31/12/2024
Receivables from tenants	284	383
Provision for bad debts	(251)	(251)
Net customer receivables	33	132
Tax receivables	322	88
Accruals and deferrals	134	53
Concessions to customers - COVID-19	70	70
Capex contribution - current portion	93	93
Receivables from related parties	195	0
Security deposits	1	1
Credits relating to the asset in Via Spadari, sold	96	0
Other receivables	81	7
Total	1,025	444

Net customer receivables

Net customer receivables amounted to Euro 33 thousand (Euro 132 thousand at December 31, 2024) and mainly consisted of:

- receivables from tenants of owned properties for Euro 33 thousand; this amount includes receivables for invoices and credit notes to be issued for Euro 32 thousand;
- fully written-down receivables amounting to Euro 251 thousand.

The allowance for doubtful accounts has not changed compared to the previous year.

NEXT RE reasonably expects that the non-written-down receivables will be collected within twelve months, as there are currently no expected losses due to uncollectibility or other causes of non-realization of receivables from tenants.

Tax receivables

	30/06/2025	31/12/2024
Receivables from Revenue for VAT	241	18
Receivables from Revenue for taxes	66	54
Other tax receivables	15	16
Current tax receivables	322	88

Tax receivables amounted to Euro 322 thousand (Euro 88 thousand at December 31, 2024) and mainly consisted of:

- receivables from the tax authorities resulting from the VAT settlement for June 2025 amounting to Euro 241 thousand (Euro 18 thousand at December 31, 2024).
- IRES (corporate income tax) receivables amounting to Euro 66 thousand;
- other tax receivables amounting to Euro 15 thousand.

Receivables from related parties and other receivables

These amount to €195 thousand and refer to the amount to be settled on the Company's accounts as part of the dividend payment operations approved by the Shareholders' Meeting on April 18, 2025. At the date of this condensed interim financial statements, the adjustment transactions by the financial intermediaries involved are still in progress; the amount is recorded net of withholding taxes applied by the intermediaries involved (recognized under Other receivables). Please also refer to note 9. Shareholders' equity.

Accruals and deferrals

The item Accrued income and prepaid expenses, amounting to Euro 134 thousand (Euro 53 thousand at December 31, 2024), mainly relates to the deferral of costs pertaining to the following twelve months.

Deferred costs for concessions to customers - COVID-19

This item refers to temporary reductions granted to the OVS customer with regard to lease payments covered by specific agreements signed in July 2020, March 2021, August 2021, and May 2022. The above temporary reductions in rent will be recognized in the income statement, as a decrease in rental income, over the following twelve months.

Credits relating to the asset in Via Spadari, sold

This item includes the value of receivables to be collected as of June 30, 2025, in relation to the asset in Milan, Via Spadari (sold), amounting to €96 thousand. As of the date of this report, €15 thousand has been collected.

Capex contribution - current portion

This item refers to the portion of the capex contribution paid in 2018 to the customer OVS for the property in Milan, Via Cuneo, to be paid in the second half of 2021. This amount refers to the portion that will be deducted from rental income over the next twelve months.

Note 7. Cash and cash equivalents

	30/06/2025	31/12/2024
Bank deposits	5,805	4,541
Time deposit	0	3,504
Restricted current accounts	0	150
Cash and valuables	0	0
Totale	5,805	8,195

Cash and cash equivalents total Euro 5,805 thousand (Euro 8,195 thousand at December 31, 2024) and consist of bank deposits. As of June 30, there were no time deposits, while deposits for contractual guarantees relating to contracts with tenants of the asset sold in Milan, Via Spadari, were transferred as part of the completion of the sale of the asset in March 2025.

Note 8. Assets held for sale

As of December 31, 2024, this item included the value of assets held for sale relating to the property in Milan, Via Spadari, the sale of which was completed on March 5, 2025..

SHAREHOLDERS' EQUITY
Note 9. Shareholders' Equity

The share capital, fully subscribed and paid up, amounted to Euro 63,265 thousand as of June 30, 2025, and consists of 11,013,054 listed ordinary shares with no par value and 11,012,055 class B shares, without the right to participate and vote in the Company's ordinary shareholders' meeting and conferring a limited right to participate in profits, which are not admitted to trading on EURONEXT Milan. The Company holds 38,205 treasury shares.

The allocation of the 2024 net income, amounting to Euro 1,614,478.7, was approved by the Shareholders' Meeting on April 18, 2025, in accordance with the proposal of the Board of Directors on March 12, 2025, as follows: i) to the legal reserve for Euro 80,723.94, ii) to dividends for Euro 1,073,628.34 (Euro 0.06 per share with an ex-dividend date of May 5, 2025, a record date of May 6, 2025, and a payment date of May 7, 2025), iii) to the statutory reserve for Euro 267,171.81, and iv) to retained earnings for Euro 192,954.62.

With regard to the dividend of €0.06 per share, it should be noted that, in accordance with the above-mentioned resolution passed by the Shareholders' Meeting, it was paid on May 7, 2025, to all shareholders holding both ordinary shares and Class B shares. With regard to the latter category of shares, it should be noted that, at the date of this report, the financial intermediaries involved are still in the process of adjusting the excess amount transferred in order to ensure compliance with the statutory limits in force relating to the distribution of profits. In this regard, it should be noted that the sole shareholder holding Class B shares is the controlling shareholder CPI Property Group S.A.. Therefore, in the condensed half-year financial statements at June 30, 2025, against a temporary decrease in liquidity of Euro 263 thousand, a receivable was recognized, for the amount gross of withholding taxes, recorded under Receivables and other current assets, of which Euro 195 thousand was due from related parties.

The statutory reserve was increased by Euro 267 thousand following the aforementioned resolution of the Shareholders' Meeting of April 18, 2025, and also included the rounding difference relating to the payment of dividends, amounting to Euro 17 thousand.

The item Reserve for share-based payments, as at June 30, 2025, is equal to zero; for further details, please refer to the section on Incentive Plans.

The Ordinary and Extraordinary Shareholders' Meeting of April 23, 2024, approved, inter alia, to grant the Board of Directors a mandate to increase the share capital by a maximum amount of Euro 500 million, including any share premium, to be carried out in one or more tranches, by the date of approval of the financial statements

for the year ending December 31, 2026, pursuant to Article 2443 of the Italian Civil Code, even with the exclusion of shareholders' rights. in one or more tranches, by the date of approval of the financial statements for the year ending December 31, 2026, pursuant to Article 2443 of the Italian Civil Code, also with the exclusion of option rights pursuant to Article 2441, paragraphs 4 and 5, of the Italian Civil Code.

With regard to the information on the participation requirements necessary for maintaining the SIIQ regime, please refer to the detailed explanations in the sections "SIIQ regulatory and legislative framework" and "Maintaining SIIQ regime requirements" included in the Management Report and "Information on the special regime for listed real estate investment companies - SIIQ" included in the condensed half-yearly financial statements.

LIABILITIES
Note 10. Employee benefits

The table below summarizes the composition of employee benefits as of June 30, 2025. The item includes the value, calculated in accordance with IAS 19, of severance indemnities remaining in the company and accrued as of June 30, 2025.

	30/06/2025	31/12/2024
Employee benefits	29	27
Total Employee benefits	29	27

Changes in the item are shown below.

	30/06/2025	31/12/2024
Initial balance	27	20
Actuarial gains or losses	(2)	(1)
Use	0	0
Provisions	3	7
Financial expense IAS 19	1	1
Final balance as at 30/06/2025	29	27

The final balance, equal to €29 thousand as of June 30, 2025 (€27 thousand as of December 31, 2024), reflects the present value of the Company's commitment to employees for severance indemnities, calculated on the basis of current legislative provisions and collective labor agreements and the underlying actuarial dynamics.

