GOOD SHEPHERD INTERNAZIONAL FOUNDATION – E.T.S.
Via Raffaello Sardiello n. 20 – ROME (RM)
Cod. Irs. 97512090586
Registered in the Register of Third Sector under no. 119428
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REPORT OF THE INDEPENDENT STATUTORY AUDITOR PURSUANT TO ART. 14 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010

To the Board of Directors of

Good Shepherd International Foundation E.T.S.

Report on the audit of the Financial Statements

Opinion on the Financial Statements

I carried out the audit of the financial statements of the "*Good Shepherd International Foundation E.T.S.*" (hereinafter also the " Foundation"), consisting of the balance sheet as at 31.12.2023 and the management report for the year ended on that date and the sections "General part" and "Illustration of the financial statements" included in the *"Mission Report"*. The aforementioned financial statements have been prepared in accordance with the Italian rules governing the criteria for drawing them up.

In my opinion, the financial statements provide a true and fair representation of the financial position of the *Good Shepherd International Foundation – E.T.S.* as at 31.12.2023 and of the economic result for the year ended on that date in accordance with the Italian rules governing its drafting criteria.

Elements underlying the opinion

I carried out the audit in accordance with international auditing standards (ISA Italy). My responsibilities under these principles are further described in the paragraph *"Responsibilities of* the *Statutory Auditor for auditing the financial statements"* of this report. I am independent of the *Good Shepherd International Foundation – E.T.S.* in accordance with the rules and principles on ethics and independence applicable in the Italian legal system to the audit of the financial statements. I believe that I have acquired sufficient and appropriate audit evidence on which to base my opinion.

Other aspects

The financial statements shall present for comparative purposes the corresponding figures for the previous financial year. These data derive from the financial statements as at 31.12.2022 prepared on the basis of the criteria illustrated in the relevant explanatory notes and audited by the undersigned who on 25.05.2023 issued a conformity opinion without modification.

Responsibilities of the Board of Directors and the Control Body of Good Shepherd International Foundation – E.T.S. for the financial statements

The Board of Directors is responsible for the preparation of the financial statements that provide a true and correct representation in accordance with the Italian rules governing the drafting criteria and, within the terms provided for by law, for that part of the internal control deemed necessary by the same to allow the preparation of a financial statement that does not contain significant errors due to fraud or unintentional behavior or events.

The Board of Directors is responsible for assessing the Foundation's ability to continue to operate as a functioning entity and, in preparing the financial statements, for the appropriateness of the use of the assumption of going concern, as well as for adequate information on the subject.

The Board of Directors uses the assumption of going concern in the preparation of the financial statements unless it has noted the existence of causes of extinction or dissolution and consequent liquidation of the Foundation or conditions for the interruption of the activity or has no realistic alternatives to these choices.

The Control Body is responsible for supervising, within the terms provided for by law, the process of preparing the financial information of the Foundation.

Responsibilities of the Statutory Auditor for the audit of the financial statements

My objective is to obtain a reasonable assurance that the financial statements as a whole do not contain material error, due to fraud or unintentional behaviour or events, and to issue an audit report that includes my opinion. Reasonable security means a high level of security which, however, does not provide a guarantee that an audit carried out in accordance with International Auditing Standards (ISA Italy) will always detect a significant error, if any. Errors may result from fraud or unintentional behaviour or events and shall be considered significant where it can reasonably be expected that they, individually or as a whole, will be able to influence users' economic decisions made on the basis of the financial statements.

As part of the audit carried out in accordance with international auditing standards (ISA Italy), I exercised professional judgment and maintained professional scepticism throughout the duration of the audit.

In addition:

- I have identified and evaluated the risks of significant errors in the financial statements, due to fraud or unintentional behavior or events; I have defined and carried out audit procedures in response to these risks; I have acquired sufficient and appropriate audit evidence on which to base my judgment. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error resulting from unintentional behaviour or events, since fraud may involve the existence of collusion, falsification, intentional omissions, misleading representations or forcing internal control;

- I have acquired an understanding of internal control relevant for audit purposes in order to define appropriate audit procedures in the circumstances and not to express a judgment on the effectiveness of the internal control of the Entity;

- I have evaluated the appropriateness of the accounting principles used as well as the reasonableness of the accounting estimates made by the Board of Directors, including the related disclosure;

- I came to a conclusion on the appropriateness of the Board of Directors' use of the going concern assumption and, based on the audit evidence acquired, on the possible existence of significant uncertainty regarding events or circumstances that may give rise to significant doubts about the Foundation's ability to continue to operate as a functioning entity. In the event of significant uncertainty, I must either draw attention in the audit report to the relevant financial statements or, if such disclosure is inadequate, reflect this fact in the formulation of my opinion. My conclusions are based

on the audit evidence acquired up to the date of this report. However, subsequent events or circumstances may result in the Foundation ceasing to operate as a functioning entity;

- I have evaluated the presentation, structure and content of the financial statements as a whole, including the disclosures, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation;

- I communicated to the heads of *governance activities,* identified at an appropriate level as required by ISA Italia, among other aspects, the scope and timing planned for the audit and the significant results that emerged, including any significant deficiencies in internal control identified during the audit.

