



(Translation from the Italian original which remains the definitive version)

Eureka Institute for Translational Medicine ETS

**Financial statements as at and for the year ended
31 December 2022**

(with report of the auditors thereon)

KPMG S.p.A.

June 5th, 2023



KPMG S.p.A.
Revisione e organizzazione contabile
Corso Italia, 104
95129 CATANIA CT
Telefono +39 095 449397
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Independent auditors' report

*To the president of
Eureka Institute for Translational Medicine ETS*

Opinion

We have audited the first financial statements of Eureka Institute for Translational Medicine ETS (the "foundation"), which comprise the balance sheet as at 31 December 2022, the statement of activities for the year then ended and the report on activities.

In our opinion, the financial statements give a true and fair view of the financial position of Eureka Institute for Translational Medicine ETS as at 31 December 2022 and of its financial performance for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the foundation in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

This report is not issued pursuant to any legal requirements as the foundation was not required to subject its 2022 financial statements to a statutory audit pursuant to Legislative decree no. 39/10. Accordingly, we did not carry out the audit procedures required by Standard on Auditing (SA Italia) 250B to check that the foundation's accounts were regularly kept.

Responsibilities of the foundation's president for the financial statements

The president is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Eureka Institute for Translational Medicine ETS

Independent auditors' report

31 December 2022

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

Auditors' responsibilities for the audit of the financial statements

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

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

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



Eureka Institute for Translational Medicine ETS

Independent auditors' report

31 December 2022

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

Catania, 5 June 2023

KPMG S.p.A.

(signed on the original)

Giovanni Giuseppe Coci
Director of Audit

EUREKA INSTITUTE FOR TRANSLATIONAL MEDICINE ETS.

Tax code: 01552570895

Registered with the Italian register of non-profit bodies

Registered office in VIA NECROPOLI GROTTICELLE 17/A - 96100 SYRACUSE (SR)

Balance sheet as at 31 December 2022 and statement of activities for the year then ended**Assets****31/12/2022****A) Membership fees or capital proceeds to be received****B) Fixed assets***I. Intangible fixed assets*

1) Start-up and capital costs	
2) Development costs	
3) Industrial patents and intellectual property rights	6,729
4) Concessions, licences, trademarks and similar rights	
5) Goodwill	
6) Assets under development and payments on account	
7) Other	
Total	<hr/> 6,729

II. Tangible fixed assets

1) Land and buildings	
2) Plant and machinery	
3) Equipment	
4) Other assets	
5) Assets under construction and payments on account	
Total	<hr/>

III. Financial fixed assets

1) Equity investments:	
a) Subsidiaries	
b) Associates	
c) Other	
2) Financial receivables	
a) From subsidiaries	
- due within one year	
- due after one year	
b) From associates	
- due within one year	
- due after one year	
c) From other non-profit bodies	
- due within one year	
- due after one year	
d) From others	
- due within one year	
- due after one year	

3) Other securities

Total

Total fixed assets

6,729

C) Current assets

I. Inventory

- 1) Raw materials, consumables and supplies
- 2) Work in progress and semi-finished products
- 3) Contract work in progress
- 4) Finished goods
- 5) Payments on account

Total

II. Receivables

- 1) Trade receivables and receivables from users
 - due within one year
 - due after one year
-

- 2) From members and the founder
 - due within one year
 - due after one year
-

- 3) From public bodies
 - due within one year
 - due after one year
-

- 4) Contributions from private parties
 - due within one year
 - due after one year
-

- 5) From bodies of the same network
 - due within one year
 - due after one year
-

- 6) From other non-profit bodies
 - due within one year
 - due after one year
-

- 7) From subsidiaries
 - due within one year
 - due after one year
-

- 8) From associates
 - due within one year
 - due after one year
-

- 9) Tax receivables
 - due within one year
 - due after one year
-

- 10) *5 per mille* contributions
 - due within one year
 - due after one year
-

- 11) Deferred tax assets

- 12) From others
 - due within one year

- due after one year

Total

III. Current financial assets

- 1) Investments in subsidiaries
- 2) Investments in associates
- 3) Other securities

Total

IV. Liquid funds

- 1) Bank and postal accounts
- 2) Cheques on hand
- 3) Cash-in-hand and cash equivalents

469,704

469,704

Total current assets

469,704

D) Prepayments and accrued income

2,745

Total assets

479,178

Liabilities

31/12/2022

A) Net worth

I. Endowment capital

30,000

II. Restricted net worth

- Statutory reserves
- Reserves restricted by the foundation's bodies
- Reserves restricted by third parties

III. Unrestricted net worth

- Income- or surplus-related reserves
- Other reserves

661,789

661,789

IV. Shortfall for the year

(284,722)

Total

407,067

B) Provisions for risks and charges

- 1) Pension and similar provisions
- 2) Tax provision, including deferred tax liabilities
- 3) Other provisions