The service cost is classified in the income statement as follows: €3 thousand under personnel costs, €1 thousand under interest expense classified as financial expenses, and €2 thousand as actuarial gain classified in comprehensive income as required by IAS 19. The demographic and financial assumptions used are shown below:

DEMOGRAPHIC ASSUMPTIONS	EMPLOYEES	FINANCIAL ASSUMPTIONS	30/06/2025
Likelihood of death	RG48 mortality tables	Annual discount rate	3.7%
Likelihood of disability	INPS tables broken down by age and gender	Annual inflation rate	2.00%
Likelihood of retirement	100% when AGO requirements are met	Annual rate of increase in severance indemnity (TFR)	3.00%
Likelihood of receiving, at the beginning of the year, an advance on the severance indemnity set aside equal to 70%	3%	Annual rate of salary increase	3.00%
Likelihood of resignation	5%		

The Employee Severance Indemnity Fund is classified as a defined benefit plan.

In particular, it should be noted that:

- the annual discount rate used to determine the present value of the obligation was derived, in accordance with paragraph 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 10+ recorded at the valuation date;
- the annual rate of increase in severance indemnities, as provided for in Article 2120 of the Italian Civil Code, is equal to 75% of inflation plus 1.5 percentage points;

- the annual rate of salary increase applied exclusively to companies with an average of fewer than 50 employees during 2006 was set at 3%.

As of June 30, 2025, the Company's workforce consists of 4 employees. Below are the exact and average numbers of employees as of June 30, 2025, and December 31, 2024, broken down by category:

Breakdown by qualification	30/06/2025	31/12/2024
Executives	2	2
Middle managers	2	2
Employees	0	0
Total	4	4

Breakdown by period average	30/06/2025	31/12/2024
Executives	2	2
Middle managers	2	1
Employees	0	1
Total	4	4

Note 11. Provisions for risks

The item Provisions for risks, included under Non-current liabilities, increased by €14 thousand following the updated estimate of contingent liabilities relating to situations currently being defined, the existence of which is uncertain and the amount of which is indeterminate.

Note 12. Payables to banks and other lenders

The item "Payables to banks and other lenders" totals Euro 6,134 thousand (Euro 6,845 thousand as of December 31, 2024), divided between current and non-current portions, as illustrated below.

	30/06/2025	31/12/2024
Non-current		
Mortgages and loans	0	6,275
Borrowings from other financing entities	50	61
Total Payables to banks and other lenders (non-current)	50	6,336
Current		
Mortgages and loans	6,058	488
Borrowings from other financing entities	26	21
Total Payables to banks and other lenders (current)	6,084	509
Total	6,134	6,845

Compared to the previous year, the item Mortgage loans and financing changed as detailed below:

- for the reclassification from the item Non-current mortgage loans and financing to the item Current mortgage loans and financing for Euro 5,814 thousand relating to outstanding loans with CPI PG maturing in the first half of 2026;
- a decrease due to the release of the debt for withholding tax on interest of Euro 528 thousand following the positive response from the Italian Revenue Agency to the request for a ruling submitted in order to obtain confirmation of the exemption provided for by Directive 2003/49/EC (the so-called Interest and Royalties Directive) on interest due on loans granted by the parent company CPI PG. This provision had been allocated in relation to withholding taxes on interest accrued but not yet paid on loans contracted with CPI PG in 2021;

- decreased due to the repayment of Euro 243 thousand in installments on Intesa San Paolo mortgage loans based on the current amortization plans;
- an increase of Euro 67 thousand for the adjustment to the amortized cost of outstanding loans with CPI PG. Di seguito si riporta una tabella di sintesi delle condizioni dei principali mutui ipotecari e dei finanziamenti in essere alla data di bilancio.

Bank	Original amount	Residual debt as at 30/06/2025 Nominal values	Residual debt as at 30/06/2025 Carrying amount at amortised cost	Of which within one year	Of which beyond one year	Guarantees	Additional guarantees and clauses
CPI PG	54,606	0	2,161	2,161	0		
CPI PG	3,366	3,366	3,652	3,652	0		
Intesa San Paolo S.p.A.	3,900	159	160	160	0	Second-degree mortgage	Channelling of lease fees
Intesa San Paolo S.p.A.	2,100	83	85	85	0	Second-degree mortgage	Channelling of lease fees
	63,972	3,608	6,058	6,058	0		

The item "Payables to banks and other lenders" takes into account the deferrals granted by credit institutions, which have been reflected in the amortized cost of the payables, where applicable, and in their classification as current and non-current. The item "Payables to other lenders" refers to lease agreements for company cars.

Pursuant to IAS 7 "Cash Flow Statements," changes in liabilities arising from financing activities are reported below. The table allows for the reconciliation of cash flows reported in the Cash Flow Statement with the total changes recorded during the period in the balance sheet items that contribute to Total Financial Debt.

	31/12/2024	Monetary flows	Non-monetary flows		30/06/2025
			Changes in fair value	Other changes	
Payables to banks and other lenders (non-current)	6,336	0	0	(6,285)	50
Payables to banks and other lenders (current)	509	(240)	0	5,815	6,084
Net liabilities from financing activities	6,845	(240)	0	(470)	6,134
Cash and cash equivalents	(8,195)	2,390	0	0	(5,805)
Total financial debt	1,351	2,150	0	0	329

Pursuant to IFRS 7, the table below provides a maturity analysis of financial liabilities:

Liabilities	Carrying amount	within 1 year	1-2 years	2-5 years	beyond 5 years
Payables to banks and other lenders	6,135	6,084	21	29	-

For information on financial debt as required by the CONSOB communication of July 28, 2006, and in accordance with ESMA Recommendation No. 32-382-1138 of 2021, please refer to the section "Analysis of financial performance and financial debt" included in the Interim Management Report.

Note 13. Trade payables and other payables

The table below summarises the situation of trade and other payables as at 30 June 2025.

	30/06/2025	31/12/2024
Current		
Trade payables to third parties	271	346
Payables due to related parties	491	619
Other payables	176	211
Liabilities relating to the asset in Via Spadari, sold	38	0
Tax payables	31	30
Payables to national insurance agencies	15	73
Accrued liabilities	166	165
Total trade payables and other current payables	1,188	1,444

Trade payables to third parties

Trade payables to third parties amounted to Euro 271 thousand (Euro 346 thousand at December 31, 2024).

Payables due to related parties

This item includes the debt owed to Dea Capital SGR for asset advisory fees amounting to Euro 298 thousand, as well as Euro 193 thousand relating to debts owed to professional directors and statutory auditors for emoluments and provisions for short-term incentives.

Liabilities relating to the asset in Via Spadari, sold

As of June 30, 2025, this item mainly includes the estimate of contingent liabilities arising from the sale and purchase agreement with the counterparty Zeta Investment in relation to fire prevention, environmental, and plant obligations.

Other payables

	30/06/2025	31/12/2024
Due to employees	138	177
Other payables	29	25
Payables due to the Supervisory Board	9	9
Total Other payables	176	211

Other payables amounted to Euro 176 thousand at June 30, 2025, compared with Euro 211 thousand at December 31, 2024, and mainly consisted of:

- o payables to personnel of Euro 138 thousand relating to accrued vacation pay, leave and additional monthly payments accrued and short-term variable remuneration estimated at June 30, 2025;
- o other payables of Euro 29 thousand (Euro 25 thousand at December 31, 2024);
- o payables to members of the supervisory body amount to €9 thousand.