Report on other legal and regulatory provisions

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

The Board of Directors of *"Good Shepherd International Foundation E.T.S."* is responsible for the preparation of the section "Illustration of the economic and financial performance of the institution and the methods of pursuing the statutory purposes" included in the Foundation's Mission Report as at 31.12.2023, including its consistency with the related financial statements and its compliance with the law.

I carried out the procedures indicated in the auditing standard (ISA Italia) 720B in order to express an opinion on the consistency of the section *"Illustration of the economic and financial performance of the institution and the methods of pursuing the statutory purposes"* included in the Mission Report with the Good Shepherd International Foundation – E.T.S. financial statements as at 31.12.2023 and on the compliance of the same with the law, as well as to issue a statement on any significant errors.

In my opinion, the section "*Illustration of the economic and financial performance of the institution and the methods of pursuing the statutory purposes"* included in the Mission Report is consistent with the financial statements of *"Good Shepherd International Foundation E.T.S."* as of 31.12.2023 and is drawn up in accordance with the law.
With reference to the declaration referred to in art. 14, paragraph 2, letter e), of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the Foundation and its context acquired during the auditing activity, I have nothing to report.

Milan, 5 June 2024

Antonello De Gennaro

(Registered in the Italian Register of Statutory Auditors with no. 17997)

GOOD SHEPHERD INTERNATIONAL FOUNDATION E.T.S.

Tax code 97512090586
Endowment Fund Euro 150,000.00
Single Third Sector Register No. 119428

Report of the Control Body of the Balance sheet ending December 31, 2023

To the Board of Directors of the "GOOD SHEPHERD INTERNATIONAL FOUNDATION E.T.S."

Dear Directors,

The financial statements for the year ended December 31, 2023 of the "Good Shepherd International Foundation E.T.S." - Entity endowed with legal personality - submitted to you for approval has been prepared in compliance and observance with the provisions of law, the Foundation's Statutes, and in accordance with the accounting standards for non-profit entities and the Guidelines for the preparation of financial statements of non-profit entities approved by the former "Agency for the Third Sector", and consists of the Balance Sheet, the Management Statement, the Mission Report, accompanied by the statements of items and changes from the previous year. The financial statements show an accrued surplus of 24,842.00 euros already net of tax and total assets of 2,972,132.00 euros.

The Social Report was also prepared taking account of the fact that the Foundation exceeds the size limits imposed by law.

In carrying out the entrusted mandate, the undersigned Control Body has referred to the rules of the Statutes, to the behavioral rules contained in the document "Independent Control in Nonprofit Entities and the Professional Contribution of the Certified Public Accountant and Accounting Expert" and in the ODCEC document "Control Bodies in ETSs and the Legal Audit - Article 31 Legislative Decree 117/2017," recommended by the CNDCEC, as well as to the provisions of Article 25 of Legislative Decree No. 460/1997. Reference was also made to the provisions of Art. 2403 C.C. and Art. 14 of Legislative Decree No. 39/2010, adapting them to a control that has as its object a nonprofit entity and not a company. The Control Body took into account the intervening adherence of the entity to the regulations introduced by the Code of the Third Sector, pursuant to Legislative Decree

117/2017, also in light of the completion of the procedures for registration in the aforementioned register that took place during the year 2023.
As described in the mission report, the Foundation, in accordance with Article 101, c. 4 of Legislative Decree 117/2017, qualifies as an ETS in the "OTHER THIRD SECTOR BODIES" section and is subject to the requirements set forth in "Accounting Records and Financial Statements" in Article 13 of the aforementioned Legislative Decree (Ministry of Labor and Social Policy Note No. 19740 of December 29, 2021 and Note 55941 of April 5, 2022).

The Control Body was able to verify through the acquisition of information in RUNTS that the Foundation completed the process of registration in the new Single Third Sector Register at rep. no. 119428 on November 6, 2023.

The financial statements for the year 2023 is the third accounting year in respect of which the current Control Body, which took office on May 18, 2021, gives its opinion. On the other hand, the statutory audit was carried out by Dr. Antonello De Gennaro, Statutory Auditor, who had previously been appointed to perform both functions, i.e., that of the Control Body and at the same time also the Statutory Audit. The separation of these activities, as you will recall, took place during the 2021 fiscal year, in accordance with the statutory rules set forth in Article 17, keeping under Dr. De Gennaro only the Auditing activity.

During this fiscal year, the Control Body has not seen its composition change and the three regular members appear to have been contnuously Mr. Pierre Fortin, Chairman, Dr. Francesco Mengucci and Dr. Osvaldo Duilio Rossi, ordinary members.

During the year 2023, the Control Body has consistently held its organizational and fact-finding meetings - these activities are consistently and properly minuted - in order to facilitate an easier exchange of information between the Control Body and the Board of Directors, given that the presence of the Control Body at the meetings of the Governing Board is only occasional. However, the Control Body appreciated the involvement on the part of the Board of Directors through the invitations received to attend each meeting, with specific agendas for each.