Total

C) Employees' leaving entitlement

D) Payables

1) Bank loans and borrowings

- due within one year
- due after one year

2) Other loans and borrowings

- due within one year

- due after one year	
3) Loans and borrowings from members and the founder	
- due within one year	
- due after one year	
4) From bodies of the same network	
- due within one year	
- due after one year	
5) Conditional donations	
- due within one year	
- due after one year	
6) Payments on account	
- due within one year	
- due after one year	
7) Trade payables	
- due within one year	15,968
- due after one year	
	<hr/>
	15,968
8) Payable to subsidiaries and associates	
- due within one year	
- due after one year	
9) Tax payables	
- due within one year	2,271
- due after one year	
	<hr/>
	2,271
10) Social security charges payable	
- due within one year	
- due after one year	
11) Employees and consultants	
- due within one year	
- due after one year	
12) Other payables	
- due within one year	
- due after one year	
Total	<hr/>
	18,239
E) Accrued expenses and deferred income	<hr/>
	53,872
Total liabilities	<hr/>
	479,178

Statement of activities

A) Costs and expenses for general interest activities	2022		A) Revenues, annuities and income from general interest activities	2022
1) Raw materials, consumables, supplies and goods	1,330		1) Membership fees and capital proceeds	349,169
2) Services	632,082		2) Income from members for mutual activities	
3) Use of third party assets	32,494		3) Revenues from services and sales to members and the founder	
4) Personnel expenses			4) Donations	31,972
5) Amortisation and depreciation	1,512		5) Income from <i>5 per mille</i> contributions	
5bis) Write-downs of tangible and intangible fixed assets			6) Contributions from private parties	
6) Provisions for risks and charges			7) Revenues from services and sales to third parties	
7) Other operating costs	4,230		8) Government grants	
8) Opening inventory			9) Income from contracts with public bodies	
9) Accruals to reserves restricted by the foundation's bodies			10) Other revenues, annuities and income	1
10) Use of reserves restricted by the foundation's bodies			11) Closing inventory	
Total	671,648		Total	381,142
			Shortfall from general interest activities (+/-)	(290,506)
B) Costs and expenses for other activities	2022		B) Revenues, annuities and income from other activities	2022
1) Raw materials, consumables, supplies and goods			1) Revenues from services and sales to members and the founder	
2) Services			2) Contributions from private parties	
3) Use of third party assets			3) Revenues from services and sales to third parties	6,000
4) Personnel expenses			4) Government grants	
5) Amortisation and depreciation			5) Income from contracts with public bodies	
5bis) Write-downs of tangible and intangible fixed assets			6) Other revenues, annuities and income	
6) Provisions for risks and charges			7) Closing inventory	
7) Other operating costs				
8) Opening inventory				
Total			Total	6,000
			Surplus from other activities (+/-)	6,000
C) Costs and expenses for fundraising activities	2022		C) Revenues, annuities and income from fundraising activities	2022
1) Regular fundraising costs			1) Proceeds from regular fundraising	

EUREKA INSTITUTE FOR TRANSLATIONAL MEDICINE ETS.

2) Occasional fundraising costs			2) Proceeds from occasional fundraising		
3) Other expenses			3) Other income		
Total			Total		
			Surplus/shortfall from fundraising activities (+/-)		
D) Costs and expenses on financing and investing activities	2022		D) Revenues, annuities and income from financing and investing activities	2022	
1) Bank interest expense			1) Bank interest income		
2) Interest on loans			2) From other investments		
3) On real estate portfolio			3) From real estate portfolio		
4) On other assets			4) From other assets		
5) Provisions for risks and charges			5) Other income		
6) Other expenses					
Total			Total		
			Surplus/shortfall from financial income and charges (+/-)		
E) General support costs	2022		E) Income from general support activities	2022	
1) Raw materials, consumables, supplies and goods			1) Income from personnel secondment		
2) Services			2) Other income from general support activities		
3) Use of third party assets					
4) Personnel expenses					
5) Amortisation and depreciation					
5bis) Write-downs of tangible and intangible fixed assets					
6) Provisions for risks and charges					
7) Other expenses					
8) Accruals to reserves restricted by the foundation's bodies					
9) Use of reserves restricted by the foundation's bodies					
Total			Total		
Total costs and expenses	671,648		Total income and expenses	387,142	
			Pre-tax shortfall (+/-)	(284,506)	
			Income taxes	216	
			Shortfall for the year (+/-)	(284,722)	
Unrealised costs	2022		Unrealised income	2022	
1) for general interest activities			1) from general interest activities		
2) for other activities			2) from other activities		
Total			Total		

(Translation from the Italian original which remains the definitive version)

EUREKA INSTITUTE FOR TRANSLATIONAL MEDICINE ETS.