Tax payables

	30/06/2025	31/12/2024
Non-current tax payables	0	0
Current tax payables	31	30
Total Tax payables	31	30

Current tax liabilities amount to Euro 31 thousand (Euro 30 thousand at December 31, 2024) and mainly relate to withholding taxes on employee and self-employed income paid in July 2025.

Payables to national insurance agencies

	30/06/2025	31/12/2024
Payables to INPS	14	72
Payables to INAIL	1	1
Various social security institutions	15	73

Payables to social security institutions amount to Euro 15 thousand (Euro 73 thousand at December 31, 2024) and mainly refer to contributions relating to the month of June 2025 paid in July 2025.

Accrued liabilities

This item includes the portion of rent invoiced as of June 30, 2025, but accruing in subsequent months.

Note 14. Liabilities related to asset held for sale

The item at December 31, 2024 included the value of liabilities related to the sale of the asset in Milan, Via Spadari. On March 5, 2025, the sale of this property was completed with the signing of the deed confirming the fulfillment of the condition precedent – relating to the failure to exercise the right of preemption, within the legal deadline from receipt of the relevant notice, which may be due according to the assessment of the competent bodies, pursuant to Article 60 of Legislative Decree No. 42/2004, to the Ministry of Cultural Heritage and Activities and, pursuant to Article 63, paragraph 3, of the same decree, to the Region or other interested local public body – to which the effects of the sale were subject.

Risks

The risks to which the Company is exposed and the related mitigations are described in detail in the section on risk management in the Interim Management Report.

Guarantees

With regard to the financing agreements that the Company has in place with Intesa Sanpaolo, a mortgage has been taken out on the property in Rome, Via Cortese, for an original value of €16 million; it should be noted that the residual debt as of June 30, 2025, is €245 thousand and that the market value of the property is €4,580 thousand.

The Company has no outstanding loan agreements that include covenants.

Provisions, commitments and contingent liabilities and assets

NEXT RE recognized provisions for risks in the financial statements at June 30, 2025, in relation to the probability of using resources to settle obligations for €49 thousand, as indicated in note 11. Provisions for risks. In addition, as of June 30, 2025, a provision for risks of €25 thousand was recorded under Liabilities related to assets held for sale in relation to the sale of the asset in Milan, via Spadari; this risk provision

includes the estimate of potential liabilities arising from the sale and purchase agreement with the counterparty Zeta Investment in relation to fire prevention, environmental, and plant obligations.

The following is a brief description of contingent liabilities as of June 30, 2025.

- 1) With reference to the case pending before the Court of Rome R.G. 55062/2020 brought by Sorgente Group Italia S.r.l. - which challenged the board resolution of October 29, 2020 concerning the share capital increase, in addition to the board resolution of October 7, 2020 accepting the offer by CPI Property Group S.A. and the shareholders' meeting resolution of August 27, 2020, which granted the Board of Directors the power to increase the share capital pursuant to Article 2443 of the Italian Civil Code, the hearing to clarify the conclusions was held on January 13, 2025, in written form. The parties filed their respective defense briefs within the specified time limits, systematically reiterating the defenses presented in the previous pleadings. We are therefore awaiting the judge's decision on the date of the hearing for the issuance of the judgment. The Company's lawyers consider the risk of losing the case in relation to the acceptance of the claim for damages to be negligible. We are therefore awaiting the judge's setting of a hearing date for the issuance of the judgment. The Company's defense attorneys consider the risk of losing the case in relation to the acceptance of the claim for damages to be merely possible.
- 2) As part of the settlement agreement signed on June 28, 2022, Castello SGR waived the proceedings registered under no. 24624/2021 R.G. – Court of Rome. The judge has not yet taken the measures resulting from the filing of the relevant acts of waiver and acceptance pursuant to Article 306 of the Italian Code of Civil Procedure, and the hearing for the clarification of the conclusions previously set for December 11, 2024, has been postponed to September 3, 2025. It should be noted that, with reference to the above litigation, the risk of losing the case is considered possible by the Company's lawyers, from a prudential point of view.
- 3) With reference to the pending case before the Court of Rome R.G. 5998/2021, in which Next Re has been summoned to appear as a third party at the instigation of the Special Trustee of the closed-end real estate investment fund called "Fondo Aida," wholly and indirectly owned by SIAE, it should be noted that Next Re duly appeared in court, raising multiple procedural and substantive objections and requesting the complete rejection of the claims made by the plaintiffs. Following the first hearing, held on July 5, 2022, the judge assigned the parties the terms for the filing of defense briefs pursuant to Article 183, paragraph 6, of the Italian Code of Civil Procedure and, during the subsequent hearing on February 28, 2023, ordered a court-appointed expert opinion in order to assess the disputed claims for compensation. Following the start of the expert's work and a number of postponements, the court-appointed expert filed a preliminary technical report on May 20, 2024, in which he limited himself to verifying that the claims for compensation made by the plaintiffs were: (a) verifiable on the basis of the evidence gathered in the case file; and, if so, (b) correct from a purely technical point of view, considering in several cases that such claims for damages were unjustified and unproven. On June 30, 2024, the technical consultant appointed by Next RE filed its observations on the preliminary report of the court-appointed technical consultant, highlighting how the conclusions reached - based on the above methodological assumptions - could be considered abstractly acceptable by Next Re insofar as it is recognized that Next Re cannot be charged with any damage, as it is totally unrelated to the disputed facts. The final CTU report was filed with the Court of Rome by the deadline of July 30, 2024. The subsequent court hearing was held on January 20, 2025, for comments on the CTU. The aforementioned hearing was then further postponed to January 22 and held by an honorary justice of the peace, as the judge presiding over the case had been transferred and had not yet been replaced by another judge. Therefore, pending the identification of the new judge, at the hearing on January 22, 2025, the honorary justice of the peace ordered the postponement of the case for the same tasks to October 27, 2025. It should be noted that the risk of losing this dispute is considered possible by the Company's legal advisors, from a prudential point of view.

INCOME STATEMENT
Note 15. Rental income

	30/06/2025	30/06/2024
Property leases	2,171	3,163
Charge-backs to tenants	23	98
Other income	23	36
Rental income	2,217	3,297

This item, amounting to Euro 2,217 thousand as of June 30, 2025, includes rental income and related cost recharges to tenants, as well as other income relating to contingent assets. Revenue from leases decreased by Euro 1,080 thousand due to the removal of the asset in Milan, Via Spadari, from the real estate portfolio. On a like-for-like basis, however, rental income increased by approximately Euro 20 thousand due to ISTAT adjustments to lease agreements applied during the period. Details of income earned per property are provided below.

Property	30/06/2025	30/06/2024
Milan, via Spadari	19	1.119
Milan, via Cuneo	599	591
Milan, C.so San Gottardo	419	415
Rome, via Zara	398	395
Bari, via Dioguardi	488	484
Rome, via Cortese	294	293
Total	2,217	3,297

Note 16. Costs relating to property assets

The balance of the item Costs relating to real estate assets at June 30, 2025, amounts to Euro 434 thousand (Euro 700 thousand at June 30, 2024); the following table shows these costs by type:

	30/06/2025	30/06/2024
IMU	260	348
Technical advice	69	81
Maintenance and running costs of premises	41	169
Contract registration taxes	30	51
Insurance	16	14
Property, building and facility management costs	11	12
Utilities	3	1
Legal, notary and professional fees	2	12
Real estate consulting	1	8
Other taxes and duties	1	2
Other expenses	0	2
Costs relating to property assets	434	700

IMU (property tax) and registration tax costs relate to taxes applied to the real estate portfolio. Property, building, and facility management costs relate to the ordinary and administrative management of the properties in the portfolio. Maintenance costs relate to expenses incurred for the ordinary and extraordinary management of the properties, while utilities include expenses for the supply of telephone, electricity, water, and gas services to the properties. Insurance refers to all-risk policies taken out for the properties in the portfolio.