The collaborative relationship with Dr. Cristina Duranti, Director of GSIF, and Dr. Calogero Gugliotta, Treasurer of GSIF, and, when necessary, also with the Legal Auditor Dr. Antonello De Gennaro, has also remained constant and fruitful.

A number of issues were shared in these forums, which are listed below:

1. The desirability of providing as much information as possible about the operating events represented in the financial statements, given the standards adopted by the Foundation and shared with the Auditor;
2. Compliance with the regulations related to privacy legislation, namely Regulation No. 679/2016 - so-called GDPR - has been verified;
3. Salary wages were further checked on the issue already expressly put forward in the previous fiscal year, so that the Foundation can affirm the correct proportion of them to individual *skills* and employees with high professional specialization;
4. It was verified that the members of the Board of Directors had been properly changed, and it was also suggested that the bylaws be updated to co-opt new Board members, thanks in part to the constant involvement of the Foundation's President Mr. Hubert Janssen, the Foundation's current chairman;
5. The work environment and the assessment of compliance with regulations on safety-related risks in the workplace and also compliance with gender equality regulations, i.e., the equal employment of male and female resources, was checked;
6. Emphasis was again placed on the monitoring of donations accounted for on an accrual basis based on documentation evidencing "economic promises and commitments for the disbursement of donations to GSIF" and the resulting constraints related to the use of funds not yet collected as of the end of the fiscal year;

Considering also the findings of the work carried out by the statutory auditor contained in its audit report on the financial statements, the undersigned Control Body:

- gained knowledge of and supervised the activities carried out by the Entity, and by the executive bodies thereof, on compliance with the law and the Articles of Association, and compliance with the principles of proper administration and operation of the Entity;

- Evaluated and supervised the adequacy of the administrative and accounting system and its reliability to correctly represent management events, and to promptly intercept and intervene on possible errors, through the acquisition of information provided by the heads of functions and from the examination of documentation, also as a result of the internal procedures adopted;

- Verified the lawfulness and traceability of the financial chain on both asset and liability transactions entered into, in compliance with anti-money laundering regulations, although the Foundation is only partially subject to the relevant requirements;

– audited the internal procedures adopted by the GSIF aimed at ensuring the proper operation and safeguarding the integrity of the Foundation's assets, ascertaining, as well, the existence of the prerequisites of continuity although this is not a postulate applicable to ENPs;

– has ascertained, either by direct participation or by meetings with the Board of Directors, that both the meetings of the Board of Directors and the meetings of the General Assembly have been conducted in compliance with the statutory, legislative, and regulatory provisions governing their operation, as a result of which it can be reasonably assured that the actions deliberated and the activities of the directors are in accordance with the law and the Articles of Association, and that the same are not manifestly imprudent, risky, or in potential conflict of interest, or otherwise such as to damage or compromise the assets of the Foundation and the rights of third parties; in this regard, it must be noted that the temporary excess of the number of Directors, starting in 2023, was fully corrected at the Extraordinay Meeting of the Board of June 13, 2024, adopting a change in the Statutes: therefor, it would be appropriate that the Board ratifies all previous Board Actions in order to formally correct them.

– ascertained that the suggestions, remarks and solicitations made during the periodic reviews have been acted upon by the Management by promptly making the highlighted corrections/changes;

– verified the correspondence of the Financial Statements to the facts of operations of which it became aware as a result of the performance of the mandate, having received confirmation from Dr. De Gennaro that the audit carried out by him had acquired all useful and necessary elements to ascertain whether the Financial Statements/Financial Statements themselves could be vitiated by significant errors, or whether they are, as a whole, reliable.

Therefore, it is believed that the work done and the information acquired provide a reasonable basis for the expression of the professional opinion, positive without reservation, on the financial statements of the Good Shepherd International Foundation E.T.S., which closed with a positive operating result for the year in the amount of 24,842.00 euros. This amount strengthens the endowment of the Institution with reference to profit reserves and operating surpluses that are not tied to specific projects and that could be used to increase the endowment fund for greater third-party security.

In the opinion of the writers, and insofar as verified, there appears to be no evidence to suggest that the financial statements-document consisting of the Balance Sheet, Management Statement, and Mission Report taken together-do not comply with the rules governing the criteria for their preparation, and that the same truly and fairly represents the financial position and results of operations of the Foundation for the year ended December 31, 2023, as well as

complies with the financial statement formats and information content prescribed for Third Sector Entities, expressing, therefore, a positive opinion on the same.

As a result of the foregoing, it is proposed that the Board of Directors approve the Financial Statements of the Good Shepherd International Foundation E.T.S., as of December 31, 2023, and the documents comprising them, as prepared and submitted to you, confirming their favorable opinion, without reservation, for your approval.

Rome, June 14, 2024

Avv. Pierre FORTIN

Dr. Francesco MENGUCCI

Dr. Osvaldo Duilio ROSSI