Registered office in VIA NECROPOLI GROTTICELLE 17/A - 96100 SYRACUSE (SR) Endowment capital: €30,000

Registered with the Italian register of non-profit bodies

Financial statements as at and for the year ended 31 December 2022 Report on activities

Report on activities, general section

Eureka Institute for Translational Medicine (“Eureka” or the “foundation”) is non-partisan and is not aligned with any trade unions. It is a non-profit organisation established to pursue civic, solidarity and social benefit goals. It mainly carries out the activities referred to in article 5.d/g/h/i of Legislative decree no. 117/2017, as subsequently amended, specifically, scientific research and training. The main purpose therefore is to develop and support all study and research activities in the biomedical field, particularly that of translational medicine (“TM”). The goal of TM is to advance an idea - a molecular medicine concept - through to development in a clinical setting in order to create new treatments for diseases. It encompasses several specialist areas: from molecular medicine to the development and protection of discoveries, the identification and use of resources, the design of pre-clinical studies for the development and validation of a concept, with the end goal of developing new treatments for human diseases.

The foundation’s activities take place in the education and research sector.

Educational activities take place by harnessing and adapting technologies (including the internet), and adopting different approaches depending on the goals and needs. Like those of research, the educational activities take place at local, regional and global level. They include various educational initiatives, including the programme offered each year in Syracuse or within Eureka’s global footprint, as well as conferences or single- or multi-themed courses, which can also be delivered online. A Master of International Translational medicine (MTM) is the keystone-course of these activities.

Research activities span the foundation’s international footprint, with members collaborating on joint projects and across seniority levels, from the exchange of ideas, reagents and protocols through to fully integrated cooperation. The free movement of people at all levels - professors and students - is strongly encouraged and facilitated.

The foundation is supported by contributions received under the agreements signed with public and private bodies, particularly universities.

The foundation’s goal is to transparently and efficiently identify, attract, distribute and administer funds, resources and support for research, education and creating a network of excellence in the field of translational medicine.

General information on the foundation

Eureka Institute for Translational Medicine was set up in 2008 in Italy as a non-profit organisation. This created the opportunity to create a network of academic and industry partners, faculty and alumni capable of expanding the teaching and practice of TM.

Over the recent decades, Eureka has continued to focus on initiating collaborative TM programmes that address unmet patient needs. To accomplish this, Eureka leverages its members and coalesces their immense potential into a network with a shared Eurekaian vision: to develop TM in order to address unmet medical needs.

On 30 July 2021, the Eureka association became a foundation, with effect from the date of its registration in the new Italian register of non-profit bodies on the basis of the Sicily Regional decree no. 39 of 25 January 2022, notified on 31 January 2022.

In order to achieve this shared vision, Eureka's strategies are based on three pillars:

- - **Education** - TM training courses for medical professionals.
- - **Building community** - expanding a network of TM professionals which is fully equipped to promote the development of actual TM studies.
- - **Research** - developing a group of new TM professionals to bridge the gaps and provide tutoring in TM research.

Mission and general interest activities

Registered offices and activities

Master of International Translational Medicine (MITM)

Eureka and Duke-NUS Medical School have partnered to develop a part-time master's degree course for 11 students with a January 2022 intake.

Arizona Seasonal School

The University of Arizona and Eureka jointly organised the inaugural Certificate in translational medicine for 31 students in Arizona, USA, held from 5 to 8 March 2022.

Eureka International Certificate Course in TM (ICC_TM)

ICC_TM is Eureka's signature annual event which trains TM medical professionals from all over the world.

In March/April (27 March – 2 April) and October (from 23 to 29 October) 2022, Eureka held two ICC_TM courses in Syracuse, Italy, with 26 and 25 students, respectively, to make up for the courses not held in 2020 and 2021 due to the international measures to combat the Covid-19 pandemic.

International Certificate Course in Translational FinMed (ICC_TFM)

After the partnership with the University of Catania (UOC) and Bocconi University (UOB) in 2021, Eureka organised an inaugural ICC_TFM in Syracuse with UOC and UOB for 20 students.

Cancer Research UK Eureka Virtual School (CRUK)

Eureka and CRUK jointly organised a virtual TM course focused on oncology research, held from 10 to 13 May 2022 for 14 students.

Summer certification courses

From 3 to 8 July 2022, Eureka and the University Medical Centre Utrecht (UMCU) jointly organised an annual TM certificate course for 29 students in Utrecht, the Netherlands.

Eureka 4.0

Eureka held a virtual event to share its preliminary vision with its members on 21 September 2022.

Eureka reunion meeting

On 19 October 2022, Eureka held a reunion with Eureka members in Milan, Italy, to share and shape its blueprint for the future.

Eureka Monsoon Certificate Course

From 14 to 18 November 2022, Eureka and SingHealth Duke-NUS Academic Medical Centre (SHDN) jointly organised the annual TM certificate course for 36 students in Singapore.