The item decreased by Euro 265 thousand due to the disposal of the Milan asset in Via Spadari from the property portfolio. On a like-for-like basis, property-related costs decreased by approximately Euro 24 thousand.

Note 17. Total operating costs

	30/06/2025	30/06/2024
Wages and salaries	173	170
Social Contribution	78	80
Severance indemnity fund (TFR)	11	11
Other personnel costs	69	84
Sub-total a) Personnel costs	331	345
Directors' fees	284	306
Asset advisory fee	266	307
Legal and notary fees	74	92
Other consultancy	74	64
IT and consultancy fees	54	56
Administrative and financial consulting	44	29
Fees paid to the Board of Statutory Auditors	41	41
Remuneration of the Supervisory Body	28	23
Remuneration of professional auditors	26	25
Internal auditor fees	22	42
Insurance	25	25
Management, cleaning and maintenance expenses of premises	11	11
HR Services	10	10
Real estate consulting and independent expert	10	5
Utilities	10	9
Security	7	7
Communications and marketing costs	7	7
Charges and banking fees	7	2
Travel, transport and car expenses	1	2
Other	4	3
Subtotal b) Overheads	1.005	1.066
Amortisation, depreciation and write-downs of fixed assets	58	55
Total operating costs	1.394	1.466

Total operating costs include personnel costs, general costs and depreciation, amortisation and impairment of fixed assets.

Personnel costs amounted to Euro 331 thousand as at 30 June 2025. This item includes organisational costs and provisions for short-term variable remuneration. For further details, please refer to the note on incentive plans below.

Related party costs amounted to Euro 491 thousand and include directors' emoluments of Euro 284 thousand, asset advisory fees of Euro 266 thousand and emoluments for the Board of Statutory Auditors of Euro 41 thousand.

General costs amounted to Euro 1,005 thousand at 30 June 2025, a net decrease of Euro 61 thousand compared to 30 June 2024.

The item amortisation and depreciation includes depreciation charges for the period for intangible assets (€12 thousand), usage rights (€15 thousand) and other tangible assets for €31 thousand, of which €28 thousand relates to the instrumental portion of the property in Rome, Via Zara, depreciated at a rate of 3%.

Note 18. Other revenues and income

The item as at 30 June 2025 amounts to Euro 1 thousand, while as at 30 June 2024 it amounted to €2 thousand and includes income relating to previous financial years.

Note 19. Other costs and expenses

	30/06/2025	30/06/2024
Shareholders' meetings, financial statements, Consob obligations, Stock Exchange	53	50
Provisions for risks	14	4
Membership fees	14	17
Other expenses	17	17
Total Other costs and charges	98	88

Other costs and charges include costs incurred for Consob and Borsa Italia contributions and other compliance requirements and membership fees.

Note 20. Positive/(negative) fair value of investment properties

	30/06/2025	30/06/2024
Negative fair value of investment properties	(241)	(655)
Positive fair value of investment properties	0	598
Total	(241)	(57)

This item includes revaluations and write-downs made on the value of investment property in the portfolio based on appraisals prepared by independent experts. For related comments, please refer to Note 1. Investment Property.

Note 21. Financial income/(expenses)

	30/06/2025	30/06/2024
Interest income on bank accounts	47	73
Other financial income	0	2
Other financial income from transactions with related parties	528	2
Financial income	575	77
Interest on CPI PG loans	(67)	(684)
Interest on financing from banks	(7)	(21)
Interest on leases	(2)	(2)
Interest expense due on other payables	0	(1)
Financial expenses	(76)	(708)

Financial income includes Euro 528 thousand in contingent assets recognised in the income statement for the release of the liability for interest withholdings of Euro 528 thousand following the positive response from the

Italian Revenue Agency to the request for a ruling submitted in order to obtain confirmation of the exemption provided for in Directive 2003/ 49/EC on interest due on loans granted by the parent company CPI PG. This provision had been allocated in relation to withholding taxes on interest accrued but not yet paid on loans contracted with CPI PG in 2021.

The item Financial expenses mainly consists of interest expense on loans granted by the parent company CPI PG for Euro 67 thousand. Compared to the first half of 2024, there was a significant decrease in interest accrued during the period following the partial early repayment and partial write-off of the debt in December 2024.

Note 22. Taxes

The Company applies the specific regulations set forth in Article 1, paragraphs 119 et seq. of Law No. 296/2006 and the related implementing decree to income deriving from exempt operations, while it applies the ordinary IRES and IRAP taxation rules to income deriving from non-exempt operations. As at 30 June 2025, ordinary operations showed a tax loss and no deferred taxation was recognised due to its expected recoverability. For further details, please refer to the section 'SIIQ regulatory and legislative framework' included in the Management Report.

Note 23. Cash flow statement

The cash flow statement is presented using the indirect method.

In the first half of 2025, operating activities generated a positive cash flow of Euro 423 thousand (Euro 1,194 thousand in 2024).

During the period, investment/divestment transactions generated a negative cash flow of Euro 41 thousand, while the payment of dividends and the repayment of financial debt absorbed cash of Euro 1,296 thousand.

Events after the balance sheet date

No events occurred after the balance sheet date that would have required an adjustment to the values reported therein.

For a description of events after the end of the half-year, please refer to the sections entitled 'Events after the end of the half-year' and 'Outlook' included in the Interim Management Report.

Incentive plans

Stock Grant Plan 2021-2026

On 10 November 2021, the Shareholders' Meeting approved the financial instrument-based plan called 'Stock Grant Plan 2021-2026' aimed at aligning the interests of management with those of shareholders, prioritising the increase in the market value of the shares and the creation of value for all stakeholders in the medium to long term, in implementation of the provisions of the current Remuneration Policy for the financial years 2021 -2023 approved by the Shareholders' Meeting on 26 April 2021 and in compliance with the provisions of the Framework Agreement and the Asset Advisory Agreement signed between the Company and DeA Capital Real Estate SGR S.p.A., as well as in line with international practices and in accordance with the recommendations of the Corporate Governance Code to which the Company has adhered.

The Plan provides for the allocation, free of charge and on a personal basis, in one or more tranches to be implemented within five years from the date of approval by the Shareholders' Meeting, of the Company's treasury shares to the beneficiaries (hereinafter also referred to as the 'beneficiaries') identified by the Board of Directors, with the assistance of the Remuneration Committee, from among the directors, executives, other employees, collaborators and consultants of the Company and companies belonging to its Group (including the key managers of companies belonging to the DeA Capital Group in execution of the Framework Agreement and the Asset Advisory Agreement), up to a maximum number of treasury shares corresponding to 3% of the Company's share capital pro tempore existing on the date of each implementation of the Plan.

On 27 April 2022, the Board of Directors of NEXT RE approved the Implementation Regulations (hereinafter also the 'Regulations') of the first cycle 2022 – 2024 of the Stock Grant Plan (hereinafter also referred to as the 'Plan'), which provides for the free allocation to beneficiaries of a maximum of 206,176 ordinary treasury shares upon the achievement of pre-established objectives or the occurrence of certain conditions.

As at 31 December 2024, the date on which the first cycle ended, the value of the rights accrued by the beneficiaries is zero, as the condition allowing the achievement of the Gate Objective, which is the condition for access to the first cycle of the Plan, has not been met.

All information relating to the 2021-2026 Stock Grant Plan is described in the Information Document prepared in accordance with Article 84-bis, paragraph 1, of Consob Regulation No. 11971/1999 and in accordance with Schedule No. 7 of Annex 3A to the same Regulation, available to the public on the website <https://www.nextresiiq.it/>, Governance section – Shareholders' Meeting.