Eureka's mentoring programme

The Eureka Mentorship programme was initially piloted in 2019 as part of the Pathway project developed for translational scientists. The project's goal is to bring together mentors and students and to create an environment that fosters the possibility of successful partnerships. To do this, mentors and mentees are assigned to each other after an online course to prepare both parties. A personal portfolio integrated into the online courses to guide professional development can be used as preparation before beginning a mentorship session.

Eureka's current pilot mentoring programme uses a programme updated in 2023 and involves the participants both of the Utrecht 2022 summer certificate course and the October 2022 ICC_TM.

Listing in the Italian register of non-profit bodies and tax regime applied

The foundation is listed in the ITALIAN REGISTER OF NON-PROFIT BODIES in the OTHER NON-PROFIT BODIES section.

Direct taxes

The flat tax regime is applied to the small amount of the foundation's activities that qualify as commercial (article 145 of Presidential decree no. 917/1996).

VAT

The foundation has a VAT code because, when carrying out its institutional activities, parties other than supporters/partners may ask to take part in the training courses (even though these requests only account for a small proportion of all attendees) that the foundation organises for its supporters free of charge. In these cases, the foundation issues an invoice duly applying output VAT. On a prudent basis, the foundation does not treat the input VAT paid on its purchases as offsettable against the output VAT as it relates to the institutional rather than commercial side of its activities.

Members, the founder and the activities carried out for them

Member participation in the life of the foundation

The foundation was formed through the transformation of the association of the same name. Accordingly, the foundation's founder is the former association which ceased to exist on the incorporation of the foundation.

The following partnerships/activities were commenced in 2022:

Partnership with Università Vita Salute San Raffaele

Eureka and Università Vita Salute San Raffaele began working together in 2022 on opportunities for collaboration in the field of TM.

Partnership with KK Women's and Children's Hospital (KKH)

Eureka and KKH worked together in 2022 to establish a web application portal for the Understanding Childhood (Chronic) Ailments Network (UCAN-A) project.

Eureka Community Network(ECN)

ECN was launched digitally using the VeryConnect platform in 2021, reaching over 1,000 Eurekaians that have taken part in past Eureka events.

Basis of presentation

These financial statements:

- are the first prepared by the foundation, which came into existence with its listing in the Italian register of non-profit organisations on the basis of Sicily Regional decree no. 39 of 25 January 2022, notified on 31 January 2022;

- have been prepared in compliance with article 13.1/3 of Legislative decree no. 117 of 3 July 2017 (the "non-profit sector code" or the "code").

Pursuant to article 13 of the code, these financial statements comprise a balance sheet, a statement of activities showing the foundation's income and expenses, and this report which discusses the financial statement captions, the financial performance and how the foundation pursues the goals established in its by-laws.

Pursuant to the decree issued by the Ministry of labour and social policies on 5 March 2020 and reiterated by the Italian reporting standard ("OIC") 35, issued in February 2022, the financial reporting by non-profit bodies shall comply with the general provisions, the general financial statements principles and the accounting policies respectively set out in articles 2423, 2423-bis and 2426 of the Italian Civil Code and the OIC, as they are compatible with the absence of a for-profit purpose and with the civic and solidarity and social benefit goals of non-profit bodies.

Accordingly, these financial statements comply with the recognition and measurement rules of the OIC, with the exception of the specific requirements of OIC 35, as described in the report on activities prepared pursuant to the aforesaid ministerial decree and which forms an integral part of these financial statements.

The figures included in the financial statements are rounded to whole Euros.

The report on activities provides the disclosures on the balance sheet and statement of activities captions following the order in which they are presented in financial statements. It describes the financial performance and how the foundation is managed and pursues the goals established in its by-laws.

Basis of preparation

(Articles 2423 and 2423-bis of the Italian Civil Code)

The captions were measured in accordance with the general principles of prudence and accruals on a going-concern basis.

Under the prudence principle, the foundation measures the individual assets and liabilities separately, in order to avoid offsetting losses that should be recognised against unrealised profits that should not be recognised.

In accordance with accruals-based accounting, the foundation recognises the effects of transactions in the year to which the transaction relates rather than that in which the associated collections and payments occur.

Continuity of the accounting policies applied is necessary for the comparability of financial statements from year to year.

Captions were recognised and presented in accordance with the substance over form principle.

Exceptional events pursuant to article 2423.5 of the Italian Civil Code

None.

Changes in accounting policies

As this is the first year the financial statements have been prepared, there are no changes in the accounting policies.

Correction of material errors

As this is the first year the financial statements have been prepared, there are no corrections of material errors.

Comparability and adaptation

As 2022 was the first year of the foundation, there are no previous year financial statements to be used as a basis for comparison. The now-transformed association was not required to prepare financial statements and the accounting system adopted was on a cash basis, similar to that of public bodies.

Accounting policies

(Article 2426.1 of the Italian Civil Code)

Fixed assets

Intangible fixed assets

These include a software used by the foundation to manage bookings of its training courses.

Intangible fixed assets are recognised at acquisition cost, including related costs, and are shown net of any write-downs and the accumulated amortisation charged to the individual captions on a straight-line basis over the ordinary life of five years.

Amortisation begins when the asset becomes available for use. The amortisation pattern depends on how the related benefits are expected to flow to the foundation. The amortisation rate for 2022 is the ordinary rate (20%) applied on a pro-rata basis.

Receivables

Receivables are rights to receive fixed or determinable amounts of cash or its equivalent, or assets/services having an equivalent value, from customers or other third parties at identified or identifiable due dates.

Receivables have been recognised at their nominal amount rather than at amortised cost because the effects of the application of the latter method are immaterial for the purposes of giving a true and fair view, as is generally the case for current receivables.

Receivables are recognised at their estimated realisable value, by writing down their carrying amount through the provision for bad debts, in order to provide for any risk of impairment. The foundation considers specific indicators based on past trends and any other useful information about a probable impairment. The write-downs are estimated on an individual basis for significant receivables and collectively for the others,

by calculating the expected impairment losses at the reporting date.

Liquid funds

These are the positive balances of bank and postal accounts and cheques, as well as the cash-in-hand and cash equivalents at year end. Bank and postal accounts and cheques are recognised at their estimated realisable value, cash and revenue stamps at their nominal amount, while foreign currency is translated into Euros at the closing rate.

Payables

Payables have been recognised at their nominal value rather than at amortised cost because the effects of the application of the latter method are immaterial for the purposes of giving a true and fair view, as is generally the case for current payables.

Prepayments and accrued income, accrued expenses and deferred income

Accrued income and expenses are respectively portions of income and expenses pertaining to the year but that will be collected/paid in subsequent years.

Prepayments and deferred income are respectively portions of expenses and income collected/paid during the year or in previous years but pertaining to one or more subsequent years.

Accordingly, these captions comprise only portions of expenses and income relating to two or more years, whose amount varies on a time or economic accruals basis.

At each year end, the foundation analyses the conditions underlying their initial recognition and makes any necessary adjustments. Specifically, the balance of accrued income varies not only over time, but also based on its expected realisable value, whereas that of prepayments is based on the existence of future economic benefits matching the deferred costs.

Unilateral transactions

Pursuant to OIC 35, assets arising from unilateral transactions, i.e., those for which no goods or services are provided in return (e.g., donations, *5 per mille* contributions, fundraising, contributions, etc.) are recognised at fair value at their date of acquisition. Pursuant to OIC 35.10, a balancing entry is recognised under income in the statement of activities.

Although contributions made by partners to the foundation are unilateral, as the underlying arrangement cannot be defined as bilateral contracts, this does not mean that Eureka can arbitrarily dispose of the funds received, as the amounts must be allocated to the pursuit of the foundation's purposes established in its by-laws. In this respect, in order to achieve its institutional goals, the foundation may invite partners and other professionals to participate in the foundation's training sessions. Considering that such meetings often take place (at least once a year) where Eureka is based (in Syracuse, Italy, as per the foundation's by-laws), so as not to burden the supporting partners with costs that are related to the foundation, the latter covers their expenses.

In one specific case (agreement with KKH), at the express desire of the partners, the amounts received by Eureka as a contribution towards the achievement of the institutional goals funded the development of an accessible database with a dedicated software application accessible online.

Fair value measurement

Since the foundation solely carries out cash transactions, which can be measured objectively, there is not need to measure their fair value. Assets are recognised at fair value when it can be measured reliably.

Assets acquired for a symbolic value compared to their actual market value are recognised in line with the

requirements for unilateral transactions.

Inventory items received free of charge during the year may be recognised at fair value at year end, rather than at their fair value on initial recognition.

Government grants

Government grants related to income are recognised in accordance with OIC 35.25.

Membership fees and capital proceeds

Membership fees or capital proceeds to be received from the founder are recognised under caption A) Membership fees or capital proceeds to be received.

Membership fees or capital proceeds received are recognised in:

- a) net worth in caption AI) Endowment capital when they relate to the foundation's initial endowment;
- b) the statement of activities in caption A1) Membership fees and capital proceeds, in the other cases, unless available evidence shows that the nature of the transaction is to strengthen the foundation's net worth (e.g., recapitalisation).

Membership fees and capital proceeds are recognised in the statement of activities in the year they are received or due.

Restricted reserves and payables for conditional donations

There are no restricted reserves, nor are they required to be set up.

Provisions for risks and charges

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount or due date is unknown at the reporting date. Specifically, provisions for risks relate to specific liabilities whose occurrence is probable and amount estimated, while provisions for charges relate to specific liabilities, whose occurrence is certain and amount or due date estimated, that arise from obligations already taken on at the reporting date but which will be paid in subsequent years.