LTI

On 28 May 2024, the Company's Board of Directors approved and assigned the medium/long-term incentive remuneration proposals for the financial years 2024-2026 for executive directors and managers with strategic responsibilities, drawn up in accordance with the Remuneration Policy approved by the Company's Shareholders' Meeting on 23 April 2024 for the three-year period 2024-2026. The medium- to long-term remuneration provides for the allocation of a target incentive remuneration component equal to a percentage of the total fixed remuneration (the 'LTI Bonus'), the accrual of which is linked to the achievement of one or more specific objectives. The LTI Bonus will be paid by the Company subject to the following conditions: a) maintenance of the Significant Relationship with the Company; b) achievement of the LTI Target and, subject to the achievement of the so-called Gate Target, as verified by the Board of Directors, with the assistance of the Independent Committee, or by the relevant company departments, at the time of the Board's approval of the draft financial statements for the 2026 financial year.

Any LTI Bonus accrued will be paid within thirty days of the aforementioned approval, provided that the relationship with the Company has been maintained as at 31 December 2026. Long-term incentive plans qualify, according to IAS 19, as other employee benefits and must be allocated pro-rata temporis over the three-year reference period based on the final figures for the reference parameters.

As at 30 June 2025, no provision for long-term variable incentives was recognised in the financial statements.

MBO

On 28 May 2024, the Board of Directors also approved the MBO proposal for the first half of 2025, linking the accrual of the short-term incentive to the achievement of company performance (general and individual) targets set for each beneficiary. As at 30 June 2025, a provision for variable incentives totalling Euro 153 thousand was recognised in the financial statements, including the costs of contributions payable by the company, of which Euro 82 thousand was recognised under Personnel Costs and Euro 71 thousand under General Costs.

Update on the effects of COVID-19 on the accounts for the first half of 2025

With regard to the impact of the COVID-19 pandemic on the Company's accounts, it continues to recognise the effects of temporary rent reductions granted to tenants on a straight-line basis over the term of the contracts. During the period, Euro 34 thousand was recognised as a reduction in rental income for COVID concessions, while in subsequent periods, until 2027, reductions of Euro 172 thousand will be recognised on a straight-line basis as a decrease in rental income.

Considerations regarding ongoing conflicts, the macroeconomic scenario and the introduction of customs duties

With reference to the conflict between Russia and Ukraine and that in the Middle East, the macroeconomic scenario and the recent introduction of customs duties, management has updated its analysis of the potential

risks arising from these factors, taking into account the business in which NEXT RE operates, its commercial counterparties and its financial structure.

As is well known, the Company's revenues consist of rental income from the five properties. As at 30 June 2025, the Company's customer portfolio did not present any problems related to non-collection or uncertainties regarding the recoverability of receivables.

The Real Estate Business Area monitors customer performance and identifies any critical issues related to credit management.

With regard to energy commodity prices, NEXT RE is not significantly exposed to this phenomenon, as all the properties it owns, with the exception of a portion used by NEXT RE (for operational purposes), are leased and, therefore, operating costs, such as utilities, are borne by the tenants.

NEXT RE does not deal directly with entities affected by the sanctions and restrictive measures imposed by the EU on Russia.

With reference to the first half of 2025, the Company did not encounter any need for access to credit. As at 30 June 2025, 95% of the debt structure consisted of payables to the parent company CPI Property Group S.A., which exercises management and coordination activities over NEXT RE; these payables are due in the 2026 financial year. In this context, therefore, NEXT RE considers that it is not significantly exposed to credit risk and, consequently, has not taken any action to mitigate it. Furthermore, to the Company's knowledge, the parent company is not significantly exposed to the risk of the impact of the conflict between Russia and Ukraine.

In light of the above and the fact that the rate applied to CPI loans is fixed, NEXT RE has not been affected by interest rate dynamics related to the macroeconomic scenario.

Finally, given the sector in which NEXT RE operates, it has not been affected by any critical issues regarding the supply of raw materials. Taking into account the above, management believes that the conflict between Russia and Ukraine has not had a significant impact on the Company's operations.

With reference to the macroeconomic scenario and its impact on the financial statements, as described in note 1. Investment property, the variables used in the valuation of assets were affected by interest rate trends. Changes in fair value linked to interest rate fluctuations had an impact on the results for the first half of 2025. The independent expert appointed to assess the fair value of the property portfolio at 30 June 2025 notes that *"[...] the large-scale Russian invasion of Ukrainian territory that began on 24 February 2022 and the conflicts in the Middle East, in addition to the recent introduction of customs duties affecting the global economy and trade relations between countries, continue to generate volatility in the financial markets" and that "After nine months of unchanged interest rates, the Governing Council of the European Central Bank decided to cut rates for the eighth time, setting the interest rate on main refinancing operations at 2.15%, due to a reduction in inflation that is in line with the ECB's medium-term target of 2%. The continuing level of uncertainty and ongoing tensions continue to be reflected in the property market. However, investment volumes are up on last year and are affecting all asset classes across the board, thanks in part to the start of the ECB's monetary policy normalisation process last June."*

Finally, as also shown by the results of the sensitivity analyses conducted, financial market trends could also have an impact in the future if the macroeconomic scenario continues to significantly influence the variables used in the property asset valuation process and contributes to a higher level of uncertainty in determining fair value.

Certification of the condensed half-year financial statements

CERTIFICATION OF THE CONDENSED HALF-YEAR FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81- TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

1. The undersigned Giovanni Naccarato, as Chief Executive Officer, and Francesca Rossi, as Manager responsible for preparing the company's financial reports of NEXT RE SIIQ S.p.A., hereby certify, also taking into account the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
 - o the adequacy in relation to the characteristics of the company; and
 - o the actual application of the administrative and accounting procedures for the preparation of the condensed half-year financial statements, during the period 1 January – 30 June 2025.

2. It is also certified that:
 - 2.1 the condensed half-year financial statements:
 - a) have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the information contained in the accounting ledgers and records;
 - c) provide a true and fair representation of the equity, economic and financial situation of the Issuer and all of the companies included in the scope of the consolidation.
 - 2.2 The Interim Report on Operations provides a reliable analysis of the performance related to the significant events occurred in the first six months of the year and their incidence on the condensed consolidated half-year financial statements, as well as a description of the principal risks and uncertainties for the remaining six months of the year. The Interim Report on Operations also includes a reliable analysis of the information regarding transactions with related parties.

Rome, 25 July 2025

Chief Executive Officer

Giovanni Naccarato

The Manager responsible for preparing the
company's financial reports

Francesca Rossi

Annexes

Annex 1 – Transactions with related parties

The following table shows the amount of transactions with related parties.

(Values in €)

Related party	Trade receivables and other current assets	Payables to banks and other lenders	Trade payables and other debts	Overhead costs	Financial income	Financial expenses
CPI Property Group S.A.	194,524	5,813,727	0	0	527,838	(66,943)
Dea Capital Real Estate SGR S.p.A.	0	0	297,860	(265,674)	0	0
Directors	0	0	151,832	(284,384)	0	0
Statutory Auditors	0	0	41,365	(41,365)	0	0
Total	194,524	5,813,727	491,057	(591,423)	527,838	(66,943)

Remuneration for the period for the Executive with strategic responsibilities is included under Personnel costs.

Report of the Independent Auditors



NEXT RE SIIQ S.p.A.