Accruals to provisions for risks and charges are primarily recognised in the statement of activity section to which the transaction relates, privileging the classification of costs by nature. The amount of the accruals to the provisions is based on the best estimate of costs, including the legal expenses, at each reporting date and is not discounted.

If the measurement of the accruals gives a range of values, the accrual represents the best possible estimate between the upper and lower thresholds of the range.

The provisions are subsequently used directly and solely for those costs and liabilities for which they were originally set up. If they are not sufficient or are redundant, the shortfall or surplus is recognised in the statement of activity in line with the original accrual.

Income taxes

Current income taxes are calculated on the basis of a realistic forecast of the tax base under the relevant tax legislation and applying the enacted tax rates at the reporting date.

Deferred tax assets and liabilities are calculated on the accumulated amount of all temporary differences between the carrying amounts of assets and liabilities and their tax base that will reverse in subsequent years. Deferred tax assets and liabilities are recognised when the temporary differences arise and are calculated at the tax rates that will be applicable in the year in which the temporary differences reverse, if they have already been established at the reporting date, otherwise at the enacted tax rates at the reporting date.

Deferred tax assets arising from deductible temporary differences and tax losses carried forward are

recognised and maintained only if the foundation is reasonably certain that it will have tax bases or available taxable temporary differences greater than the amount of the deductible temporary differences that will reverse in the relevant years.

Costs and charges/revenues, annuities and income

Costs and charges/revenues, annuities and income are classified in the statement of activities by nature depending on the activity to which they relate:

- a) Costs and charges/revenues, annuities and income from general interest activities, defined by the ministerial decree as costs and income items arising from the performance of the general interest activities referred to in article 5 of Legislative decree no. 117 of 2 August 2017 as amended, irrespective of whether they have been carried out on a commercial or non-commercial basis;
 - b) Costs and charges/revenues, annuities and income from other activities, defined by the ministerial decree as costs and income items arising from the performance of the other activities referred to in article 6 of Legislative decree no. 117 of 2 August 2017 as amended, irrespective of whether they have been carried out on a commercial or non-commercial basis;
 - c) Costs and charges/revenues, annuities and income from fundraising activities, defined by the ministerial decree as costs and income items arising from the performance of the occasional and regular fundraising activities referred to in article 7 of Legislative decree no. 117 of 2 August 2017 as amended;
 - d) Costs and charges/revenues, annuities and income from financing and investing activities, defined by the ministerial decree as costs and income items arising from fundraising and interest-bearing investments, mainly related to the management of real estate assets, where such activities are not general interest activities as per article 5 of Legislative decree no. 117 of 2 August 2017 as amended. For general interest activities, the related income is recognised under section A of the statement of activities;
 - e) Costs and charges and income from general support activities that are considered costs and income items but which do not fall under the other areas.
- Income is also classified in the statement of activities under the most appropriate caption (e.g., donations, *5 per mille* contributions, fundraising, etc.)

Notional costs and income

None.

Translation of foreign currency amounts

None.

Commitments, guarantees and contingent liabilities

None.

Balance sheet assets

A) Membership fees or capital proceeds to be received

B) Fixed assets

(Point 4 of Form C attached to the Ministerial decree of 5 March 2020)

Changes in fixed assets, specifying for each caption: cost; any contributions received; previous revaluations; amortisation/depreciation and write-downs; acquisitions, reclassifications from one caption to another; sales of the year; revaluations; amortisation/depreciation and write-downs of the year; total revaluations of fixed assets at year end

I-Intangible fixed assets

Changes in intangible fixed assets

	Start-up and capital costs	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Assets under development and payments on account	Other	Total intangible fixed assets
Opening balance								
Cost								
Contributions received								
Revaluations								
Amortisation (Accumulated amortisation)								
Write-downs								
Carrying amount								
Changes of the year								
Acquisitions			8,241					8,241
Contributions received								
Reclassifications (of the carrying amount)								
Sales and disposals (of the carrying amount)								
Revaluations								
Amortisation			1,512					1,512
Write-downs								
Other changes								
Total changes			6,729					6,729
Closing balance								
Cost			8,241					8,241
Contributions received								
Revaluations								
Amortisation (Accumulated amortisation)			1,512					1,512
Write-downs								
Carrying amount			6,729					6,729

C) Current assets

IV-Liquid funds

Liquid funds total €469,704, representing the cash-in-hand and cash equivalents at the reporting date.

D) Prepayments and accrued income

(Point 7 of Form C attached to the Ministerial decree of 5 March 2020) – breakdown of prepayments and accrued income

Prepayments and accrued income total €2,745 and include income and expenses that refer to a year before or after that in which they are collected or paid; they are recognised on an accruals basis regardless of when the related income or expense relating to two or more years is cashed or paid.

The accounting policies and foreign currency translation criteria adopted for these items are described earlier in this report.

There are no prepayments or accrued income pertaining to periods exceeding five years.

This caption may be analysed as follows:

Prepayments

Third-party services (IT, telecommunications, etc.) €2,745

Balance sheet liabilities

A) Net worth

Changes in net worth

(Point 8 of Form C attached to the Ministerial decree of 5 March 2020)

The changes in the restricted and unrestricted portions of net worth are set out below:

	Opening balance	Allocation of the surplus/coverage of the shortfall for the previous year	Other changes			Shortfall for the year	Closing balance
			Increases	Decreases	Reclassification s		
Endowment capital							30,000
Restricted net worth							
Statutory reserves							
Reserves restricted by the foundation's bodies							

Reserves restricted by third parties								
Total restricted net worth								
Unrestricted net worth								
Income- or surplus-related reserves								661,789
Other reserves								
Total unrestricted net worth								661,789
Shortfall for the year							(284,722)	(284,722)
Total net worth							(284,722)	407,067

Origin, possible use, nature and duration of the restrictions on net worth

Net worth can be analysed by origin, possible use, the nature and duration of any restrictions and their utilisation in previous years as follows:

	Amount	Origin/nature	Possible use	Available portion	Restricted portion			Use in the past three years	
					Amount	Nature of the restriction	Duration	To cover shortfalls	Other
Endowment capital	30,000								
Restricted net worth									
Statutory reserves									
Reserves restricted by the foundation's bodies									
Reserves restricted by third parties									
Total restricted net worth									
Unrestricted net worth									
Income- or surplus-related reserves	661,789								
Other reserves									
Total unrestricted net worth	661,789								
Shortfall for the year	(284,722)								

Total net worth	407,067								
------------------------	---------	--	--	--	--	--	--	--	--

D) Payables

Maturity

Payables may be broken down by maturity bracket as follows (article 2427.1.6 of the Italian Civil Code):

(Point 6 of Form C attached to the Ministerial decree of 5 March 2020) – payables due after five years and payables collateralised by company assets, specifying the nature of the collateral

	Due within one year	Due after one year	Due after five years
Bank loans and borrowings			
Other loans and borrowings			
Loans and borrowings from members and the founder			
Payables to bodies of the same network			
Conditional donations			
Payments on account			
Trade payables	15,968		
Payable to subsidiaries and associates			
Tax payables	2,271		
Social security charges payable			
Employees and consultants			
Other payables			
Total payables	18,239		

Payables are recognised at their nominal amount.

Tax payables includes only the liabilities for certain taxes of a known amount.

They relate exclusively to IRES.

Accrued expenses and deferred income

(Point 7 of Form C attached to the Ministerial decree of 5 March 2020) – breakdown of accrued expenses and deferred income

This caption may be analysed as follows (article 2427.1.7 of the Italian Civil Code).

It includes the prepayments and accruals recognised on an accruals basis.

The accounting policies and foreign currency translation criteria adopted for this caption are described earlier in this report.

There are no prepayments or accrued income pertaining to periods exceeding five years.

This caption may be analysed as follows:

Accrued expenses

Services and consulting, invoices to be received €15,653

Deferred income

Deferred membership fees/partner contributions €38,219

Statement of activities

(Point 11 of Form C attached to the Ministerial decree of 5 March 2020) – analysis of the main statement of activities captions, grouped by category, showing the exceptional individual revenues and cost items

OIC 35 - the aim of this disclosure is to enable financial statements users to assess the foundations' performance, net of non-recurring items of an exceptional amount or impact on the surplus/shortfall for the year.

The main cost caption is services, which come to €632,081.

The main items under services (accounting for over 91% of the total costs for services) are:

- €290,487 for travel, food and accommodation related to the events organised by the foundation;

- €168,982 for management consulting services;

- €118,026 for IT and consulting services for the management of the foundation's marketing and website.

Revenues are solely comprised of the various contributions and membership fees received by the foundation.

Donations include contributions of €31,972 received from the KK WOMEN'S AND CHILDREN Hospital for a specific project mentioned above.

The foundation does not have any employees and does not avail of volunteers as per article 17.1 of the non-profit sector code.

(Point 9 of Form C attached to the Ministerial decree of 5 March 2020) – expenses and reinvestment of funds or contributions received for specific purposes

The following information on deferred taxation is provided pursuant to article 2427.1.14 of the Italian Civil Code:

Deferred taxation

None.

Fees to the board of directors, the board of statutory auditors and the independent auditors

Point 14 of Form C attached to the Ministerial decree of 5 March 2020) – fees due to the board of directors, the board of statutory auditors and the independent auditors

	Board of directors	Board of statutory auditors	Independent auditors
Fees		5,000	5,000

The board of directors is comprised of Salvatore Albani and Berent Prakken, who have carried out and continue to carry out their activities for the foundation free of charge. The only amounts they receive relate to the reimbursement of travel expenses incurred in the foundation's interest.