Review report on the interim condensed financial statements

(Translation from the original Italian text)



EY S.p.A.
Via Lombardia, 31
00187 Roma

Tel: +39 06 324751
Fax: +39 06 32475504
ey.com

Review report on the interim condensed financial statements (Translation from the original Italian text)

To the Shareholders of
NEXT RE SIIQ S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed financial statements of NEXT RE SIIQ S.p.A., which comprise the statement of financial position as at June 30, 2025 and the income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the six month period then ended, and the related notes. The Directors are responsible for the preparation of the half-yearly condensed financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed financial statements of NEXT RE SIIQ S.p.A. as at June 30, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Rome, July 29th, 2025

EY S.p.A.
Signed by: Filippo Maria Aleandri, Statutory Auditor

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

EY S.p.A.
Sede Legale: Via Meravigli, 12 - 20123 Milano
Sede Secondaria: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 3.000.000 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000564 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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Valuations of independent experts



BUSINESS UNIT

PROTOS REAL ESTATE S.r.l

CLIENT

NEXT RE SIIQ S.p.A.

DESCRIPTION

Market value of full ownership as of 30/06/2025 of the real estate assets owned by Next Re

ACTIVITY

FIRST HALF-YEARLY EVALUATION

ANALYS

FULL

Protos Real Estate Srl

Company subject to the management and coordination of Protos SpA

Roma

Via Livenza 3, 00198

T. 06 8440891

C.F. P.IVA 16963581000

Milano

Via Vittor Pisani 27, 20124

T. 02 67074380 - F. 02 66986215



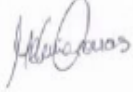


E. protos@protos-spa.it

Genova

Via Ilva 2, 16128



Work team

<p>Ing. Giulio Marconi The Legal Representative</p> 	<p>Ing. Marco Anselmi Director B.U. Real Estate</p> 
<p>Ing. Lucia Poeta Head of Valuation</p> 	<p>Ing. Melania Arenas Senior Consultant & RICS Valuer</p> 
<p>Ing. Guido Bruni Senior Consultant & RICS Valuer</p> 	<p>Geom. Salvatore Coppola Senior Consultant & Tegova Valuer</p> 

Job code

254.25

File name

30062025_6539_NEXT RE SIIQ_RELAZIONE DI
STIMA_ENG

Our reference

6539/25



Summary

1	PREMISE AND PURPOSE OF THE EVALUATION	4
1.1	Real estate perimeter, date of valuation and date of site inspection.....	4
1.2	Reference standards and independence requirements.....	5
1.3	Basis of evaluation.....	5
1.4	Valuation criteria	6
1.5	ESG considerations.	7
1.6	Glossary.....	8
1.7	Documents	9
1.8	Limitations of the assignment	9
2	FOUND PROPERTIES.....	11
3	MARKET VALUE.....	12
3.1	Choice of Estimation Method	12
3.2	Market Value of the assets of the NEXT RE SIIQ	16



1 PREMISE AND PURPOSE OF THE EVALUATION

Protos Real Estate S.r.l., in accordance with the order of "Independent Expert" conferred on it by Next Re SIIQ S.p.A, carried out the valuation of the real estate owned by Next Re SIIQ, in order to determine their Market Value as at 30/06/2025 (first half-yearly valuation).

The real estate portfolio consists of 5 properties for office and commercial use located in the Municipalities of Rome (RM), Milan (MI) and Bari (BA).

Protos used personnel qualified for the task. To fulfil the mandate, in addition to information in its own possession or available from accredited industry sources, data and documents provided by Next Re SIIQ were used.

1.1 Real estate perimeter, date of valuation and date of site inspection

The real estate portfolio owned by Next Re SIIQ SpA consists of n. 5 properties for office and commercial use, located in the municipalities of Rome (RM), Milan (MI), and Bari (BA).

The valuations refer to the date of 30th June 2025.

This analysis is full type, so the 5 assets, that constitutes the Real Estate portfolio, were viewed both externally and internally by technical staff on the dates shown in the following table:

n.	City	Adress	Intented use	Gross area(sm ²)	Date of inspection	Contact person
1	Bari	Viale Saverio Dioguardi, 1	Office	19.118	06/05/2025	Eng. Traversa
2	Milano	Corso San Gottardo, 29/31	Retail	4.928	19/05/2025	Arch. Paganini
3	Milano	Via Cuneo, 2	Retail	6.395	19/05/2024	Arch. Paganini
4	Roma	Via Vinicio Cortese, 147	Office	4.580	03/06/2025	Arch. Stara
5	Roma	Via Zara, 22/32	Retail/ Office	4.582	05/06/2025	Eng. Bruni
	Roma	Via Zara, 22/32	Office (Operational property)	476	06/06/2025	Eng. Arenas
				40.079		



1.2 Reference standards and independence requirements

This Assessment Report has been prepared in accordance with the RICS Professional Valuation Standards RICS ("Red Book") – January 2025.

The valuation has also been prepared in compliance with the requirements of the relevant Authorities regarding the valuation criteria for Real Estate SIIQ.

Pursuant to and for the purposes of the relevant legislation in force, reference is made to the following provisions and subsequent amendments:

- Consolidated Law on Finance "*Testo Unico della Finanza*" (Legislative Decree No. 58 of February 24, 1998).
- CONSOB Recommendations no. DIE/0061944 of 118 July 2013 and 2013 and no. DEM/9017965 of 26 February 2009.

It is in accordance with:

- IFRS 13 – Fair Value Measurement.
- International Accounting Standards 40 (IAS 40).

1.3 Basis of evaluation

The Market Value is defined as "*the estimated amount for which an asset or liability should Exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently without compulsion (@IVSC 2024)*".

This definition refers to the fact that the value of a property is an estimated amount, rather than a predetermined or actual sale price; this value corresponds to the price at which the market expects that a transaction that satisfies all the other elements of the definition of Market Value should be concluded on the valuation date.

The estimate is subject to the provisions of this report and the Standard Terms, Conditions and Assumptions set out in the report, subject to any specific variations if specifically set out in the body of this assessment report. Where necessary, the Client has confirmed that the hires and special hires considered are correct for the purposes of this relationship. In the event that any of these assumptions are found to be incorrect, the results of the evaluation may be subject to change and should therefore be appropriately reviewed.



1.4 Valuation criteria

In order to estimate the Market Value, Protos followed generally accepted valuation concepts and methods, applying in particular the following valuation method:

- **Market Comparison Approach - MCA** (also known as Method of Market Comparison, or Synthetic-Comparative Method), based on direct comparison of the property to be valued with similar properties recently purchased and sold or offered on the market at a known price, applicable to the purposes of the valuation. The MCA is a procedure of comparison with assets with similar technical and economic characteristics. The application of the method involves, therefore, adjustments of prices according to different technical and economic characteristics, measured with respect to the asset being valued.
- **Income Approach.** This method allows you to estimate the value of a property based on the income that the property generates, capitalized at a specific capitalization rate. The method can be applied with different procedures/criteria:

- **Direct Capitalization**, which is independent of financial considerations of income and the duration of the investment. The net income to be capitalized refers to a budgeted, annual, average and ordinary income. Regarding the income and operating costs related to property ownership, we refer to market income for similar properties, particularly for income (market rent for similar properties). Operating costs also include costs for periodic extraordinary interventions. The resulting net income will be capitalized at the most appropriate capitalization rate.
- **Discounted Cash Flow (DCF)**, which considers the time factor and, therefore, the timing of the financial manifestation of costs and revenues associated with the real estate investment project. Cash flow is made up of income, represented by gross income (rents, sale prices, advances, balances, etc.), and expenses, consisting of transformation and intervention costs, operating costs and extraordinary expenses for the preservation of the property in good condition. To estimate the value of the property, the cash flow is considered over a limited time period, usually related to the duration of the intervention or the expiration of the right to the property

The DCF procedure also requires, for investment properties, capitalization at the most appropriate capitalization rate which must reflect market data and the peculiarities of the property.