Proposal to allocate the surplus or to cover the shortfall

(Point 17 of Form C attached to the Ministerial decree of 5 March 2020) – proposal for the allocation of the surplus, stating any restrictions on its partial or full use, or to cover the shortfall

We propose you cover the shortfall for the year with the surplus generated by activities carried out in the years before Eureka's transformation into a foundation.

The foundation's financial performance and how it pursues the goals set out in its by-laws

The foundation's financial position and financial performance

(Point 18 of Form C attached to the Ministerial decree dated 5 March 2020) – the foundation's financial position and financial performance (if material, including financial and non-financial indicators, as well as a description of the main risks and uncertainties; disclosure of relationships with other bodies and with any network of associations)

In what was essentially the first post-Covid-19 pandemic year, the foundation resumed its in-person training and information activities in 2022. The cost of these events outweighed the revenues for the year and was covered by the savings and surpluses accumulated in the pandemic years, when the partners were not able to benefit from the foundation's (formerly an association) scientific activities, despite having paid their contributions. The foundation, therefore, decided to ramp up its scientific and training activities to make up for the previous two years. As well as increasing our visibility and credibility in the scientific field, this strategy is important because it rewards our supporters' decision to share in the Eureka project.

The structure of the foundation's management costs is simple. They mostly comprise technical consulting services (the most significant of which is the collaboration with Manuela Battaglia), travel and transfer costs (the Eureka network lecturers come from all over the world and offer their services completely free of charge), rental costs for the venue in Syracuse used to host the annual meeting and services costs (mostly IT), which ensure the visibility of our foundation, its continuation and increasing recognition (<https://eurekainstitute.org/>).

Costs and expenses	671,647
A) Costs and expenses for general interest activities	670,135
A.1) Raw materials, consumables, supplies and goods	1,330
A.1.1) Purchases	1,330,
A.2) Services	632,081
A.2.6) Industrial services	800.00
A.2.16) Technical consulting services	168,981
A.2.17.3) Fees for term-contract work directly related to the activities	3,250
A.2.20.1) Statutory auditors' fees	10,200
A.2.43.2) Accounting, payroll and tax returns	37,210
A.2.51) Postal costs	78
A.2.52) Bank fees	2,864
A.2.53.1) Sundry insurance	11
A.2.55) Entertainment costs	172
A.2.59) Travel (train, plane, car, etc.)	115,640

A.2.61) Food and accommodation related to events	174,846
A.2.64.1) IT and consulting services for internet/communications	118,025
A.3) Use of third-party assets	32,494
A.3.a.1) Rentals and leases	32,272
A.3.e) Other	222
A.7) Other operating costs	4,229
A.7.3) Stamp duties	100
A.7.12.1) Other taxes and duties	191
A.7.24) Prior year expense	3,938
B) Costs and expenses for other activities	30
B.2) Services	30
B.2.64.1) Other	30
E) General support costs	1,481
E.5) Amortisation and depreciation	1,481
E.5.a) Amortisation of intangible fixed assets	1,481
E.5.a.3) Amortisation of industrial patents and intellectual property rights	1,481
Revenues, annuities and income	387,141
A) Revenues, annuities and income from general interest activities	381,141
A.1) Membership fees and capital proceeds	349,169
A.1.a) Membership fees	349,169
A.4) Donations	31,972
A.4.b) Donations from non-members	31,972
Shortfall from general interest activities	-288,994
B) Revenues, annuities and income from other activities	6,000
B.3) Revenues from services and sales to third parties	6,000
B.3.a) Revenues from services and sales to third parties	6,000
Surplus from other activities	5,969
Shortfall from general support activities	-1,481
Pre-tax shortfall	-284,506
Income taxes	216
a) Current taxes	216
Shortfall for the year	-284,722

(figures are rounded to the nearest whole Euro)

Outlook and expected financial soundness

The foundation has begun making up for the activities that were put on hold by the former Eureka Association during the Covid-19 pandemic. A significant surplus was generated during these years and the foundation has a moral obligation to make up for what our supporters missed during the emergency period. It is therefore likely that the foundation's 2023 financial statements will show a shortfall but it will be well within the limitations to safeguard the foundation's sound net worth.

Details on how the goals set out in the by-laws will be pursued, with specific reference to the general interest activities

The foundation will pursue the goals set out in the by-law by following three main general interest areas:

- **Education** - TM training courses for medical professionals.
- **Building community** - expanding the network of TM professionals.

- **Research** - building a group of new TM professionals to bridge the gaps in the sector and provide tutoring in TM research.

The contribution of other activities to the pursuit of the foundation's mission and their non-core and instrumental nature

The foundation currently concentrates its mission on the main activities (TM training and dissemination). It does not currently pursue other or non-core activities.

Statement of compliance

The undersigned, Salvatore Albani, born in Syracuse on 30 August 1960, aware of the criminal liability under article 76 of Presidential decree no. 445/2000 in the event of false or misleading statements made pursuant to article 47 of the same decree, states that these financial statements are consistent with the original version lodged at the foundation's registered office.