Protos has determined the Market Value on the assumption of the highest and best use of the property (*Highest and Best Use Analysis*), has considered among all the technically possible, legally permitted and financially possible uses, only those potentially capable of conferring the highest value on the properties.

1.5 ESG considerations.

In 2022, the *Royal Institution of Chartered Surveyors* (RICS) established a *Leaders' Forum* with the objective of setting the foundations for a consistent and transparent approach to integrating ESG requirements into the valuation process. As a result of the creation of a group of leading members, a Data List comprising twelve indicators deemed relevant for assessing the energy performance of properties was introduced.

In January 2024, RICS published a paper exploring the impact of ESG on real estate valuation, highlighting the increased returns that ESG-focused properties can offer investors. The publication identified three categories of factors that may potentially affect a property's market value:

- a) **Cash flow drivers:** these influence the cash flow associated with a property. Examples include tenant demand, rental income, operating costs, capitalization rates, financing costs, and tax incentives. Properties with strong ESG characteristics may benefit from lower operating costs, greater tenant stability, and access to more favourable financing terms, resulting in improved cash flows and increased market value.
- b) **Risk drivers:** these increase the risk profile of the property. They include environmental risks, social conflicts, governance issues, and regulatory compliance concerns. Properties with higher ESG-related risks may face stricter regulations, increased legal liabilities, and reputational damage, all of which can potentially reduce market value.
- c) **Value drivers:** these may have a direct impact on property value and include factors such as energy efficiency, location, green certifications, and building design.

Where available, ESG and sustainability factors that contribute to determining the performance levels of the property have been taken into consideration in the valuation process. This includes any existing or planned green certifications, as well as improvements carried out or scheduled as reported by the Client, which may affect the property's market value.



1.6 Glossary

- "Real estate portfolio" means the set of immovable assets (land, buildings, fixed installations and external building works) subject to the Valuation, with the express exclusion of any other and different asset, including movable and intangible assets.
- "Property" means the set of immovable property (land, buildings, fixed installations and external building works) covered by the Valuation, with express exclusion of any other and different property, including movable property and intangible property.
- "Market value" means 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion' (RICS valuation – Global Standards, 2022).
- "Market rent" means "The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion' (RICS valuation – Global Standards, 2022).
- "Reconstruction costs" indicates for Buildings and fixed installations, the cost that would be incurred, at the date of the estimate, to build each individual building with surfaces, volumes and planimetric shape identical to the one being assessed, with materials and artifacts of similar utility and current availability.
- "Special assumption" means 'An assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date.' (RICS valuation – Global Standards, 2022).
- "Gross area" it is expressed in square meters measured along the external edge of the perimeter walls of the building, to the centre line of the confining walls towards third parties.
- "Commercial Area" Expressed in square meters (sqm), this refers to the entire or partial gross floor area that is potentially income-generating in the event of third-party leasing. In this specific case, the commercial area has been conventionally calculated starting from the gross floor area, excluding technical rooms, mechanical systems, stairwells, and elevator shafts, and subsequently adjusted using appropriate weighting coefficients.



1.7 Documents

This report is based on the analysis of the documents supplied by the Company and report in the table below:

- Cadastral certificates end plans.
- Metric dimensions - gross areas.
- *Rent roll* updated at 30/06/2025.
- Forecast of the annual amount of property tax (IMU).
- Amount of Insurance.
- Lease contracts.

1.8 Limitations of the assignment

This technical elaboration is only advisory in nature and does not provide for nor will it substantiate audit or certification tasks, either on financial statements or on individual items thereof, nor will it determine any obligation to audit or access the computer files of the public bodies in charge of keeping and updating said data and information, nor any obligation to ascertain or certify the veracity of the urban and administrative status.

In the course of carrying out the assignment, we adhered to the documentation, content, data, and information provided to us.

Under no circumstances will the assignment lead Protos to assume management, organizational and coordination functions within your Company, as our activity is an external activity of a purely consultancy nature.

The task we carry out and the results of the planned activity are provided by us as an "Independent Expert", as a third party with respect to the Company.

Protos, also:

- has carried out, in agreement with the Client, this assessment in full mode.
- has evaluated the property on the basis of the factual situation, legal and rental defined by the Client at the date of this valuation.
- has assumed that the property complies with current regulations (building and urban planning compliance, safety and fire prevention), except in cases expressly indicated by the Client.



- The ownership title of the subject who currently owns the property has not been verified but only relied on the information provided by the Client. It did not check the mortgage, the land registry, nor did it check whether there are third party rights on the property or whether the property complies with current regulations.
- expressed a value judgment based on the conditions of the local real estate market, considered the economic data collected in the market and adapted them to the specific characteristics of the real estate property through appropriate processing.
- determined the Market Value on the assumption of the highest and best use of the property (*Highest and Best Use Analysis*), has considered among all the technically possible, legally permitted and financially possible uses, only those potentially capable of conferring the highest value on the properties.
- for evaluation purposes, it did not consider special assumptions.
- has expressed a value judgment of full ownership in Euro.
- has collected the information necessary for the development of the assessment (construction quality, state of conservation, etc.) during the site inspection.
- did not verify the dimensions of the property during the inspection since the gross building stocks of the asset were provided by the Client.
- carried out urban planning analyses in *desktop mode* based on the documentation found, where possible, online on the websites of the Municipal Administrations.
- considered the information provided by the Customer (*Rent Roll, Capex, IMU Amounts, Insurance, etc.*).
- has not carried out any direct survey (architectural, topographic, photogrammetric, etc.), measurement, instrumental control, laboratory analysis, test, survey, etc., or any other verification that may involve the use of particular technical instruments.
- has excluded in the value estimate the examination of the environmental impact deriving from hazardous substances or potentially hazardous substances, having not carried out any environmental investigation, nor checks on the structure of the buildings nor the potential contamination deriving from the effects of earthquakes.



2 FOUND PROPERTIES

The real estate portfolio owned by Next Re SIIQ SpA consists of n. 5 properties for office and commercial use, located in the municipalities of Rome (RM), Milan (MI), and Bari (BA).

n. asset	City	Adress	Intented use	Gross building area (mq)	Commercial Area (mq)
1	Bari	Viale Saverio Dioguardi, 1	Office	19.118	10.483
2	Milano	Corso San Gottardo, 29/31	Retail	4.928	2.620
3	Milano	Via Cuneo, 2	Retail	6.395	3.327
4	Roma	Via Vinicio Cortese, 147	Office	4.580	2.496
5	Roma	Via Zara, 22/32	Retail/Office	4.582	2.682
	Roma	Via Zara, 22/32	Office (Operational property)	476	387
				40.079	21.996

For the characteristics of the asset, please refer to the "Valuation Form" which is an integral part of this Estimate Report.



3 MARKET VALUE

3.1 Choice of Estimation Method

For the assets in question the Market Value was determined using the Discounted Cash Flow (DCF) Income Method.

This criterion is based on the concept that a real estate developer is willing to pay for an asset the value corresponding to the discounting of all the proceeds and costs generated by the asset, in a pre-established period, at the discounting rate appropriately determined, based on the intrinsic characteristics and location of the asset, which influence the degree of risk of the real estate transaction. It is necessary to capitalize the net real estate income, which the complex can potentially ensure over the years.

The Market Value is so determined by the sum of the discounted net revenues and the exit market value, discounted at the valuation date. For the application of the DCF.

The steps addressed in applying the policy are:

- construction of the distribution of expected cash flow;
- determination of the most suitable discount rate.

To process the analysis, you must define:

- Revenues, achievable from the rental of the property;
- Costs split between overheads, marketing and management costs, administrative burden

Once the model has been defined on the basis of the information collected and the assumptions made, the real estate value will be determined by discounting the cash flows through an appropriate discount rate, adapted to the characteristics of the property, which takes into account the current rates of the financial market, the inflationary outlook and the current expectations of the real estate market.

REVENUES

The revenues generated by the real estate properties subject to the estimate consist of the rental of individual assets where there is an existing lease agreement. For units for instrumental use, a market rent (ERV – *Estimated Rental Value*).

The unit market rent assigned to the properties has been defined with the Comparative Method, based on a market analysis carried out in the territorial area defined by the potential market basin in which each property is located, on the assumption that the seller is an operator with accredited experience, both technical and commercial. Since, in fact, no two properties are perfectly identical, the available information must be



processed to allow the necessary comparisons through the necessary adjustments, considering factors such as: location, state of maintenance, dimensional cut, design and appeal, qualifying appurtenances.

The projections were made with current currency and in particular the following were considered:

- increase in rents deriving from current contracts in line with planned inflation, by 1.85% per annum for the first period of analysis, by 2.00% per annum for the second period of analysis, an increase of 2.00% per annum for the remaining periods of analysis, based on the forecast parameters indicated by the International Monetary Fund, relating to consumer inflation;
- an annual increase in market rents calculated as follows: zero growth for the first period of analysis, an increase of 2.00% per year for the second period of analysis and an increase of 2.0% for the remaining periods of analysis;
- The annual indexation of the fees was considered as follows:
 - o as established by existing leases contract 75% or 100% of the ISTAT index relating to consumer prices for blue-collar and white-collar households;
 - o 75% or 100% of the ISTAT consumer price index for blue-collar and white-collar households for potential leases.
- a percentage for the risk of vacancy and non-collectability, calculated on the potential gross revenues as related to the rental situation and market characteristics for the area, variable from period to period.

COSTS (CHARGED TO THE OWNER)

- IMU (property tax), the amount provided by the Customer, kept constant for the first three years and then indexed by the planned inflation (2.0%) from the fourth period until the end of the cash flow;
- Administration: estimated at 1.50% of the gross effective proceeds;
- Imposta di registro, pari allo 0,5% dei ricavi lordi, come da legge;
- Reserves for extraordinary maintenance established as a percentage of the Reconstruction Cost (CNR) according to the intrinsic characteristics of the assets, updated annually at a rate equal to planned inflation (2.0%);

Property insurance: amount provided by the Client;

- Lease commission: equal to 10% of the gross annual rent, attributed during the renegotiation period.



- CAPEX: quantified according to the type of property and the state of maintenance detected during the inspection, which provide for a general renovation of the property so as to make it attractive on the reference market.

It is assumed that at the end of the analysis period, the potential buyer resells the property at a value obtained by capitalizing the net income of the last year at a rate determined as the difference between the discount rate and the annual growth rate of market rents, increased by an appropriate *risk out* that takes into account the extrinsic and intrinsic characteristics of the properties and deducting the marketing costs calculated at 2.0% of the sale price.

HOLDING PERIOD AND DISCOUNT RATE

The analysis period was established according to the type of asset and the current rental situation.

The discount rate used to determine the present value of the expected net cash flows from the investment takes into account current market yield trends and reflects the expected return required by capital providers, in proportion to the level of risk associated with the investment. The applied discount rate is the WACC – **Weighted Average Cost of Capital**, which essentially represents the weighted average between the cost of equity capital (Equity – whose cost depends on the perceived risk) and the cost of debt capital (third-party financing sources such as bank loans, etc.), as expressed by the following formula:

$$WACC = \left((K_e * \frac{E}{E+D}) + (K_d * \frac{D}{E+D}) \right)$$

Where:

- E = amount of equity capital
- D = amount of debt capital
- Ke = cost of equity
- Kd = cost of debt

The cost of equity (Ke) is calculated by considering the following risk components:

- Country risk premium, based on government bond yields (e.g., Italian BTP);
- Specific project risk, estimated based on the status of administrative procedures, construction progress, and commercialisation activities;
- Liquidity risk related to the real estate operation.

The cost of debt (Kd) is calculated taking into account the following variables:



- 10-year EUR IRS (Euro Interest Rate Swap);
- Investment risk spread applied by lenders.

Protos has considered the following "Risk Free" (updated and published as of 16/06/2025) as the basis for the calculation of the Discount Rate:

- BTP at 10 years (Latest Moving Average 12 months): 3,659% (equity);
- EURIRS at 10 years (Latest Moving Average 12 months): 2,515% (debt).

Cash flows (revenues - costs), expressed in current currency and generated over several years, have been discounted using a discount rate that we consider appropriate given current market rates, as well as inflation prospects, the real estate market outlook, and the inherent risk of the specific operation. The rate was also determined assuming a financial structure for the operation with a capital composition of approximately 40% equity and 60% debt.

Regarding "Government Bonds and 10-year Bonds," the yield of the 10-year Italian Treasury Bond (BTP) was used, with its return published in the Public Informative Database of the Bank of Italy. These data are updated daily and calculated as a 12-month moving average. For the 10-year Eurirs, the source used is <https://www.euribor.it/tassi-storici-eurirs/>, and the data are also processed as 12-month moving averages.

RECONSTRUCTION COSTS

The calculation of the Reconstruction Costs (CRN) of the assets was defined by considering the unit parametric costs recorded by the main national stock exchanges (DEI Publication - specific price list for "Building Types 2024" and updated with the construction cost index published by ISTAT), as well as the parametric costs derived from similar initiatives (Protos Database).



3.2 Market Value of the assets of the NEXT RE SIIQ

Based on the investigation carried out and what is expressly indicated, the Market Value as of 30th June 2025 of full ownership of the property belonging to the "NEXT RE", in the occupancy condition in which it is found on that date, is equal to:

Market Value

Euro 76,890,000.00

(Seventy-Six Million eight hundred and ninety thousand Euro/00)

This value is to be understood as the mere sum of the market values of the full ownership of the individual assets belonging to the patrimony.

Address	Intended use	Gross surface area (sqm)	Lettable area (sqm)	Market Value at 30/06/2025 (€)
Saverio Dioguardi Street, 1	Offices	19.118	10.483	14.260.000,00
San Gottardo Street, 29/31	Commercial	4.928	2.620	15.900.000,00
Cuneo Street, 2	Commercial	6.395	3.327	26.400.000,00
Vinicio Cortese Street, 147	Offices	4.580	2.496	4.570.000,00
Zara Street, 22/32	Commercial/Offices	4.582	2.682	13.690.000,00
Zara Street, 22/32	Offices	476	387	2.070.000,00
		40.079	21.996	76.890.000,00

The large-scale Russian invasion of Ukrainian territory, which began on 24 February 2022, along with ongoing conflicts in the Middle East and the recent introduction of customs duties affecting the global economy and international trade relations, continue to generate volatility in financial markets.

Following nine months of unchanged interest rates, the Governing Council of the European Central Bank has decided to cut rates for the eighth time, setting the interest rate on main refinancing operations at 2.15%. This decision reflects a decline in inflation, aligning with the ECB's medium-term inflation target of 2%.

The ongoing uncertainty and geopolitical tensions continue to impact the real estate market. However, investment volumes have increased compared to the previous year and involve all asset classes, supported in part by the initiation of the ECB's monetary policy normalization process, which began last June.

This explanatory note aims to ensure transparency and to provide context for the market environment in which the valuation was conducted. Given the potential for rapid changes in market conditions due to the evolution of current conflicts and monetary policy adjustments, it is important to take into account the valuation date.